

86th ANNUAL

SUMMARY OF
ILLINOIS
FARM BUSINESS
RECORDS
2010

Commercial Farms
Production Costs
Income
Investments



UNIVERSITY OF ILLINOIS
EXTENSION

COLLEGE OF AGRICULTURAL, CONSUMER
AND ENVIRONMENTAL SCIENCES

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Summary of Illinois Farm Business Records for 2010
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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—5,774 cooperating farmers and 63 member field staff*
 July 1, 2011, distribution of cooperators by counties and associations

Associations and Field Staff

Associations and Field Staff

BLACKHAWK

606
 Jeffery L. Johnson
 Alan A. Petersohn
 Rodney B. Gieseke
 David A. Goodell
 Tonya M. Wiersema
 Adam W. Drinkall

WESTERN

750
 Gary R. Goodwin
 Roberta Boarman
 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

563
 Todd F. Behrends
 James E. Phelan
 Kevin E. Coultas
 John Kloppenburg
 Kent D. Leesman

LINCOLN

726
 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

159
 David J. O'Brien

ILLINOIS VALLEY

621
 Danny L. Stetson
 John A. Hudson
 Bradley G. Lenschow
 James P. McCabe
 Scott M. Newport

PIONEER

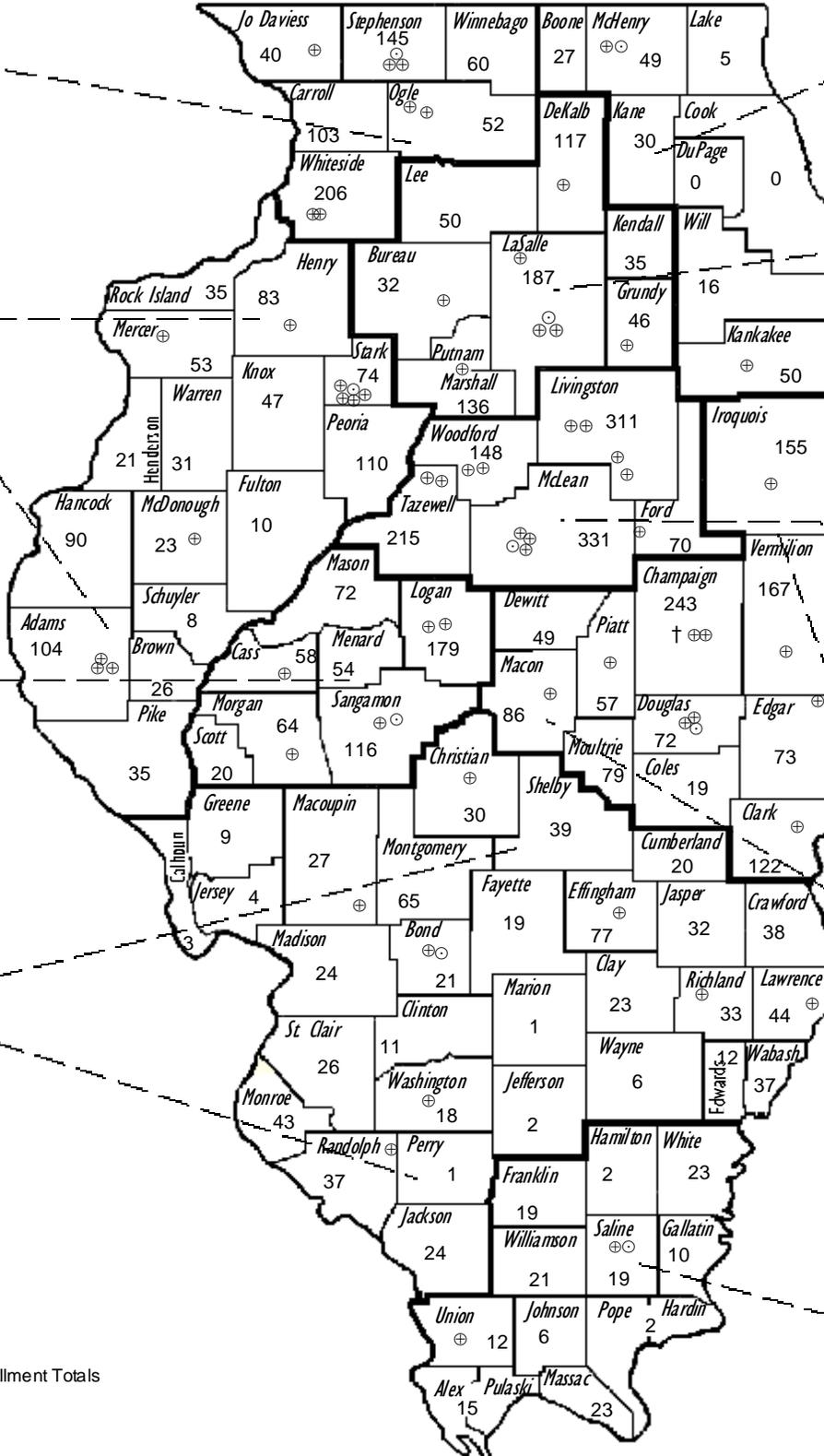
1,075
 Michael C. Heiser
 Maurice E. Sprout
 Kent V. Meister
 Darren L. Bray
 Brian J. Pulley
 Nathan A. Waibel
 Jeffrey A. Marquis
 Lowell J. Stoller
 Jacob M. Springer
 Blair H. Nelson
 Carla S. Doubet
 Jedediah D. Metzger
 Brandon M. Tate

EAST CENTRAL

1,122
 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

152
 Robert D. Kieseconom
 Douglas E. Hileman



SOURCE OF DATA

This report is based on data obtained from farm business records on 5,775 Illinois farms. It is the 86th annual summary of such records obtained from farmers cooperating with the University of Illinois Extension, the Department of Agricultural and Consumer Economics, and the Illinois Farm Business Farm Management (FBFM) Association.

At present, about one out of every five Illinois commercial farms with over 500 acres or total farm sales over \$100,000 is enrolled in this service, which grew steadily until 1982. Except for 1988 and 2000, enrollment has declined slightly each year since 1982. One factor contributing to this decline has been the continued decline in the number of farms in the state. In 2010, 9 associations in 102 counties were being served by 61 full-time field staff specialists and one half-time field staff specialist. Participation in this farm business analysis program is voluntary; cooperating farmers pay a fee for the educational services. The program's development since 1940 is shown below.

Year	Associa- tions	Counties involved	Field staff employed	Farmers involved
1940.....	3	23	3	680
1950.....	8	59	15	2,760
1960.....	10	100	33	5,494
1970.....	10	102	42	6,553
1980.....	10	102	67	8,205
1990.....	10	102	70	7,192
2000.....	9	102	66	6,647
2010.....	9	102	61	5,775

Estimates for 2010 indicate that over 90 percent of the 5,775 farms covered in this report have total sales over \$100,000. In the 2007 Census of Agriculture, farms selling \$100,000 or more accounted for 94 percent of all sales from Illinois farms.

The segment of Illinois agriculture that includes farms with more than \$100,000 in total sales is often referred to as "commercial farming." In 2007, there were 23,290 farms in Illinois with sales of \$100,000 or more. The figures that follow, taken from the 2007 Census of Agriculture, show that these farms represented about 57 percent of the 40,826 farms with more than \$10,000 in sales. These farms produced more almost 94 percent of the agricultural products sold from Illinois farms.

Total farm sales (\$)	% of all farms, \$10,000+ sales	% of census farms enrolled	No. of farms enrolled
10,000-99,999	43.0	1.9	329
100,000-249,999	22.1	8.4	758
250,000-499,900	17.4	16.6	1,179
500,000+	17.5	32.3	2,316

Most of the 2010 recordkeeping farms covered in this report are within the larger groups. There were 14,261 farms identified by the census with more than \$250,000 total sales

in 2007. About a fourth of these farms (24.5 percent) were enrolled in the Illinois FBFM Association. Of the 9,029 farms in the group having from \$100,000 to \$249,999 in total sales, only 8.4 percent participated in the farm record program. Only about 2 percent of the farms enrolled in FBFM had less than \$100,000 in sales. The average acreage size of all farms larger than 180 acres enrolled in FBFM in 2010 was 1,092 acres, compared with an average of 833 acres for all Illinois farms sorted similarly.

This report presents only the operator's share of income and expenses for the farm business. The group averages are identified by size of business, type of farm, and quality of soil found on the farm. Where segments of Illinois agriculture are identified by these criteria, the data from recordkeeping farms may be used with reasonable confidence, even though the recordkeeping farms as a group do not represent a cross section of all commercial farms in the state.

USES FOR THIS REPORT

The management of a modern commercial farm involves decision making in the application of technology, choosing a proper combination of crop and livestock enterprises, and effective business administration of the farming operations. A basic analysis of a farm business involves a careful study of past performance to detect problems and strengths in the farming operation. Also involved is the process of planning and developing future operations to realize the full potential of the land, labor, and capital resources available and to improve the economic efficiency of the farm business.

The farm business summaries contained in this report are used by individual farmers to analyze their business operations and to develop plans for future farming operations. This report summarizes the information so that specialists involved in agricultural extension, research, teaching, and agribusiness activities may use the data to help them perform their duties effectively. The definition of terms and accounting measures on the following pages will be of assistance in using the data.

The first part of the report (Tables 1 to 8) summarizes selected recent changes in farm income on Illinois farms. It also identifies economic forces and factors that contribute to these changing trends. Some of the data used in the text are drawn from previous issues of this report.

The second section (Tables 9 to 18) presents data on livestock enterprises. This information is the total of operator and landlord data. Beginning in 1995, the cost of production information presented in Tables 12, 14, and 16 excludes those enterprises with an operator-landlord live-stock lease, because landlord cost data are not available. The comprehensive and detailed information contained in this section is a valuable resource for anyone interested in livestock production. Because part of the feed grains and roughages produced on Illinois farms is marketed through

livestock, the margins of income from livestock enterprises are important in interpreting the economic results of some farming operations.

The third section (Tables 19 to 23a) discusses costs, returns, financial summaries, land use, and crop yields for different sizes and types of farms in northern, central, and southern Illinois. This section contains only the operator data. It reports on the 33 percent of grain farms that received the highest return to management per dollar of cost and the 33 percent that received the lowest return. It also reports on hog farms with over and under 6,000 hundredweight of pork produced.

TERMS AND ACCOUNTING METHODS

Soil productivity rating

This rating is an average index representing the inherent productivity of all tillable land on the farm. Individual soil types on each farm are assigned an index ranging downward from 100. All ratings were revised in 1971 to reflect a basic level of management as outlined in University of Illinois Extension Circular 1156, *Soil Productivity in Illinois*. New land values were assigned in 1980. The adjustment of land values brings them to current market levels.

Hay equivalents, tons

To get the equivalents, we took the total of 1.0 multiplied by the pounds of hay, 0.45 multiplied by the pounds of hay silage, 0.33 multiplied by the pounds of corn silage, and 24 multiplied by the pasture days per feed unit (which are also multiplied by the total feed units per cow). This total was then divided by 2,000.

Sampling technique

Data from all records certified usable for analysis by field staff were aggregated by size (acres or number of cows), type of farm, value of feed fed, and soil productivity rating.

Type of farm

Grain farms are farms where the value of the feed fed was less than 40 percent of the crop returns and where the value of feed fed to dairy or poultry was not more than one-sixth of the crop returns. Since 1973, farms with livestock have been essentially excluded from the sample of grain farms in northern and central Illinois in Table 19; since 1978, from the grain farm sample in Table 20; and since 1982, from the grain farm sample in Table 6.

Hog or beef farms are farms where the value of feed fed was more than 40 percent of crop returns and where either the hog or beef-cattle enterprise received more than one-half the value of feed fed.

Dairy farms are farms where the value of feed fed was more than 40 percent of crop returns and where the dairy enterprise received more than one-third the value of feed fed.

Cost items

The *value of feed fed* includes on-the-farm grains with the following average prices per bushel: corn, \$3.86; oats, \$2.48; and wheat, \$5.12. Commercial feeds were priced at actual cost, hay and silage at farm values, and pasture at 40 cents per animal unit per pasture day. A “pasture day” represents an intake of about 20 to 25 pounds of dry matter, defined as 16 pounds of total digestible nutrients (TDN) from the pasture used.

Cash operating expenses include the annual cash outlays for the following nondepreciable items:

- Fertilizer
- Pesticides
- Seeds (including homegrown seeds)
- Machinery repairs
- Machine hire and lease
- Fuel and oil
- Farm share of electricity, telephone, and light vehicle expenses
- Building repairs and rents
- Drying and storage
- Hired labor
- Livestock expenses
- Taxes
- Insurance
- Miscellaneous expenses

Purchased feed, grain, and livestock are not included because they have been deducted from gross receipts in computing the value of farm production. The interest paid is not included because an interest charge is made on the operator’s total farm investment. But the total interest paid by the operator on all debt—operating debt plus longer-term debt—is listed separately in Tables 19 to 23a under “Selected returns and costs per operator tillable acre.”

Power and equipment includes depreciation, repairs, machine hire and lease, fuel and oil, and the farm share of expenses for electricity, telephone, and light vehicles.

Labor includes hired labor plus family and operator’s labor, charged in 2010 at \$3,250 per month.

A change in the method of calculating the **depreciation deduction** for machinery and buildings was adapted in 2003 and continued to be used in 2010. Until 2003, the depreciation deduction was based on Internal Revenue Service guidelines; the depreciation expense used for analysis purposes was the same as that used for completing the tax return. As changes in tax law allowed larger and larger write-offs in the year machinery and buildings were purchased, the depreciation method used for analysis was changed to more closely reflect the actual decline in value of machinery and buildings. The new method does not use the additional bonus depreciation or expense election write-off in the year of purchase; it uses instead a slightly longer life and a lower rate than the IRS-allowed methods for tax depreciation. The change in methods does not increase or decrease the total amount of depreciation that can be claimed on an item; it is simply an issue of timing as to when the depreciation is deducted.

Interest on nonland capital covers the interest charged at 5.0 percent on the sum of one-half the average of the

January 1 and December 31 inventory values of grain, plus the average of the January 1 and December 31 inventories of remaining capital investment in livestock, machinery and light vehicles, buildings, and soil fertility, plus one-half the cash operating expense, exclusive of interest paid. In Tables 6 and 9, this charge is combined with the land charge or net rent and labeled “interest charge on capital.” The average cash interest paid per farm by all farm operators was \$22,128.

Land charge or net rent is the bare land priced at current land values multiplied by 2.75 percent to reflect net rents received by the landlord.

Total nonfeed costs include cash operating expenses, adjustments for accrued expenses and farm produced inputs, depreciation, and charges for unpaid labor and interest including land charge. Purchased feeds and livestock are omitted.

The **basic value of land** (the **current basis**) is adjusted each year according to the index of land prices in Illinois as reported by the United States Department of Agriculture (USDA). The land value index for 2010, using a base earning value of 1979 = 100, was 207.

The **capital account adjustment** includes the gain or loss on capital items sold, less amortization deduction.

Return items

Crop returns are the sum of grain, seed, and feed sales; the value of homegrown seed used; the value of all feed fed (except milk); government farm program payments received and accrued, including marketing loan gains, countercyclical payments, and loan deficiency payments (LDPs); crop insurance payments received and accrued; and the change in value for feed and grain inventories, less the value of feed and grain purchased.

The **total value of farm production** is the cash and accrued value of sales of products and services, less the cost of purchased feed, grain, and livestock, plus the change in inventory values for grain and livestock, plus the value of farm products used.

Net farm income is the value of farm production, less total operating expenses and depreciation, plus gain or loss on machinery or buildings sold. Net farm income includes the return to the farm and family for unpaid labor, the interest on all invested capital, and the returns to management.

Labor and management income per operator is total net farm income, less the value of family labor and the interest—including net rent—charged on all capital invested. This figure, as the residual return to all unpaid operators’ labor and management efforts, is divided by the months of unpaid operator labor and multiplied by 12 to reflect income for one operator on multiple-operator farms.

Capital and management earnings are net farm income, less a charge for all unpaid labor. **Management return** is the residual surplus after a charge for unpaid labor and the interest or land charge on capital are deducted from net farm income.

FARM BUSINESS TRENDS IN 2010

Illinois agriculture is based largely on crop production, especially corn and soybeans. In 2010, Illinois ranked second in the nation in soybean and corn production. The total value of corn and soybeans produced on Illinois farms was 16 percent of the total U.S. production for these crops. In 2010, cash receipts from farm marketing of corn and soybeans represented 79 percent of the total cash receipts in Illinois from all crops and livestock, and 94 percent of the cash receipts from all crops marketed.

Crop production

Year-to year variations in net income are related to the growing season, crop yields, grain prices, and acres in high-cash-value crops. Planting started in the middle of April with good conditions which lead to 87 percent of the corn crop to be completed by May 2. This was well above the last two years as well as the 5-year average of 47 percent. 97 percent of the corn and 47 percent of the soybeans were reported as planted by May 24. Above average temperatures in the summer months lead to faster crop development, but the higher temperatures during pollination affected the corn yield. Harvest progressed faster than in 2009 with 97 percent of the corn crop harvested by October 25 and the soybean harvest was one of the fastest on record.

Crop yields. In spite of the early planting and average precipitation, warmer summer temperatures during the growing season resulted in poorer corn yields for many producers. Too much rainfall lowered yields in certain parts of the state, including western Illinois. The average corn yield for Illinois farms reported by the Illinois Crop Reporting Service was 157 bushels per acre, 17 bushels below the previous year’s. The average for 2005 through 2010 is 170 bushels per acre. Farmers participating in the Illinois FBFM program averaged 164 bushels of corn per acre in 2010, 18 bushels below the year before.

Soybean yields for all Illinois farms were reported at 51.5 bushels per acre in 2010. This was the highest on record, 4 bushels higher than the 5-year average of 47 bushels per acre. FBFM recordkeeping farms averaged 55 bushels of soybeans per acre in 2010, 3 bushels above their 5-year average. Crop yields on the 5,775 recordkeeping farms covered in this report averaged 4 to 7 percent above the average for all Illinois farms.

Grain prices. Sales for corn and soybeans have been divided between old and new crop sales. The prices received for old-crop soybeans sold during the year averaged 28 to 46 cents per bushel below 2009 prices (Table 1). Old-crop corn prices received in 2010 averaged 25 to 38 cents below those received in 2009. New-crop prices received were higher for soybeans and corn compared to the year before. The price received for new-crop corn averaged 42 to 46 cents higher than the year before and for new-crop soybeans averaged 52 to 71 cents higher. Wheat sold for 44 cents to \$1.22 more

per bushel during the year. Prices received for both old-crop corn and old-crop soybeans sold in 2010 were above their inventory prices, resulting in a positive marketing margin and boosting crop returns. The year-end, new-crop inventory price for corn was \$2.00 higher than the year before; for soybeans it was \$3.25 higher. Both corn and soybean prices have been high enough that neither crop was eligible for loan deficiency payments. The national average marketing year price for corn and soybeans will be high enough that producers will not receive a countercyclical payment.

Crop Production Index 2010^a. The Illinois All Crop Production Index for 2010 (2010 Annual Bulletin, USDA-NASS, Illinois Field Office) was down 1 point from the previous year to 144 percent of the 1977 base. Corn production totaled 1.95 billion bushels in 2010, 5 percent less than the previous year. The final yield was 157 bushels per acre, 17 bushels below the previous year's yield of 174 bushels per acre. The yield for the 2010 soybean crop was 51.5 bushels per acre, 5.5 bushels above the 2009 yield of 46 bushels per acre. Production totaled 466 million bushels, 8 percent above the previous year.

The 2010 yield for sorghum for grain was 96 bushels per acre, 14 bushels above the yield in 2009. Sorghum production, at 3.17 million bushels, was up 7 percent less from the previous year. The yield for the 2010 winter wheat crop was 56 bushels per acre, the same as the previous year. Total production was 16.5 million bushels, 64 percent below the 2009 production of 45.9 million bushels. The oats yield, at 65 bushels per acre, the same as 2009. Production of all hay in 2010 was 1.92 million tons, 4 percent below 2009. Alfalfa hay production was down 2 percent, to 1.29 million tons. All other hay production decreased 7 percent, to 624,000 tons. The alfalfa yield decreased from 3.9 to 3.8 tons per acre, while all other hay yields decreased from 2.5 to 2.4 tons per acre.

Crop Production Index, 1976–2010

Year	Index	Year	Index	Year	Index
1978	97	1989	110	2000	133
1979	114	1990	109	2001	134
1980	92	1991	99	2002	124
1981	113	1992	128	2003	129
1982	115	1993	112	2004	156
1983	66	1994	136	2005	122
1984	97	1995	102	2006	143
1985	120	1996	118	2007	146
1986	112	1997	121	2008	149
1987	99	1998	127	2009	145
1988	66	1999	121	2010	144

Livestock production

Two major determinants in farm income are the price farmers receive for livestock and livestock products and the value of feed fed in producing livestock. Gross returns to hog, dairy, beef cow and feeder cattle enterprises were higher in 2010 compared to 2009, while returns to the feeder pig finishing enterprise were lower. With higher gross returns and feed costs similar to 2009, returns above feed cost were

higher for all livestock enterprises. In 2010, the average prices received by farm recordkeepers in the Illinois FBFM Association were 30 percent higher for hogs, 12 percent higher for fed cattle, and 24 percent higher for milk than they were in 2009 (Table 1). The prices paid for all weights of feeder cattle purchases averaged 14 percent above the 2009 price for feeder cattle, and feeder pigs weighing below 20 pounds averaged 5 percent above the 2009 price. Higher returns and stable feed costs resulted in returns above feed and purchased animals for feeder cattle enterprises to increase from \$13.43 per hundredweight produced to \$35.94 (Table 10). This is the above the 5-year average and is the highest in 5 years. Mainly due to the higher price received returns for farrow-to-finish hog producers increased returns above feed costs to \$19.71 per hundredweight produced in 2010. This was above the 5-year average and the highest in 5 years. Higher milk prices caused dairy returns above feed cost per cow to increase from \$838 in 2009 to \$1,506 in 2010. This is below the 5-year average, but is the second highest in the last 5 years. Returns for beef cow herds with calves sold increased to \$115, which is above the 5-year average.

Labor and management income

The average operator's share of labor and management income for the 5-year period from 2006 through 2010 on all northern Illinois grain farms (located north of a line from Kankakee to Moline) was \$116,141 (Table 2). Operators on about 1,400 grain farms in central Illinois had 5-year average earnings of \$120,304. Central Illinois occupies the area between the Kankakee–Moline line in the north and the Mattoon–Alton line in the south. Smaller farms and variable soil quality in northern Illinois have generated smaller earnings from crops.

The grain farms in northern Illinois averaged 972 tillable acres per farm, compared with an average of 1,092 tillable

Table 1. Average Prices Received and Paid by Farm Recordkeepers for Grain, Livestock, and Milk

	2010		2009	
	Northern & central	Southern	Northern & central	Southern
Grain prices per bushel				
Sold				
Corn, old crop	\$ 3.60	\$ 3.80	\$ 3.98	\$ 4.05
Corn, new crop	4.17	4.20	3.75	3.74
Soybeans, old crop	9.94	10.07	10.40	10.35
Soybeans, new crop	10.27	10.44	9.75	9.73
Wheat	4.59	5.68	4.15	4.46
Livestock prices per cwt				
Hogs, all weights	\$ 53.24		\$40.81	
Fed cattle, all weights	92.41		82.63	
Feeder cattle, all weights, prices paid	106.86		93.49	
Dairy cattle, all weights	61.38		49.51	
Sheep and wool, all weights	129.44		95.89	
Milk per cwt	16.30		13.12	

acres on grain farms in central Illinois. The figure for labor and management income varies considerably with the location and type of farm. For the period from 2006 through 2010 grain farms, operators in southern Illinois averaged \$107,973 for labor and management. This average increased by \$26,626 compared with the average for the 5-year period from 2005 through 2009.

When the average earnings on Illinois grain farms for the 5-year period from 2006 through 2010 are compared with the earnings from 2005 through 2009, earnings increased in all areas of the state. The average for the 5-year period from 2006 through 2010 increased 33 percent in northern Illinois, 21 percent in central Illinois and 33 percent in southern Illinois as compared to the 5-year period 2005 through 2009. The 2010 return to operator's labor and management for all areas of the state was significantly higher than the 2009 earnings and above the 2005–2009 5-year average. The year dropped from the 5-year average, 2005, averaged about \$122,000 lower earnings than in 2010.

When average earnings on Illinois livestock farms for the 5-year period from 2006 through 2010 are compared with the earnings from 2005 through 2009, earnings increased for hog and beef enterprises, but decreased for dairy enterprises. The average for the 5-year period from 2006 through 2010 increased 20 percent for hog farms, 73

percent for beef farms, and decreased 10 percent for dairy farms as compared to the 5-year period 2005 through 2009.

In 2010, the labor and management income for all areas of Illinois averaged \$160,118 per farm. This figure is \$115,567 above the 2009 state average. Returns averaged \$35,208 above the average for the 5-year period 2006 through 2010. Lower costs and higher new crop prices were the main reasons for the higher incomes. The new crop grain prices resulted in minimum farm program payments in 2010, just like in 2009.

Corn yields were below the good yields recorded the year before. The average corn yield on the 2,588 farms in 2010 was 164 bushels per acre, 18 bushels lower than the 2009 yield. The average soybean yield in 2010 was 55 bushels per acre, 5 bushel higher than the 50 reported in 2009. Corn and soybean yields were generally highest in central and northern parts of the state. Too much rainfall lowered yields in certain parts of the state, including western Illinois. The average corn yield was the lowest in the last five years, and the average soybean yield was the highest on record.

Year-end inventory price for the 2010 corn crop of \$5.50 per bushel was \$2.00 per bushel higher than a year earlier. Soybeans were inventoried at \$13.00 per bushel, \$3.25 higher than December 31, 2009. The average sales price received for the 2009 corn and soybean crop sold in 2010 was above the inventory price, resulting in a positive marketing margin. Crop returns averaged \$775 per tillable acre, \$100 per acre lower than the 2009 crop returns. The average crop returns per acre were at an all-time high.

The income or salary of the farm operator, whether tenant or part-owner, is the return for the labor and management provided by the operator. The level of income received is a measure of overall farming efficiency and includes compensation for the risk involved. The income includes the operator's gross sales and the net change in inventory. This income is reduced by operating expenses, depreciation, a charge for unpaid family labor, 5.0 percent interest on nonland investment, and a land-use charge equivalent to the average net rent received by landowners for crop-share leases from 2006 to 2009.

Whenever the income figures in Table 2 fall below the amounts required for living expenses and income and Social Security taxes, operators must use the charges deducted for interest on equity capital to pay these expenses. If we assume that \$70,000 is needed to pay living expenses and income and Social Security taxes, figures for the lowest 5-year average labor and management income indicate that the average farm operator's family uses up to \$57,000 of the return for equity capital, depending on location and type of farm. Some average labor and management incomes were high enough that the operator did not need to use any of the return for equity capital to meet living expenses. Using part of the return to equity to pay family living expenses indicates that farm operators are not receiving a competitive return for either their labor and management or their equity

Table 2. Operator's 5-Year Average Share of Labor and Management Income by Size and Type of Farm, 2006 Through 2010

	Tillable acres per farm			
	Under 500	500 to 799	800+	All
Northern Illinois				
Tillable acres	347	636	1,537	972
Labor and management earnings by type of farm				
Grain.....	\$35,949	\$79,784	\$185,159	\$116,141
Central Illinois				
Tillable acres	357	656	1,465	1,092
Labor and management earnings by type of farm				
Grain ^a	\$49,912	\$83,931	\$174,666	\$136,108
Grain ^b	37,061	72,082	138,146	102,422
All.....	43,429	76,590	158,640	120,304
Southern Illinois				
Tillable acres	349	661	1,632	1,296
Labor and management earnings by type of farm				
Grain.....	\$29,142	\$58,973	\$135,008	\$107,973
Illinois livestock				
Labor and management earnings by type of farm				
Hog.....	.. ^c	.. ^c	\$53,575	\$46,372
Beef.....	.. ^c	.. ^c	.. ^c	12,954
Dairy.....	.. ^c	.. ^c	.. ^c	27,951

^aHighly productive soils with soil productivity ratings from 86 to 100.

^bHeavy-till and transition soils with soil productivity ratings from 56 to 85.

^cData not available.

in the business. Off-farm income could be used to pay for some living expenses.

Financial characteristics

The Farm Financial Standards Council has identified several key measures to analyze the financial strength of a farm business. These measures are in the areas of liquidity, solvency, profitability, and financial efficiency. The averages for these key measures for 2,504 Illinois farms can be found in Table 3. These measures are also calculated by farm type. Due to the effects that weather and other outside factors may have on a farm business for any one year, it is better to monitor these measures over time and to identify trends than it is to rely too heavily on these measures for any one year when making business decisions. More detail and in-depth analysis of these financial characteristics can be found in *Financial Characteristics of Illinois Farms*, published by the Department of Agricultural and Consumer Economics at the University of Illinois.

Liquidity is an assessment of a farm’s ability to meet current cash-flow needs. The amount of working capital and the current ratio (current assets divided by current liabilities) are two measures of liquidity. The average amount of working capital as of December 31 for the 2,504 farms was \$270,477, down over \$37,000 from \$307,957 a year earlier. Grain farms had the greatest working capital, averaging \$277,779 while dairy farms had the least, averaging \$43,533. Most of the assets of a dairy farm—the dairy herd, buildings, and land—are noncurrent assets. The average current ratio for all the farms was 2.54, up from 2.27 a year ago. Grain farms recorded the highest (most healthy) current ratio, and dairy farms the lowest. The 2010 current ratio was the highest for any year during the last 10 years.

Solvency is a measure of the farm’s overall financial strength and risk-taking ability. The average net worth of the 2,504 farms at the end of 2010 was \$1,946,075, up from \$1,740,705 the year before. Average farm and nonfarm incomes in 2010 were above family living requirements, thus enabling net worth increases. Increasing land values have also boosted net worths for those operators who own land. Grain farms had the highest net worth, followed by beef farms, with dairy farms recording the lowest. The **debt-to-farm equity** and **debt-to-farm asset** indicators show how debt capital is combined with equity capital. This is useful in looking at the risk exposure of the business. The average debt-to-farm asset percentage for all farms was 21.3. The debt-to-farm asset percentage ranged from 21.0 for grain farms to 33.4 for beef farms. The average debt-to-farm asset level of 21.3 was at its lowest level for at least 15 years.

A measure of a farm’s **profitability** is useful in examining its ability to meet family living demands and retire term debt. It is also useful in measuring the farm’s ability to utilize assets and equity to generate income. The average return on farm assets for the 2,504 farms was 8.1 percent, up from 3.0 percent a year earlier. Hog farms recorded the highest returns, averaging 8.5 percent, while dairy farms recorded the lowest, averaging 3.1 percent. Return on farm equity in 2010 ranged from 9.9 percent for grain farms to 1.8 percent for beef and dairy farms. The average was 9.6 percent, up from 2.6 percent in 2009.

The interest, operating, and depreciation expense ratios relate these various expense categories as a percentage of the value of farm production. The farm operating income ratio measures the return to labor, capital, and management as a percentage of the value of farm production. These measures can be used to evaluate the financial efficiency of

Table 3. Financial Characteristics of Illinois Farms for 2010 by Type of Farm

	All farms	Grain farms	Hog farms	Dairy farms	Beef farms
Number of farms.....	2,504	2,383	43	54	24
Liquidity					
Working capital.....	\$270,477	\$277,779	\$224,867	\$43,533	\$137,836
Current ratio	2.54	2.58	2.01	1.63	1.81
Solvency					
Net worth (market)	\$1,946,075	\$1,968,908	\$1,679,701	\$1,163,776	\$1,916,370
Debt-farm equity (%)	27.1	26.5	40.9	31.1	50.2
Debt-farm asset (%)	21.3	21.0	29.1	23.7	33.4
Profitability					
Farm operating income	\$172,270	\$175,274	\$151,141	\$75,685	\$129,182
Return on farm assets (%)	8.1	8.3	8.5	3.1	3.6
Return on farm equity (%)	9.6	9.9	6.8	1.8	1.8
Financial efficiency					
Interest expense ratio (%)	2.7	2.5	5.4	5.6	8.4
Operating expense ratio (%)	57.2	57.0	58.4	64.1	59.6
Depreciation expense ratio (%) ..	6.8	6.8	5.4	8.3	7.5
Farm operating income ratio (%) ..	32.4	32.8	31.4	20.2	23.0
Asset turnover ratio	0.31	0.31	0.32	0.25	0.23

the farm business. The interest–expense ratio averaged 2.7 percent for the 2,504 farms, ranging from 2.5 percent for grain farms to 8.4 percent for beef farms. The 2.7 percent was down from 3.3 percent in 2009. The 2010 figure is the lowest since at least 1995. The farm operating income ratio ranged from a high of 32.8 percent for grain farms to 20.2 percent for dairy farms. The average for all farms in 2010 was 32.4 percent, up from 16.8 percent in 2009. The 2006 through 2010 5-year average farm operating income ratio is 29.3 percent. The 2010 farm operating income ratio is above the 5-year average.

Family living expenditures

Total cash living expenditures for a sample of 1,200 Illinois sole-proprietor, farm-operator families in 2010 averaged \$67,605 (Table 4). This figure is 3.7 higher than the 2009 average. Capital purchases for family living expenses of \$6,604 include the family’s share of the auto, plus items that exceed \$250 and will last more than 1 year. Capital purchases for family living were 8.9 percent of the total cash outlay for all family living expenditures in 2010.

The average farmer in this sample paid \$22,388 in interest in 2010 on operating, machinery, and long-term real estate debts. This interest expense was 5.4 percent of total operating expense (including interest paid) and 4.0 percent of total farm receipts. The average amount of interest paid in 2010 was \$276 less than the amount paid in 2009. Here are the most significant financial facts about 2010:

- Net farm income plus net nonfarm income was \$118,589 more than the sum of family living capital purchases, total living expenses, and payments for income and Social Security taxes. This compares to the 5-year average of total income averaging \$95,162 more than family living expense and taxes for the period 2006 through 2010. The 2007 figure of \$147,967, the largest positive margin ever, exceeded 2010 by \$29,378.
- Net nonfarm income averaged \$35,967 and was the highest amount since this study began. This was \$1,409 more than the 2009 figure of \$34,567.
- Capital purchases were \$84,055, compared to \$85,120 in 2009, or 1 percent less. They were \$13,684 higher than

Table 4. Average Sources and Uses of Funds Over a 4-Year Period and by Noncapital Living Expenses for Selected Illinois Farms

	All records, average per farm				Family of 3 to 5, 2010 ^a	
	2010	2009	2008	2007	High-third	Low-third
Number of farms.....	1,200	1,164	1,176	1,232	172	172
Age of operator.....	55	54	54	53	49	48
Number in family.....	2.9	3.0	3.0	3.0	4.0	3.8
Net farm income	\$176,886	\$ 76,697	\$194,207	\$193,675	\$229,078	\$146,955
Source of dollars						
Net nonfarm income	\$ 35,976	\$ 34,567	\$ 30,913	\$ 31,668	\$ 48,030	\$ 27,202
Money borrowed.....	361,671	340,794	368,663	306,747	577,669	266,311
Farm receipts.....	<u>563,312</u>	<u>568,554</u>	<u>581,949</u>	<u>446,952</u>	<u>757,162</u>	<u>493,537</u>
Total sources	\$960,959	\$943,915	\$981,525	\$785,367	\$1,382,861	\$787,050
Use of dollars						
Interest paid.....	\$ 22,388	\$ 22,664	\$ 25,387	\$ 25,681	\$ 30,044	\$ 21,093
Cash operating expenses.....	388,256	389,334	409,072	319,035	528,119	347,796
Capital farm purchases.....	84,055	85,120	82,684	59,969	127,271	72,684
Payments on principal	327,000	319,492	332,573	274,809	500,476	255,688
Income & Social Security taxes....	20,064	20,671	15,770	10,964	22,041	15,271
Net new savings and investments	44,987	34,200	43,352	28,497	59,123	26,312
Contributions	2,935	2,788	2,667	2,303	3,682	1,489
Medical expenses.....	8,928	8,579	8,328	8,071	12,274	5,717
Life insurance	3,442	3,431	3,202	3,039	4,359	2,070
Expendables.....	<u>52,300</u>	<u>50,369</u>	<u>50,975</u>	<u>46,881</u>	<u>86,382</u>	<u>34,462</u>
Total living expenses	\$(67,605)	\$(65,167)	\$(65,172)	\$(60,294)	\$ (106,697)	\$(43,738)
Living—capital purchases.....	<u>6,604</u>	<u>7,267</u>	<u>7,514</u>	<u>6,118</u>	<u>9,090</u>	<u>4,468</u>
Total uses	\$960,959	\$943,915	\$981,525	\$785,367	\$1,382,861	\$787,050

^aRecords were sorted into thirds according to total noncapital living expenses.

the average for 2006 through 2010 and at their second highest level ever.

- The amount of money borrowed exceeded principal payments for the 22nd year in a row. Money borrowed exceeded principal payments by \$34,671. For the 2006 through 2010 time period, money borrowed has exceeded principal payments by an average of \$28,156.
- Of the total living expenses—excluding family capital purchases—charitable contributions accounted for 4 percent, life insurance 5 percent, medical expenses 13 percent, and family living expendables the remaining 78 percent.
- Income and Social Security taxes paid decreased by \$607, and the total amount of taxes paid, \$20,064, was \$4,520 above the 5-year average for the period 2006 through 2010. The amount of taxes paid was the second highest since 1993.
- Medical expenses averaged \$8,928. In the last four years the average has exceeded \$8,000. Expenses were 4.1 percent higher than the year before.

The 2010 records from 3- to 5-member families were sorted into high one-third and low one-third groups according to total living expenses (Table 4). The total cash living expenses for the high-third group averaged \$106,697, compared with \$43,738 for the low-third group. The high-third group had gross farm receipts of \$757,162, compared to \$493,537 for the low-third group. The results indicate that the high-third group had more nonfarm taxable income and a higher net farm income. When net farm income is added to net nonfarm income, and total family living expenses (including capital purchases for family living) and payments for income and Social Security tax are subtracted, the high-third group had \$28,600 more remaining than the high-third group. The high-third group had a balance remaining of \$139,280 compared to \$110,680 for the low-third group.

Living expenses included cash expenditures for food, operating expenses, clothing, personal items, recreation, entertainment, education, transportation, life insurance, contributions, and medical expenses.

The sample of 1,200 represents slightly smaller farms than the average size of all recordkeeping farms in the state. Management was considered slightly above average. In view of these factors, average total living expenses for all recordkeeping families (excluding capital purchases) are estimated to be between \$54,000 and \$57,400, or 15 to 20 percent below the average total living expenses of these 1,200 Illinois farms. When the \$35,967 net nonfarm income for 2010 is used for living expenses, the remaining \$38,233 must be generated from the farm business to pay the \$74,209 used for total living expenses, including family living capital purchases. The figure of \$38,233 amounts to 6.8 percent of total farm receipts.

Income changes on Illinois farms

The average operator’s net farm income for all farms in 2010 was \$209,994; it was \$86,147 in 2009 (Table 5). The 2007 and 2008 net farm incomes were the highest for any years of at least the last 10 years. Operator net farm incomes decrease steadily as a higher percent of gross farm returns is used to pay interest. Frequently, when more than 25 percent of the gross farm return is used to pay interest, the operator’s net farm income is usually negative. Interest paid as a part of gross farm returns for all operators averaged 3.3 percent in 2010, 3.8 percent in 2009, 3.7 percent in 2008, 4.5 percent in 2007, and 5.0 percent in 2006. The 3.3 percent figure for 2010 was the second lowest for any year during the last 20 years.

Comparative costs and returns between years and among major types of farming operations are reported in Tables 6 and 8. The sample consisted of grain, hog, beef, and dairy farms having between 340 and 799 acres, or an average of 565 tillable acres. Labor available on farms of this size averaged 11 months on grain farms, 26 months on hog farms, 17 months on beef farms, and 36 months on dairy farms. These tables contain only operator data; landlord data are not included.

Size of farm, type of farm, and managerial inputs have been held reasonably constant by the sampling procedure used in selecting farms in each category. Variations among

Table 5. Percent of Illinois Farms and Operator Net Farm Income by Interest Paid as a Percent of Gross Farm Returns, 2006 Through 2010

	Interest paid as a percent of gross farm returns							All
	Under 1	1–4.9	5–9.9	10–14.9	15–19.9	20–24.9	25+	
Percent of farms								
2006	18	37	30	10	3	1	1	100
2007	20	44	26	6	2	1	1	100
2008	25	48	20	4	1	.. .a	.. .a	100
2009	26	44	21	5	1	1	1	100
2010	30	47	17	4	1	1	.. .a	100
Net farm income								
2006	285,188	125,227	100,904	60,677	25,174	11,501	(24,478)	134,992
2007	226,020	241,170	197,512	124,680	68,661	31,157	(2,808)	212,991
2008	212,170	241,542	182,070	119,682	114,869	(196)	(35,749)	213,528
2009	118,671	104,255	47,945	3,037	(23,421)	(42,371)	(89,296)	86,147
2010	233,512	227,060	166,026	91,643	67,076	26,498	(26,522)	209,994

^aLess than 1 percent.

figures for 2010 are due to changes in farm prices and to costs, weather, and internal farming adjustments. The data in Tables 6 and 8 are particularly helpful for comparing types of farming and for evaluating changes in farm costs and returns for a particular size and kind of farm. The data do not reflect overall farming adjustments due to the enlargement of farms or to major changes in the use of resources.

The figure for net farm income comprises returns to the farm family for all unpaid labor, interest on all invested capital, and the managerial inputs used in farming. Changes in the value of farm inventories and the value of consumed farm products are included as income. Net farm income is calculated by accounting methods comparable to the accrual method used in calculating taxable farm income for the federal income tax. Two important differences in the accrual method of income tax accounting should be noted: the provision for capital gains on livestock sales, which was in effect until 1987, and the inclusion of interest paid as a farm expense. The operator's share of net farm income has the interest expense deducted from it.

The figures for net farm income are the amounts available from the farm business for living costs, income and Social Security taxes, debts, new investments, and savings. New capital investments for the farm business have been included with total cash expenditures. Although the cash balance reflects the cash position of the farm business, the figure is influenced by purchases and sales of feed and livestock and by changes in liabilities and borrowed funds.

Grain farms. The operator's net farm income for Illinois grain farms having 340 to 799 acres and no livestock averaged \$119,497 in 2010 (Table 6). This income was \$70,559 above that of 2009, and \$25,694 above the 5-year average income for 2006 through 2010. The 2010 net farm income was the third highest since the early 1970s. The value of farm production averaged \$359,102, which was \$57,564 above 2009 and \$51,535 above the 2006–10 average. The 2010 value of farm production was the highest since this study began. The value of farm production included a \$47,209 increase in inventory values compared to 2009, when the inventory value decreased by \$15,925. Net cash operating income (adjusted gross) was \$312,200, \$32,528 higher than the 5-year average. Total cash operating expenses were almost the same as the year before, while depreciation of \$22,312 was 15 percent higher and 39 percent higher than the 2006–10 average. Total cash operating expenses were the second highest on record. Incomes were considerably higher on these farms in 2010 compared to 2009. Higher ending inventories was the main factor for the higher incomes. The average soybean yield on these farms in 2010 was 55 bushels per acre, compared to 49 the year before. The average corn yield was 165 bushels per acre, compared to 181 the previous year. Corn was inventoried \$2.00 higher at the end of 2010 compared to the beginning; soybeans were inventoried \$3.25 higher. The higher ending inventory prices caused the value of invento-

ries to increase \$47,209 at the end of the year compared to the beginning. Crop returns averaged \$755 per tillable acre in 2010 compared to \$636 in 2009. Crop expenses per acre decreased 13 percent. This was the second year for the new government farm program. A new part of this program was the Average Crop Revenue Election (ACRE) Program. Producers would receive a payment the following year after the year of production if the state trigger and farm triggers are met. This program was voluntary and producers that signed up for this program had 20 percent less direct payment rates. Producers receive a guaranteed direct payment based on their program yield, base acres, and a set payment rate per bushel. Countercyclical payments are made if market prices fall below a certain "trigger level." Countercyclical payments are not expected for corn, soybeans, or wheat for the 2010 crop. As in the old program, producers can also receive loan deficiency payments (LDPs) or take marketing loan gains when market prices are below the loan rate. All of these receipts are included in net farm income and crop returns. Total tillable land planted to corn and soybeans in 2010 was 96.1 percent, up from 95.4 percent in 2009. Corn acres increased slightly from 54.1 percent of tillable acres in 2009 to 54.5 percent in 2010, while soybean acres increased from 41.3 to 41.6 percent.

The average prices received in 2010 for new-crop corn and soybeans of \$4.19 and \$10.29, respectively, were higher for corn and soybeans than in the previous year. The average prices received for old-crop corn and soybeans, \$3.59 and \$9.89, respectively, were higher than the inventory price at the beginning of the year for soybeans and corn, helping to boost crop returns. Capital purchases of \$44,319 in 2010 were \$3,282 more than in 2009 and \$7,247 above the 2006–10 average. Capital purchases were the second highest of any year during the last 10 years.

While accrual net farm incomes averaged \$119,497, net cash incomes averaged \$42,335. Management returns were \$58,540 in 2010, compared to *negative* 5,516 in 2009 and the 2006–10 average of \$40,569. Management returns for grain farms were higher than all other farm types, except hog farms in 2010. The value of farm production per man of \$411,015 was the highest for any type of farm. The amount of interest paid of \$11,951 was the lowest for any type of farm in Tables 6 and 8. Operators for these farms owned 26 percent of the land they farmed, crop-shared 36 percent and cash rented 37 percent. Of the total labor of 11.1 months, only 1.5 months were hired labor. The total months of labor used on these farms was the lowest for any type of farm.

A study of the cost to grow corn and soybeans on central Illinois farms is summarized in Table 7. These farms had a soil productivity index ranging from 86 to 100. The farms used 99 percent of their tillable land to grow corn and soybeans, with 55.8 percent of the acres in corn and 42.8 percent in soybeans. The table compares 2010 costs per acre with 2009 costs. In 2010, the total cost per acre averaged \$717 for corn and \$539 for soybeans. From 2009

Summary of Illinois Farm Business Records for 2010

to 2010, the total cost per acre decreased 9 percent for corn and 1 percent for soybeans.

Nonland costs of \$3.07 per bushel for corn and \$5.63 for soybeans in 2010 are the most relevant costs for continuing production in the short run, especially where land is free of debt. Total cost to produce a bushel increased for corn and decreased for soybeans from 2009 to 2010. Costs per bushel for corn increased due primarily to lower yields. Total costs per bushel increased 18 cents for corn and decreased 95 cents for soybeans. If the 2010 yield for corn had been 190 bushels, the same as the average for the period from 2007 through 2010, the total cost per bushel would have been \$3.77. These costs do not include a charge for management.

The cost of fertility for soybeans was allocated on the basis of phosphorus, potassium, and lime removals, with the residual allocated to corn. The total unpaid labor charge was based on the labor available. The nonland interest rate was 5.0 percent of one-half the average of the beginning- and end-of-year inventory values for the crops on hand, plus

one-half the cash operating expenses (excluding interest paid), plus the depreciated value of machinery and buildings. The adjusted net rent was the average net rent received by crop-share landlords as reported on recordkeeping farms for the period 2006 through 2009.

Hog farms. The operator's net farm income in 2010 for Illinois hog farms having 340 to 799 acres averaged *negative* \$191,017 (Table 6). Net incomes were \$209,014 higher than net incomes in 2009 and \$104,063 higher than the average for the 5-year period from 2006 through 2010. The cash balance on these farms of \$71,483 was \$64,364 more than in 2009 and \$27,119 above the average for the 5-year period from 2006 through 2010. Inventories on these farms increased \$75,969 in 2010, following a \$14,436 decrease in 2009. The value of farm production of \$643,086 was \$227,391 more than in 2009 and \$159,412 higher than the average for the 5-year period from 2006 through 2010. Production per farmer was \$360,013. Incomes on hog farms increased in 2010 due to higher prices received for pork and

Table 6. Averages for Selected Total Farm Items on 340- to 799-Acre Illinois Grain, Hog, and Beef Farms

	Grain farms			Hog farms			Beef farms		
	2010	2009	2006-10 average	2010	2009	2006-10 average	2010	2009	2006-10 average
Number of farms	804	801	732	23	24	30	9	11	10
Total acres	596	598	604	588	589	592	585	646	663
Soil-productivity rating	82	82	82	81	76	78	73	71	71
Percent land owned.....	26	25	25	24	19	23	35	42	41
Percent land crop shared	36	38	39	28	17	25	19	13	15
Percent land cash rented	37	38	36	49	64	52	46	44	44
Cash operating income...	\$318,958	\$326,127	\$283,196	\$1,182,606	\$857,116	\$886,314	\$859,251	\$489,911	\$607,898
Less purch. feed, lvstk....	<u>6,758</u>	<u>5,253</u>	<u>3,524</u>	<u>613,984</u>	<u>419,885</u>	<u>426,116</u>	<u>463,260</u>	<u>175,045</u>	<u>277,310</u>
Net cash op. income.....	\$312,200	\$320,874	\$279,672	\$568,622	\$437,232	\$460,199	\$395,991	\$313,866	\$330,588
Accounts rec. change.....	(308)	(3,410)	(1,595)	(1,504)	(7,101)	(3,355)	(3,791)	(3,035)	(2,631)
Inventory change.....	<u>47,209</u>	<u>(15,925)</u>	<u>29,490</u>	<u>75,969</u>	<u>(14,436)</u>	<u>26,831</u>	<u>46,882</u>	<u>(48,676)</u>	<u>(4,971)</u>
Value of farm prod.....	\$359,102	\$301,538	\$307,567	\$643,086	\$415,695	\$483,674	\$439,082	\$262,155	\$322,986
Total cash op. expenses...	\$225,545	\$225,487	\$202,079	\$446,357	\$395,024	\$370,972	\$309,065	\$247,078	\$247,230
Prepaid-unpaid change..	(8,253)	(7,711)	(4,354)	(26,039)	11,973	(3,022)	(18,853)	(3,995)	(7,374)
Annual depreciation.....	<u>22,312</u>	<u>19,401</u>	<u>16,039</u>	<u>31,752</u>	<u>26,695</u>	<u>28,770</u>	<u>27,736</u>	<u>23,222</u>	<u>23,183</u>
Net farm income	\$119,497	\$ 48,938	\$ 93,803	\$ 191,017	\$ (17,997)	\$ 86,954	\$121,135	\$ (4,150)	\$ 59,948
Net farm inc. per op'er....	\$116,620	\$48,286	\$ 92,286	\$ 176,743	\$ (7,276)	\$ 77,103	\$112,676	\$ (4,917)	\$ 56,027
Unpaid labor charge	31,143	29,036	28,227	38,053	35,689	35,114	44,778	37,200	40,190
Returns to cap. & mgmt...	88,355	19,902	65,576	152,964	(53,685)	51,840	76,357	41,350	19,758
Interest charge on capital .	<u>29,814</u>	<u>25,418</u>	<u>25,008</u>	<u>18,530</u>	<u>27,044</u>	<u>30,035</u>	<u>37,737</u>	<u>44,082</u>	<u>42,956</u>
Management returns	\$ 58,540	\$ (5,516)	\$ 40,569	\$ 134,434	\$ (80,730)	\$ 21,805	\$ 38,620	\$ (85,432)	\$ (23,199)
Total cash income ^a	\$312,200	\$320,874	\$279,672	\$568,622	\$437,232	\$460,199	\$395,991	\$313,866	\$330,588
Total cash expenditures ^a	<u>269,865</u>	<u>266,524</u>	<u>239,151</u>	<u>497,140</u>	<u>430,113</u>	<u>415,835</u>	<u>336,775</u>	<u>292,290</u>	<u>288,860</u>
Cash balance.....	\$ 42,335	\$ 54,350	\$ 40,521	\$ 71,483	\$ 7,119	\$ 44,364	\$ 59,216	\$ 21,575	\$ 41,727
Capital purchases.....	44,319	41,037	37,072	50,783	35,089	44,863	27,710	45,212	41,631

^aIncludes sales or purchases of capital items.

higher crop returns. Depreciation of \$31,752 was \$5,057 higher than in 2009.

Management returns were \$134,434 in 2010 compared to *negative* \$80,730 in 2009. Management returns were \$215,164 more than in 2009 and \$112,629 above the average for 2006 through 2010. Management returns for this type of farm were the highest for any other type of farm in Illinois. Capital purchases were \$50,783, which was \$15,694 higher than in 2009 and \$5,920 higher than the average for 2006 through 2010. Capital purchases in 2009 averaged \$35,089. Farm production per one dollar of non-feed costs of \$1.25 was the highest for any type of farm in Illinois. Purchased feed and livestock for this group totaled \$613,984, \$194,099 more than 2009. The average interest paid on these farms was \$41,483. That was the highest of the farms in this size range. Farm operators in this group owned 24 percent of the land they farmed, crop-shared 28 percent, and cash-rented 49 percent. Total labor was 26.0 months, 14.3 months of which was hired. Corn was planted on 59 percent of the acres and soybeans on 37 percent. The average corn yield was 166 bushels per acre and the average soybean yield 58 bushels per acre.

Table 7. Average Cost per Tillable Acre to Grow Corn and Soybeans on Central Illinois Grain Farms with No Livestock

	Corn		Soybeans	
	2010	2009	2010	2009
Number of farms.....	628	617	628	617
Acres grown per farm	684	736	542	513
Yield per acre, bu	168	192	60	55
Variable nonland costs				
Soil fertility	\$122	\$185	\$ 42	\$ 62
Pesticides	44	52	27	31
Seed	95	90	61	58
Drying and storage	35	52	7	8
Machinery repairs, fuel, and hire.....	47	45	43	40
Total, variable costs.....	\$343	\$424	\$180	\$199
Other nonland costs				
Labor	\$ 40	\$ 40	\$ 38	\$ 38
Buildings	10	10	8	7
Machinery depreciation .	38	35	34	31
Nonland interest	50	46	45	42
Overhead.....	35	38	33	36
Total, other costs	\$173	\$169	\$158	\$154
Total, nonland costs.....	\$516	\$593	\$338	\$353
Land costs				
Taxes	\$ 31	\$ 29	\$ 31	\$ 29
Adjusted net rent.....	170	164	170	164
Total, land costs.....	\$201	\$193	\$201	\$193
Total, all costs	\$717	\$786	\$539	\$546
Nonland cost per bu	\$3.07	\$3.09	\$5.63	\$6.42
Total, all costs per bu.....	\$4.27	\$4.09	\$8.98	\$9.93

Average yield, past 4 yrs ...	190	193	56	55
Total, all costs per bu.....	\$3.77	\$4.07	\$9.63	\$9.93

Beef farms. The operator’s net farm income for Illinois beef farms having 340 to 799 acres averaged \$121,135 in 2010 (Table 6). This figure was \$125,285 higher than the 2009 figure and \$61,187 higher than the average from 2006 through 2010. Higher market cattle prices and increases in crop returns contributed to the higher earnings. Net farm income for these farms was the lowest of any type of farm in the sort. Feed cost per hundredweight produced decreased 10 percent, while the average price received for market cattle increased 12 percent in 2010 compared to 2009. The price paid for feeder cattle went up about 14 percent from the year before. The value of farm production for this group of farms averaged \$439,082 or \$176,927 more than in 2009. Cash operating income averaged \$859,251, purchased feed and livestock totaled \$463,260, and net cash operating income averaged \$395,991.

Management returns of \$38,620 in 2010 for these farms were the lowest for any type of farm in the acreage range study. Management returns averaged a *negative* \$23,199 for the period 2006 through 2010. Capital purchases were \$27,710 in 2010, compared to \$45,212 in 2009 and \$55,686 in 2008. The 2006 through 2010 average was \$41,631. Depreciation of \$27,736 was \$4,514 above 2009. Cash operating expenses, excluding purchases of feed and livestock, totaled \$309,065. The net cash balance for these farms was \$59,216.

Costs and returns to produce beef from 2007 through 2010, based on a detailed breakdown of individual costs from a selected sample of beef farms, are shown in Table 14. Total returns exceeded total costs in 2010; but in the prior three years total costs exceeded total returns. An analysis of feeder cattle enterprises is discussed in detail under the livestock section.

Farm operators in this group owned 35 percent of the land they farmed. They crop-shared 19 percent and cash rented 46 percent. Operators in this group averaged the second lowest amount of interest paid, \$28,088. They planted 59 percent of their tillable land to corn or corn silage. They also had 17 percent of their tillable land in hay and pasture. These farms used 16.9 months of total labor, with 3.1 of that hired labor. The average corn yield on these farms was 156 bushels per acre and the average soybean yield was 52 bushels per acre. In 2009, corn and soybeans yields on these farms averaged 167 and 46 bushels per acre, respectively.

Farms where beef cattle are raised or fed continue to compete for resources in Illinois where nonmarketable resources—such as roughage, labor, and buildings—or very high levels of management are available. In recent years, this type of farm has survived primarily where large amounts of debt-free capital have been combined with very high levels of management. Higher crop returns have helped them endure the volatile, cyclical nature of the cattle enterprise

Dairy farms. The operator’s net farm income for Illinois dairy farms having 340 to 799 acres averaged 148,265 in 2010 (Table 8). This figure was \$168,034 above the 2009

figure and \$63,959 above the 5-year average from 2006 through 2010. The 2010 net farm income for these farms was the second highest ever for Illinois dairy farms. The highest income was recorded in 2007. The farms averaged \$30,119 hundredweight of milk produced.

Higher milk prices and higher crop returns were the main factors for the increase in earnings. The value of farm production was \$653,700, the highest for any type of farm in Illinois in 2010. This was \$218,183 higher than 2009 and \$128,594 higher than the 2006–2010 average. It was the highest ever for these farms. The value of inventory increased by \$57,578, while cash operating income increased by \$186,767. Cash operating expenses totaled \$466,576, 18 percent more than in 2009. (A detailed breakdown of the cost of producing milk is given in Table 16.) Management returns were \$48,858. Management returns were \$149,254 higher than the 2009 figure and \$51,737 higher than the 5-year average from 2006 through 2010. Management returns were the second lowest for any type of farm in this acreage range. Capital purchases increased to \$98,263 in 2010, compared to \$48,664 in 2009 and \$96,060 in 2008.

Table 8. Averages for Selected Total Farm Items on 340- to 799-Acre Illinois Dairy Farms

	2010	2009	2006–10 average
Number of farms.....	21	21	22
Total acres.....	598	551	574
Soil productivity rating.....	68	69	69
Percent land owned.....	34	34	35
Percent land crop shared.....	9	5	8
Percent land cash rented.....	56	61	57
Cash operating income.....	\$740,874	\$554,107	\$615,682
Less purch. feed, lvstk.....	<u>141,895</u>	<u>109,596</u>	<u>125,192</u>
Net cash operating income.....	\$598,979	\$444,511	\$490,490
Accounts receivable change...	(2,857)	464	(2,527)
Inventory change.....	<u>57,578</u>	<u>(9,458)</u>	<u>37,143</u>
Value of farm production.....	\$653,700	\$435,517	\$525,106
Total cash op. expenses.....	\$466,576	\$393,528	\$400,115
Prepaid-unpaid change.....	(10,930)	19,881	890
Annual depreciation.....	<u>49,789</u>	<u>41,876</u>	<u>39,794</u>
Net farm income.....	\$148,265	\$ (19,769)	\$ 84,306
Net farm income per operator	\$126,420	\$ (17,087)	\$ 71,585
Unpaid labor charge.....	52,464	50,190	48,827
Returns to capital and mgmt...	95,801	(69,959)	35,479
Interest charge on capital.....	<u>46,943</u>	<u>30,437</u>	<u>38,358</u>
Management returns.....	\$ 48,858	\$(100,396)	\$ (2,879)
Total cash income ^a	\$598,979	\$444,511	\$490,490
Total cash expenditures ^a	<u>564,839</u>	<u>442,191</u>	<u>472,500</u>
Cash balance.....	\$ 34,140	\$ 2,320	\$ 17,990
Capital purchases.....	98,263	48,664	72,386

^aIncludes sales or purchases of capital items.

The 2006 through 2010 average was \$72,386. This is the highest amount of capital purchases ever for these type of farms. Annual depreciation on these farms averaged \$49,789. These farms used 36.4 months of total labor, 20.2 months of which was hired labor. The total labor used was the highest for any type of farm in the state. The average interest expense paid by these operators, \$29,620, was the second highest of any farm type.

Farm operators in this group owned 34 percent of the land they farmed and cash-rented 56 percent. About 14 percent of the land they farmed was in hay ground, the second highest for any type of farm; 50 percent was in corn and corn silage. Over 76 percent of the value of crop produced was fed to livestock. The average corn yield was 160 bushels per acre for these farms was 6 bushels per acre less than in 2009. The average price received for milk in 2010 was 24 percent higher than the average price received in 2009.

LIVESTOCK ENTERPRISES

The returns per \$100 of feed fed from various livestock enterprises and the price of corn during each of the past 15 years are given in Table 9. This table also shows 15-year and 5-year averages. The difference between the average return figure and a feed cost of \$100 represents the margin available for cash expenses other than feed, labor, depreciation on equipment, interest on investment, and profit.

The margin needed to cover nonfeed costs varies with the kind of livestock and depends on the proportion of total production costs represented by feed. The 15-year averages from 1996 through 2010 represent the approximate level of return at which farmers have been willing to maintain livestock production. The average may not represent a breakeven return on all farms because some farmers may discount market prices for some of the resources used in producing livestock. If farmers already have facilities for livestock, they need only to cover direct operating costs to continue production. However, when livestock production is a new or a long-term enterprise, farmers hope to cover all fixed and variable costs. Otherwise, they should not undertake the enterprise.

Patterns and fluctuations

As individual farmers try to increase profits, they tend to curtail livestock production when the return per \$100 of feed fed is below the 15-year average. This tendency on the part of producers causes supplies of livestock products to fluctuate.

In farrow-to-finish hog production, returns tend to follow a noticeably cyclical pattern (Table 9). They tend to exceed the 5-year average for 1 or 2 years and then drop below this average for 1 or 2 years. Returns per \$100 of feed fed of \$156 in 2010 were above the 5-year average of \$143. The 2010 return was below the 1996 through 2010

average. The 2010 return of \$156 was the second highest during the last 5 years, while the 2004 and 2005 returns of \$216 were the highest for any year during the last 15 years.

The returns from feeder cattle vary greatly from year to year. The long-run averages shown in Table 9 indicate that the cattle-feeding business has not been paying average market rates for all resources used by the enterprise, although the 2003 through 2005 time period resulted in some of the better returns on record. Table 9 shows the return of \$131 per \$100 of feed fed for the most recent 5-year period (2006 through 2010) to be below the previous 5-year period and only slightly below the 15-year average of \$139. The 2010 return of \$163 per \$100 of feed fed was \$32 above the most recent 5-year average. Above-average skills are needed in buying, selling, and feeding to meet the competition from other uses for time and money on farms with feeder cattle. Identifying cyclical income movements over a 15-year period in the beef-cattle industry is difficult because this industry is more complex and adjusts more slowly than other livestock enterprises.

The average return above feed and purchased animal costs for dairy enterprises of \$1,506 per cow in 2010 was \$90 below the 5-year average of \$1,596 (Table 10). These returns indicate that the average dairy enterprise has not covered the total estimated cost of production of \$1,884 per cow from 2005 through 2009. The 2010 return per \$100 of feed fed of \$168 was below the past 5-year average of \$178.

Beef-herd enterprises

For the beef-herd enterprise, the average returns above the cost of feed and purchased animals for the period from 2006

through 2010 showed great volatility. Producers combining the returns of 2007, 2008, and 2009 would have been hard-pressed to cover feed costs. Historically, the beef-herd enterprises generate enough returns to cover cash costs but not total nonfeed costs (Table 10). The implication is that the beef enterprise competes most favorably on farms where the resources of labor, capital, and management are plentiful and have few alternate uses. This enterprise is most commonly found on farms with nontillable pasture that has limited alternative uses. In the beef-cow enterprise, returns above the cost of feed per cow were \$54 during the past 5 years. The 2010 return of \$115 covered feed costs, but not total nonfeed costs, estimated at \$203 per cow.

Raising livestock has become more competitive and specialized. Average profit margins are narrow. Fewer farmers are willing to stay in business, because returns in some enterprises barely cover direct operating costs. As an alternative, more producers are specializing in a certain phase of livestock production and entering contractual arrangements to guarantee a certain return. While these contracts may limit upside potential, they can also reduce risk during times of low prices. Expansion plans that require large investments for new facilities should be based on an estimated return high enough to cover all costs. Fluctuations in livestock returns can involve a risk in low-return years. The estimated nonfeed cost for future livestock production also is shown in Table 10.

Hog enterprises

The information on farrow-to-finish enterprises in Table 11 is based on a sample of 39 enterprises farrowing 10 litters

Table 9. Returns per \$100 of Feed Fed to Different Classes of Livestock

	Farrow-to-finish hogs (\$)	Feeder pig finishing (\$)	Feeder pig production (\$)	Feeder cattle bought (\$)	Dairy cow herds (\$)	Beef cow herds (\$)	Native sheep raised (\$)	Yearly price of corn (\$)
1996.....	167	149	186	113	167	79	128	3.70
1997.....	161	122	238	122	169	116	141	2.71
1998.....	104	97	279	105	220	107	128	2.31
1999.....	178	150	374	160	233	149	131	1.97
2000.....	212	166	327	147	197	141	140	1.89
2001.....	203	150	331	128	233	138	97	1.94
2002.....	151	121	433	128	198	130	154	2.19
2003.....	168	132	314	200	202	148	165	2.30
2004.....	216	158	287	165	222	178	161	2.49
2005.....	216	143	347	167	245	170	111	2.02
2006.....	183	121	349	124	192	137	117	2.41
2007.....	138	136	249	142	218	111	134	3.42
2008.....	115	131	149	102	172	86	106	4.70
2009.....	123	104	... ^a	126	138	109	75	3.76
2010.....	156	127	... ^a	163	168	135	139	3.86
Averages								
1996–2010.....	166	134	... ^a	139	198	129	128	2.78
1996–2000.....	164	137	281	129	197	118	134	2.52
2001–2005.....	191	141	342	158	220	153	138	2.19
2006–2010.....	143	124	... ^a	131	178	116	114	3.63

^aData not available.

Table 10. Variations in Returns to Livestock Enterprise Units, 2006 through 2010

	Hogs (per cwt)	Feeder-pig finish- ing (per cwt)	Feeder cattle (per cwt)	Dairy cattle (per cow)	Beef herd: calves sold (per cow) ^a
Return above cost of feed and purchased animals					
2006.....	\$19.25	\$12.97	\$ 9.60	\$1,501	\$128
2007.....	11.04	6.67	21.37	2,360	45
2008.....	5.84	1.77	1.60	1,775	(51)
2009.....	7.50	3.46	13.43	838	32
2010.....	<u>19.71</u>	<u>15.36</u>	<u>35.94</u>	<u>1,506</u>	<u>115</u>
Five-year average.....	\$12.67	\$ 8.05	\$16.39	\$1,596	\$ 54
Nonfeed costs, 2005 through 2009					
Direct cash.....	\$10.68 ^b	\$ 6.41 ^c	\$18.98 ^b	\$1,002 ^b	\$ 36 ^c
Other costs.....	<u>9.59^b</u>	<u>6.28^c</u>	<u>9.09^b</u>	<u>882^b</u>	<u>167^c</u>
Total.....	\$20.27	\$12.68	\$28.07	\$1,884	\$203
Nonfeed costs for future production					
Direct cash.....	\$14.06	\$ 8.43 ^d	\$24.98 ^d	\$1,483	\$ 53
Other costs.....	<u>12.61</u>	<u>8.26</u>	<u>11.96</u>	<u>1,306</u>	<u>247</u>
Total.....	\$26.67	\$16.69	\$36.94	\$2,789	\$300

^aThe feed cost for beef herds includes up to \$60 of hay equivalent from salvage roughage.

^bEstimates of annual nonfeed costs are based on enterprise cost studies of operative units from 2005 to 2009.

^cIncludes veterinary costs, utilities, fuel, equipment repair costs, and depreciation (from *Crop and Livestock Budget, Examples for Illinois*).

^dIncludes interest on purchase cost: one-third year for feeder-pig finishing and one-half year for feeder cattle.

or more a year. Farms were omitted from the sample if the number of hogs purchased exceeded 10 percent of pigs weaned, which eliminated farms with combined farrowing and feeder-pig operations. (Information on feeder-pig finishing enterprises is given in Table 13.) The average size of farrow-to-finish enterprises on all recordkeeping farms in 2010 was 395 litters. Average pigs weaned per litter of 8.96, was below the 2009 figure of 9.28. The 2,275 pounds of pork produced per litter was 121 pounds lower than 2009. The 2010 records summarized here for the “all farms” group show that the return of \$19.71 above feed costs per 100 pounds of pork produced was \$12.21 above the 2009 return of \$7.50. The 2010 return was the highest since 2005.

The 5-year average return above feed costs per 100 pounds produced was \$12.67 (Table 10). Even the 5-year average can vary significantly because of wide fluctuations in returns from year to year. Detailed records show that an average farmer with existing facilities needed a return above feed costs of \$20.27 per 100 pounds to pay for all nonfeed costs in the 2005 through 2009 time period. The return above all costs during this 5-year period of *negative* \$7.60 (\$12.67 minus \$20.27) has led to very little expansion and increase in pork production. Pork production has turned from a profitable industry to an unprofitable one, mainly due to higher feed costs. Despite the negative returns, pork production has continued to increase. Fortunately, strong export demand has supported pork prices. Depending on adjustments in pork production levels and to what level feed costs might drop, the pork industry may return to profitability in 2011. Pork production was down 1.5 percent in 2009 and 2.4 percent in 2010, and it is expected to increase about 1 percent in 2011.

The farrow-to-finish enterprise records for 2010 reported in Table 11 were also sorted by the number of litters produced. The group farrowing 350 or more litters averaged 805 litters. Compared with the average feed cost for all farrow-to-finish enterprises, feed cost per 100 pounds of pork produced was 77 cents lower for the 850-litter group.

The large producers paid slightly less per ton for commercial feed but had better feed conversion. The average price received for hogs sold by large producers, or the net at the farm, was 9 cents less than the average net received by all producers.

A substantial profit margin is required to compensate for the risk and detailed management involved in hog production compared with other resource uses. Large-scale hog production in modern confinement facilities requires high capital investment. The future recovery of this investment is uncertain. The salvage value of confinement hog facilities is low. In addition, acquiring the managerial skills for the large-scale production of hogs in confinement may discourage any rapid expansion of large hog-producing units. Pork production in 2010 decreased 2.4 percent due to higher costs and prior years of high feed costs. Pork production in 2011 is expected to increase compared to 2010. Hog prices have moved up due to decreasing pork production. Higher feed and fixed costs have increased the cost of production, resulting in lower profit margins.

The data on hog enterprises in Table 12 show a detailed breakdown of costs and returns from a group of specialized commercial hog farms for 2007, 2008, 2009 and 2010. The value of the feed fed to hogs was more than 75 percent of the crop returns produced on these farms. This intensity

Table 11. Hog Enterprises, 2010 Averages per Farm

	All farms	Farrow-to-finish enterprises ^a
Number of farms.....	39	15
Pork produced, lbs.....	899,588	1,854,982
Pork prod. per litter, lbs.....	2,275	2,303
Total returns.....	\$492,661	\$1,011,892
Value of feed fed.....	\$315,366	\$636,023
Returns per \$100 feed fed.....	\$156	\$159
Number litters farrowed.....	395	805
Pigs farrowed per litter.....	10.62	10.76
Pigs weaned per litter.....	8.96	9.12
Litters per female year.....	1.98	2.06
Pigs weaned per female year...	17.90	19.04
Number pigs weaned.....	3,539	7,342
Death loss, % lbs produced.....	2.7	2.7
Wt per market hog sold, lbs.....	264	264
----- per cwt produced -----		
Price received—market.....	\$53.55	\$53.46
Total returns.....	54.77	54.55
Feed costs.....	<u>35.06</u>	<u>34.29</u>
Return above feed.....	\$19.71	\$20.26
Farm grains/complete feed, lbs	258	255
Commercial feed, lbs.....	<u>75</u>	<u>72</u>
Total concentrates, lbs.....	333	327
Cost per cwt supplement.....	\$22.77	\$22.79
Cost per cwt concentrates.....	\$10.53	\$10.48

^a350 or more litters per farm.

of livestock feeding indicates a commitment of major resources to the hog enterprise. The producers in this group probably exercise a higher level of management.

The cost data reported in Table 12 have been divided into two categories: cash costs and other costs. This classification of production costs is important when short-term management decisions are being made concerning the volume of production, particularly during periods of low prices.

As reported in Table 12, cash costs of production in 2010 was \$44.62 per 100 pounds of pork produced. Feed is included as a cash cost, although for most producers a major share of the grain is raised on the farm. The readily available alternative cash market for grain makes raised feed the same as cash.

The other category of costs includes depreciation, labor, and an interest charge on all capital. Part of the labor and interest charge is a cash cost on most farms. The proportion of labor that is hired depends largely on the size of the farm. A one-person farm does not hire much labor, whereas a major share of the labor will be hired on a four-person farm.

Feed costs increased slightly as one compared 2010 to 2009. Total nonfeed costs increased \$2.14 per 100 pounds of pork produced with maintenance and power expenses representing most of the increase. Feed costs increased as grain prices increased. Total cost of production increased from 2009 to 2010 by \$3.17 (6 percent) per 100 pounds of pork produced.

From 2007 through 2010, the return above all costs averaged a *negative* \$10.40 per 100 pounds of pork produced. Management practices, such as the choice of building sys-

Table 12. Average Costs and Returns for Farrow-to-Finish Hog Enterprises, 2007 through 2010

	2010	2009	2008	2007	2007–10 average
Number of farms.....	9	13	14	13	13
Tillable acres.....	720	602	761	462	608
Number of litters.....	818	575	614	560	583
Total returns.....	\$53.69	\$38.83	\$44.36	\$40.73	\$41.31
----- per cwt pork produced -----					
Cash costs					
Feed.....	\$32.95	\$31.92	\$37.07	\$29.64	\$32.88
Operating expenses:					
Maintenance and power ^a	\$ 6.39	\$ 4.62	\$ 5.27	\$ 5.32	\$ 5.07
Livestock expenses.....	3.92	3.10	3.92	3.34	3.45
Insurance, taxes, and overhead.....	<u>1.36</u>	<u>1.68</u>	<u>1.73</u>	<u>1.32</u>	<u>1.58</u>
Total operating expenses.....	\$11.67	\$ 9.40	\$10.92	\$ 9.98	\$10.10
Total cash costs.....	\$44.62	\$41.32	\$47.99	\$39.62	\$42.98
Other costs					
Depreciation ^b	\$1.89	\$1.22	\$1.26	\$1.27	\$1.25
Labor.....	4.59	5.47	4.57	5.13	5.06
Interest charge on all capital.....	<u>1.75</u>	<u>1.67</u>	<u>2.37</u>	<u>3.22</u>	<u>2.42</u>
Total other costs.....	\$8.23	\$8.36	\$8.20	\$9.62	\$8.73
Total nonfeed costs.....	\$19.90	\$ 17.76	\$ 19.12	\$19.60	\$ 18.83
Total all costs.....	\$52.85	\$ 49.68	\$ 56.19	\$49.24	\$ 51.70
Return above all costs.....	\$ 0.84	\$(10.85)	\$(11.83)	\$(8.51)	\$(10.40)

^aIncludes utilities, machinery, equipment and building repairs, machine hire, and fuel.

^bIncludes machinery, equipment, and building depreciation.

tems, method of transporting hogs to market, type of market used, and on- versus off-farm systems for feed processing affect the individual cost items reported in Table 12. But the return above all costs should accurately reflect the relative efficiency of the of hog enterprises.

Feeder cattle and feeder pig finishing enterprises

Data for 2010 on the feeder cattle and feeder pig finishing enterprises are presented in Tables 13 and 14. These enterprise summaries include weights and values on partly finished animals purchased in previous years and on animals purchased during the current year.

The average amount of pork produced per farm from feeder pig enterprises was 1,310,852 pounds in 2010 (Table 13). At 240 pounds of gain per head, this figure amounted to 5,462 head fed per farm in 2010. These feeder pig enterprises represent those that buy weaner pigs and finish them.

The return above the cost of feed and purchased animals from 2006 through 2010 averaged \$8.05 per 100 pounds of gain. This return was \$4.63 below the \$12.68 of all nonfeed costs for the period 2005 through 2009. (Table 10). The 2010 return of \$15.36 was \$11.90 above the 2009 return and \$7.31 above the 2006 through 2010 return. Higher price received was the main reasons for the lower returns.

Given that a 475-pound unit of gain equals one head of feeder cattle, the average of 168,457 pounds of beef produced per farm in 2010 (Table 13) equals 355 head of feeder cattle per farm. That figure is slightly lower than the year before. The return per \$100 of feed for feeder cattle enterprises was \$163 in 2010, in comparison with a 5-year average of \$131 and a 15-year average of \$139 (Table 9). The 2010 returns were the highest in the last 5 years.

The price paid for feeders was \$13.37 per 100 pounds higher in 2010 than it was in 2009; the price received for cattle sold in 2010 was \$9.78 higher per 100 pounds than the price received in 2009. The average weight of purchased animals was 670 pounds; the average weight of animals sold was 1,296 pounds. Feed cost was \$57.24 per 100 pounds produced in 2010; it was \$51.79 in 2009. Feed costs increased slightly in 2010 and were considerably above the last 10-year average. Higher market cattle prices did offset an increase in feed costs of \$5.45 per 100 pounds produced, resulting in higher returns above feed in 2010.

Each 100 pounds of beef produced required 744 pounds of concentrates and 96 pounds of hay. The amount of corn silage used in 2010 averaged 234 pounds; other silage averaged 34 pounds, for a total of 268 pounds. Silage use by the feeder cattle enterprise has decreased in the past 5 years except for 2008, the 10-year average for the period 1991 through 2000 was 528 pounds per 100 pounds of beef produced, compared to 364 pounds for the period 2001 through 2010. The use of 268 pounds of silage per 100 pounds of beef produced in 2010 was the smallest amount fed since 1963. The high initial investment required for many silage feeding operations may denote more reliance on higher concentrate and dry roughage facilities.

This data does not show the wide variation in profits among cattle-feeding programs. The data on Illinois feeder cattle enterprises in Tables 9, 10, and 13 reflect the composite results of all qualities and ages of cattle fed. The data are heavily weighted, with good to choice calves and yearlings as the predominant cattle feeding system. Most farmers feed more than one drove of cattle each year to better utilize their fixed investments in mechanized feedlots.

The return above the cost of feed and purchased animals averaged \$16.39 per 100 pounds of beef produced from 2006 through 2010 (Table 10). During this period, returns ranged from \$1.60 in 2008 to \$35.94 in 2010. The returns above feed costs are below the estimated cost of \$28.07 per 100 pounds produced required to pay for all nonfeed costs for the average cattle feeder for the past 5 years. The returns above feed costs are up because of the extremely higher returns in 2010.

The data in Table 14 show a detailed breakdown for the period from 2007 through 2010 on costs and returns to produce beef on beef-feeding farms. The farms included had no other livestock. All costs were accounted for, either in crops or in the beef-feeding enterprise. The figure for feed costs is based on the assumption that all the grain and roughage fed was produced on the farm and was marketable.

The data show that these farms were finishing an average of 826 feeders each year from 2007 through 2010. The 4-year average total cash cost including feed and

Table 13. Feeder Cattle and Feeder Pig Finishing Enterprises, 2010 Averages per Farm

	Feeder cattle	Feeder-pig finishing ^a
Number of farms.....	88	35
Total lbs produced	168,457	1,310,852
Total returns.....	\$156,955	\$576,468
Value of feed fed.....	\$ 96,419	\$351,722
Returns per \$100 of feed fed.....	\$163	\$164
Death loss, % lbs produced.....	2.7	1.8
Average weight purchased.....	670	14
Price paid per 100 lbs.....	\$106.86	\$257.88
Price received per 100 lbs.....	\$ 92.41	\$ 55.41
Average weight sold	1,296	267
	- - per cwt produced - -	
Total returns.....	\$93.17	\$43.98
Feed costs	<u>\$57.24</u>	<u>26.83</u>
Return above feed.....	\$35.60	\$17.15
Farm grains/complete feed, lbs	693	179
Supplement, lbs.....	<u>51</u>	<u>85</u>
Total concentrates, lbs.....	744	264
Hay, lbs.....	96	.. .b
Corn silage, lbs.....	234	.. .b
Other silage, lbs.....	34	.. .b
Hay equivalent, lbs.....	200	.. .b

^aPurchase weight of 20 lbs and less.

^bData not available.

interest charged on cattle, was \$73.01 per 100 pounds of beef produced. The average total returns of \$71.13 for the same period was less than total cash costs by \$1.88 per 100 pounds produced, or about \$12.01 per feeder.

Some feeders may be able to discount some of these cash costs for roughage fed and for interest on cattle if they had no market for the roughage or were able to use their own money to invest in cattle without paying interest. Total other costs of \$8.86 per 100 pounds of beef produced, or \$57 per feeder (\$8.86 multiplied by 6.39 hundredweight of gain per feeder), include depreciation, labor, and interest. Adding the other costs to cash costs results in total costs of \$81.86 per hundredweight over the 4-year period. This was \$10.74 per hundredweight more than the average total returns of \$71.13.

A number of cattle feeders in Illinois apparently will feed cattle as long as their return covers feed and cash costs even if it falls short of paying market rates for some nonmarketable roughage and fixed and overhead costs; however, this number is declining.

Farmers' values, goals, and attitudes have been important in maintaining production, but the dictates of the market,

technological changes, and shifts in the basic factors of supply and demand continue to cause changes. The return reflected in these averages for the feeder-cattle enterprise suggests that to be profitable, farmers must produce the kind of beef consumers want at the lowest possible cost. Even though farms may have nonmarketable feeds, unemployed labor, or fixed capital investments in facilities, these data indicate returns are not consistently high enough to justify building new facilities.

Dairy enterprises

The minimum size for a herd included in this analysis was 10 milk cows. The average herd size on recordkeeping farms increased steadily at an average of 1.8 cows per year, from 42 in 1970 to 63 in 1982. Herd size remained steady, between 63 and 70 cows, up to 1994. From 1994 until 2004, herd size had been between 75 and 85 cows. Since 2004, herd size has been around 100 cows. The 2010 average herd size is 121.1 cows. There continue to be fewer and fewer dairy herds in Illinois. A few dairy producers have decided to expand their herds and make a long-term commitment to the dairy industry.

Table 14. Average Costs and Returns for Beef-Feeding Enterprises, 2007 through 2010

	2010	2009	2008	2007	2007-10 average
Number of farms.....	6	6	9	6	7
Average per farm					
Tillable acres.....	423	423	464	543	463
Hundredweight beef produced.....	4,406	3,479	3,855	4,431	4,043
Number head at 475-lb gain equivalents.....	928	732	812	933	826
Average weight purchased, lbs.....	529	548	697	660	609
Average weight sold, lbs.....	1,216	1,264	1,296	1,214	1,248
Price received per 100 lbs sold.....	\$ 88.40	\$80.14	\$ 92.67	\$ 91.05	\$88.07
Price paid per 100 lbs purchased.....	\$102.37	\$88.80	\$104.85	\$103.22	\$99.81
----- per cwt beef produced -----					
Cash costs					
Feed.....	\$55.24	\$58.35	\$62.34	\$43.17	\$54.78
Operating expenses					
Maintenance and power ^b	\$ 8.11	\$ 4.39	\$ 6.21	\$ 7.99	\$ 6.68
Livestock expense.....	3.96	3.26	5.60	4.06	4.22
Insurance, taxes, and overhead.....	1.19	1.75	2.52	2.12	1.90
Interest on cattle ^c	<u>4.69</u>	<u>4.64</u>	<u>5.13</u>	<u>7.31</u>	<u>5.44</u>
Total operating expenses.....	\$17.95	\$14.04	\$19.46	\$21.48	\$18.23
Total cash costs.....	\$73.19	\$72.39	\$81.80	\$64.65	\$73.01
Other costs					
Depreciation ^d	\$ 2.10	\$ 2.66	\$ 2.50	\$ 2.95	\$ 2.55
Labor.....	5.15	4.17	3.54	5.00	4.47
Interest on other capital.....	<u>0.97</u>	<u>1.48</u>	<u>1.77</u>	<u>3.13</u>	<u>1.84</u>
Total other costs.....	\$ 8.22	\$8.31	\$ 7.81	\$ 11.08	\$ 8.86
Total all costs.....	\$81.41	\$ 80.70	\$ 89.61	\$ 75.73	\$ 81.86
Total returns ^e	\$84.09	\$ 64.87	\$ 70.62	\$ 64.92	\$ 71.13
Return above all costs.....	\$ 2.68	\$(15.83)	\$(18.99)	\$(10.81)	\$(10.74)

^aAll grain fed was priced at the average market price for the year. Market values were used for roughage fed, while protein and minerals were charged at cost. All the feed fed is assumed to have been marketable.
^bIncludes utilities, machinery, equipment and building repairs, machine hire, and fuel.
^cInterest is a charge on the average value of beginning- and end-of-year inventories on hand. The rate was 8.0% for 2007, 5.5% for 2008, and 5.0% for 2009 and 2010.
^dIncludes machinery, equipment, and building depreciation.
^eSales less cost of purchased animals, plus or minus inventory value change. No credit has been calculated for reduced fertility cost when manure is applied to crops.

The return per \$100 of feed fed to dairy cattle in 2010 was \$168, the second lowest since 1996 and 1997. The average for the period from 2006 through 2010 was \$178 (Table 9). In 2010, milk prices per hundredweight increased from \$13.12 to \$16.30. From 2009 to 2010, beef prices for market animals sold increased \$7.46 per hundred pounds, while feed costs decreased 53 cents per milk equivalent. Milk production per cow in 2010 of 20,791 pounds was up 377 pounds from 2009 and the second highest on record.

Dairy farmers have reduced the amounts of pasture and dry hay and increased the amounts of grain and silage fed over the past two decades. Pasture days per animal unit dropped from 145 in 1960, to 50 in 1970, to 13 in 2010. This shift indicates that significant pasture days are a thing of the past on nearly all dairy farms in this sample. However, some producers are beginning to experiment again with intensive rotational grazing as a means of lowering costs.

The herds in Table 15 were divided into groups based on size: the two “high efficiency” groups had 40 to 79 cows and 80 to 149 cows. Efficiency is measured by the return above cost of feed per cow. The larger herds averaged 104 cows, and the smaller herds averaged 58 cows. The return

above feed costs per cow was higher for the larger herds, at \$1,405, compared to a return of \$999 for the smaller herds. The larger herds averaged 20,038 pounds of milk produced per cow, compared to 17,962 pounds for the smaller herds. Feed cost per milk equivalent was lower for the larger herds, at \$6.63, compared to \$11.25 for the smaller herds.

The average return above feed costs per cow for all dairy herds was \$1,506 in 2010 (Table 15). This figure compares with the recent 5-year average of \$1,596 per cow (Table 10). For the years 2005 through 2009, the 5-year average return above feed costs required to pay market prices for all nonfeed costs is estimated to be about \$1,884 per cow. The estimated return above feed costs currently required to attract new investments for dairy herds is about \$2,789 per cow. Although the number of dairy herds has decreased, their size and efficiency have increased, and they have continued to increase the milk supply. Normal depreciation and wear-and-tear will soon require the reinvestment of greater amounts of capital in some of these businesses.

The data in Table 16 on dairy enterprises show a detailed breakdown of milk production costs and returns for dairy farms by the number of cows in the herd from 2008 through 2010. The farms included had no other livestock. All costs were accounted for either in crops or in the dairy enterprise. The total costs for the dairy enterprise were reduced by the amount of income derived from an inventory increase in the pounds of beef produced or sold, which was valued at the average price received for all weights of dairy animals sold from 2006 through 2010. The residual costs, amounting to about 91 percent of the total enterprise costs, were then considered the net cost of producing milk.

The differences between the herds with 40 to 79 cows and those with 80 or more for the period from 2008 through 2010 is a combination of slightly higher returns and lower feed costs for the larger herds. For the 3-year period, the milk price for the larger herds is 14 cents per 100 pounds higher than that for the smaller herds, while feed costs per 100 pounds of milk sold for the larger herds were \$1.43 lower than for the smaller herds. Total nonfeed costs were 22 cents higher for the larger herds.

In 2010, feed costs per 100 pounds of milk produced increased for small herds (\$1.18) and decreased for large herds (38 cents). The cost of feed averaged about 50 percent of total production costs in Illinois dairy enterprises. Compared with 2009, total nonfeed costs increased 7 percent for the small herds, whereas the large herds decreased by 3 percent. The total cost of producing 100 pounds of milk in 2010 was \$21.24 for the small herds and \$17.65 for the large herds. The average price received for milk in 2010 increased for both groups of dairy enterprises. With higher milk prices, returns still did not cover total production costs in 2010. Returns were a *negative* \$4.78 per 100 pounds of milk produced for the small herds and a *negative* \$1.21 for the large herds. The returns above all costs per 100 pounds of milk produced had averaged \$1.35 more for the large

Table 15. Dairy Cattle Enterprises, 2010 Averages per Farm

	All farms	High efficiency	
		40–79 cows	80–149 cows
Number of farms.....	79	25	29
Number of cows.....	121.1	57.9	103.6
Milk cows dry, %.....	12.9	14.7	11.5
Animal units in herd.....	231	109	194
Total returns.....	\$448,876	\$185,488	\$377,322
Value of feed fed.....	\$266,460	\$127,622	\$231,722
Return per \$100 of feed fed	\$168	\$145	\$163
Return above feed per cow .	\$1,506	\$999	\$1,405
Total milk produced, cwt	25,187	10,401	20,765
Lbs of milk per cow.....	20,791	17,962	20,038
Lbs of butterfat per cow	749	658	741
Total beef produced, lbs	74,162	35,369	55,419
Pounds of beef per cow.....	612	611	535
Death loss, % lbs produced.	16.8	21.7	20.4
Price received for:			
cwt milk.....	\$16.30	\$15.94	\$16.66
cwt beef	\$83.81	\$74.86	\$88.24
Per cwt milk equivalent ^a			
Feed cost.....	\$ 9.84	\$11.25	\$ 6.63
Grain/complete feed, lbs....	30	36	33
Protein and minerals, lbs...	16	18	16
Total concentrates, lbs.....	46	54	49
Hay and dry roughage, lbs	21	30	26
Corn silage, lbs.....	86	92	87
Other silage, lbs.....	51	55	39
Pasture days per animal unit	13	18	21
Hay equivalent per cow, tons	8.2	8.5	7.9
Concentrates per cow, lbs ...	10,315	10,653	10,604

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

group than the small group from 2008 through 2010. Dairy assistance payments from the Farm Service Agency and patronage returns related to the dairy enterprise were not included in returns. This would add about 31 cents per 100 pounds of milk produced to returns.

Beef-cow herds

The minimum size for a beef-cow herd included in Table 17 was 10 cows. Farms combining cow herds and purchased feeder cattle were not included. In addition to all farms, Table 17 gives an analysis of cow herds in which calves were sold at weaning time, comparing them with cow herds in which calves were finished to slaughter weights. From 1956 through 1969, the average size of the herd on all farms ranged from 25 to 30 cows. From 1970 to 1973, the average grew to about 40 cows per herd and remained stable through 1989. Since 2001, the herd size has been about 50 cows. The herd size was 55 cows in 2010, the same as in 2009. Most Illinois farmers who maintain a beef-cow herd do so as a supplemental enterprise to market nonsalable feeds and labor.

The return per \$100 of feed fed to beef-cow herds averaged \$135 in 2010. The returns for the 5-year period from 2006 through 2010 averaged \$116, which is below the 15-year average of \$129 for the period from 1996 through 2010 (Table 9). Beef prices received in 2010 averaged \$97.02 per hundredweight, a increase of \$7.06 from prices in 2009.

Feed costs per 100 pounds of beef produced decreased by \$2.09 to \$65.86 in 2010.

Since 2006, the return above feed costs per cow for the average farmer to feed out calves rather than sell them at weaning has been about \$167 per cow. Additional returns are needed for the added costs of labor, buildings, and capital required to feed out the calves. In 2010, the return above feed costs per cow for feeding calves to market weight was \$252 more than selling them at weaning. The difference in returns between the two enterprises for the past 5-year average is \$113.

Sheep enterprises

Sheep production is a minor enterprise on Illinois record-keeping farms. The minimum size of enterprise in Table 18 is 3 animal units. One animal unit of sheep is defined as 750 pounds, liveweight. The return per \$100 of feed fed in 2010 was \$139 for native flocks. The average return for the 5-year period from 2006 through 2010 is \$114 per \$100 feed fed. The pounds of wool and mutton produced per farm have remained fairly constant for the past 10 years. The price received for sheep increased from \$102.57 per hundredweight in 2009 to \$134.33 in 2010, while feed costs per hundredweight produced decreased by \$27.91 to \$70.82, or 28 percent. Most Illinois farmers who keep sheep do so as a supplemental enterprise in order to market nonsalable feeds and labor.

Table 16. Average Milk Production Costs and Returns by Size of Herd, 2008 through 2010

	40–79 cows in herd			80 or more cows in herd		
	2010	2009	2008	2010	2009	2008
Number of farms	7	14	13	18	26	24
Tillable acres	170	196	207	351	445	368
Number of cows.....	57.1	58.8	56.9	187.2	192.3	180.5
Milk per cow, lbs	18,474	18,734	18,579	22,982	22,503	21,227
	----- per 100 pounds of milk produced -----					
Price received.....	\$16.46	\$13.16	\$19.15	\$16.44	\$13.39	\$19.25
Cash costs						
Feed	\$11.60	\$10.42	\$10.44	\$ 8.56	\$ 8.94	\$10.07
Operating expenses						
Maintenance and power ^a	2.29	2.31	2.36	2.03	1.99	2.42
Livestock expense	2.56	2.14	2.24	2.84	2.94	2.44
Insurance, taxes, and overhead	0.20	0.31	0.39	0.20	0.26	0.32
Total operating expenses.....	\$ 5.05	\$ 4.76	\$ 4.99	\$ 5.07	\$ 5.19	\$ 5.18
Total cash costs	\$16.65	\$15.18	\$15.43	\$13.63	\$14.13	\$15.25
Other costs						
Depreciation ^b	\$ 0.85	\$ 0.80	\$ 0.65	\$ 0.65	\$ 0.76	\$ 0.81
Labor	2.85	2.55	2.63	2.47	2.50	2.70
Interest charge on all capital.....	0.89	0.90	0.95	0.90	0.89	1.11
Total other costs	\$ 4.59	\$ 4.25	\$ 4.23	\$ 4.02	\$ 4.15	\$ 4.62
Total nonfeed costs.....	\$ 9.64	\$ 9.01	\$ 9.22	\$ 9.09	\$ 9.34	\$ 9.80
Total all costs	\$21.24	\$19.43	\$19.66	\$17.65	\$18.28	\$19.87
Return above all costs	\$(4.78)	\$(6.27)	\$(0.51)	\$(1.21)	\$(4.89)	\$(0.62)

^aIncludes utilities, machinery, equipment and building repairs, machine hire, and fuel.

^bIncludes machinery, equipment, and building depreciation.

Table 17. Beef-Cow Enterprises, 2010 Averages per Farm

	All farms	Calves sold	Calves fed out
Number of farms.....	156	62	36
Number of cows in herd.....	55	59	54
Animal units in herd.....	80	81	88
Total lbs produced.....	38,912	26,984	60,945
Beef per cow, lbs.....	705	458	1,123
Total returns.....	\$36,374	\$25,991	\$55,876
Value of feed fed.....	\$25,625	\$19,224	\$35,939
Return per \$100 feed fed.....	\$ 142	\$135	\$155
Return above feed per cow.....	\$(195)	\$115	\$367
Death loss, lbs.....	2,172	2,516	2,619
% lbs produced.....	5.6	9.3	4.3
Weight per animal sold, lbs.....	714	542	1,049
Price per cwt sold—market.....	\$ 97.02	\$100.20	\$ 93.60
	----- per cwt produced -----		
Feed costs.....	\$65.86	\$71.24	\$58.97
Grain/complete feed, lbs.....	167	146	237
Protein and minerals, lbs.....	75	101	68
Total concentrates, lbs.....	242	247	305
Hay and dry roughage, lbs.....	731	957	479
Corn silage, lbs.....	311	116	308
Other silage, lbs.....	70	51	37
Pasture days.....	26	42	19
Pasture days per animal unit...	129	138	134
Hay equivalent per cow, tons...	5.0	4.4	5.7

Table 18. Sheep Enterprises, 2010 Averages per Farm (Native Flocks)

Number of farms.....	5
Number of ewes in flock.....	43
Wool and mutton produced, lbs.....	8,957
Total returns.....	\$8,801
Value of feed fed.....	\$6,343
Return per \$100 of feed fed.....	\$139
Percent lamb crop.....	139
Death loss, lbs.....	742
Percent lbs produced.....	8.3
Weight per market animal sold, lbs.....	125
	----- per cwt produced -----
Price received—market.....	\$134.33
Feed costs.....	\$ 70.82
Concentrates, lbs.....	384
Hay, lbs.....	482
Pasture days.....	9
Hay equivalent, lbs.....	660

Appendix A

Costs, returns, financial summaries, investments, land use, and crop yields for different sizes and types of Illinois farms are reported in Tables 19 through 23a.

Table 19. 2010 Operator Average Returns, Costs, and Financial Summary by Size and by Management Returns for Northern and Central Illinois Grain Farms with Soil Ratings from 86 to 100

	180-499		500-799		800-1,199		> 1,199		Your farm		All farms		800-1,199		
	Range in size (total acres)	Management returns	Number of farms	Low 33%	High 33%	Low 33%	High 33%	Low 33%	High 33%	Low 33%	High 33%	Low 33%	High 33%	Low 33%	High 33%
Total acres in farm	372	674	1,019	1,976	335	1,129	1,000	1,024	1,000	968	737	91	16	14	14
Acres of tillable land	358	655	988	1,931	1,931	1,100	998	998	998	737	711	91	16	14	14
Operator tillable acres	292	494	738	1,510	91	849	91	91	91	91	91	91	16	14	14
Soil rating on tillable land	91	92	91	91	91	91	91	91	91	91	91	91	16	14	14
Percent land owned	29	17	15	12	44	45	46	46	46	46	46	46	46	46	46
Percent land crop shared	34	49	49	44	44	38	38	38	38	38	38	38	38	38	38
Percent land cash rented	37	34	35	44	44	4.3	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1
Months of hired labor	1.0	1.4	3.1	9.1	9.1	14.8	14.8	14.8	14.8	14.8	14.8	14.8	14.8	14.8	14.8
Total months labor	7.9	11.2	13.9	22.1	22.1	681,880	617,155	617,155	617,155	617,155	617,155	617,155	617,155	617,155	617,155
Dollar returns	233,877	394,815	590,331	1,215,803	145	97	245	245	245	245	245	245	245	245	245
Crop returns	-5	143	68	145	145	6,962	4,684	4,684	4,684	4,684	4,684	4,684	4,684	4,684	4,684
Livestock returns above feed	1,578	3,119	5,125	14,238	14,238	11,273	9,297	9,297	9,297	9,297	9,297	9,297	9,297	9,297	9,297
Custom work	4,061	6,119	10,450	19,745	19,745	700,212	631,148	631,148	631,148	631,148	631,148	631,148	631,148	631,148	631,148
Other farm receipts	239,511	404,196	605,974	1,249,931	1,249,931	175,291	134,488	134,488	134,488	134,488	134,488	134,488	134,488	134,488	134,488
Value of farm production	239,511	404,196	605,974	1,249,931	1,249,931	175,291	134,488								
Dollar costs	57,509	100,811	152,330	314,075	314,075	87,274	63,638	63,638	63,638	63,638	63,638	63,638	63,638	63,638	63,638
Crop expenses	34,918	53,671	77,805	148,749	148,749	28,761	22,702	22,702	22,702	22,702	22,702	22,702	22,702	22,702	22,702
Power and equipment	11,744	18,090	26,119	48,218	48,218	37,295	29,714	29,714	29,714	29,714	29,714	29,714	29,714	29,714	29,714
Building and fence	20,876	27,757	33,285	56,661	56,661	43,323	29,905	29,905	29,905	29,905	29,905	29,905	29,905	29,905	29,905
Labor	14,549	23,399	37,216	78,870	78,870	377	273	273	273	273	273	273	273	273	273
Insurance and miscellaneous	143	322	289	619	619	37,577	31,825	31,825	31,825	31,825	31,825	31,825	31,825	31,825	31,825
Livestock services and supplies	12,236	21,612	33,783	66,498	66,498	5,497	5,114	5,114	5,114	5,114	5,114	5,114	5,114	5,114	5,114
Interest on nonland capital	3,448	4,104	5,250	7,862	7,862	94,604	51,738	51,738	51,738	51,738	51,738	51,738	51,738	51,738	51,738
Real estate taxes	23,391	41,853	68,267	193,855	193,855	62,141	61,713	61,713	61,713	61,713	61,713	61,713	61,713	61,713	61,713
Cash rent	27,799	44,402	62,955	93,849	93,849	572,139	431,111	431,111	431,111	431,111	431,111	431,111	431,111	431,111	431,111
Other land charges	206,614	336,019	497,300	1,009,258	1,009,258	3,401	2,289	2,289	2,289	2,289	2,289	2,289	2,289	2,289	2,289
Total nonfeed costs	206,614	336,019	497,300	1,009,258	1,009,258	145,806	220,338								
Capital account adjustment	1,216	2,176	5,180	4,138	4,138	1,22	1.46	1.46	1.46	1.46	1.46	1.46	1.46	1.46	1.46
Management returns	38,330	77,585	125,323	272,267	272,267	650,023	779,344								
Farm production per \$1.00 of nonfeed costs	1.16	1.20	1.22	1.24	1.24	1.22	1.46	1.46	1.46	1.46	1.46	1.46	1.46	1.46	1.46
Farm production per man	286,057	502,014	694,150	929,301	929,301	620,005	507,869	507,869	507,869	507,869	507,869	507,869	507,869	507,869	507,869
Financial summary	213,107	350,808	538,303	1,109,950	1,109,950	84,710	125,684	125,684	125,684	125,684	125,684	125,684	125,684	125,684	125,684
Cash operating income	27,329	54,939	69,465	150,773	150,773	-1,450	-2,276	-2,276	-2,276	-2,276	-2,276	-2,276	-2,276	-2,276	-2,276
Inventory change	-705	-976	-1,292	-2,339	-2,339	1,296	46	46	46	46	46	46	46	46	46
Accts. receivable (net change)	70	75	263	3,684	3,684	537	132	132	132	132	132	132	132	132	132
Less purchased feed	16	465	244	366	366	551,995	631,100	631,100	631,100	631,100	631,100	631,100	631,100	631,100	631,100
Less purchased livestock	239,645	404,231	605,969	1,254,336	1,254,336	407,468	318,502	318,502	318,502	318,502	318,502	318,502	318,502	318,502	318,502
Gross farm returns	239,645	404,231	605,969	1,254,336	1,254,336	407,468	318,502								
Cash operating expenses	147,505	247,778	375,354	817,407	817,407	-3,321	-10,220	-10,220	-10,220	-10,220	-10,220	-10,220	-10,220	-10,220	-10,220
Prepaid expenses (- if increased)	-5,542	-6,814	-10,168	-25,637	-25,637	-3,101	-4,498	-4,498	-4,498	-4,498	-4,498	-4,498	-4,498	-4,498	-4,498
Accts. payable (+ if increased)	-491	-991	-4,038	-3,348	-3,348	401,047	303,795	303,795	303,795	303,795	303,795	303,795	303,795	303,795	303,795
Total operating expenses	141,472	239,974	361,148	788,422	788,422	150,948	327,316								
Income before depreciation	98,173	164,257	244,821	465,914	465,914	51,772	38,823	38,823	38,823	38,823	38,823	38,823	38,823	38,823	38,823
Less depreciation	15,006	26,592	45,002	84,783	84,783	2,289	10,244	10,244	10,244	10,244	10,244	10,244	10,244	10,244	10,244
Capital account adjustment	1,216	2,176	5,180	4,138	4,138	101,465	298,736	298,736	298,736	298,736	298,736	298,736	298,736	298,736	298,736
Net farm income	84,383	139,842	204,998	385,269	385,269	96,794	287,178								
Net farm income per operator	81,864	136,982	197,416	315,390	315,390	56,160	243,914	243,914	243,914	243,914	243,914	243,914	243,914	243,914	243,914
Labor & mgmt. income per operator	58,488	107,274	154,321	257,431	257,431										

Note: Variations in totals due to rounding to the nearest dollar. Farms with soil ratings from 86 to 100 are those with nearly level, well-drained prairie soils.

Table 19a. 2010 Operator Average Operating Costs, Land Use, Yields, and Prices Received by Size and by Management Returns for Northern and Central Illinois Grain Farms with Soil Ratings from 86 to 100

	180-499		500-799		800-1,199		> 1,199		All farms	
	Number of farms	190	243	262	335	86	86	86	86	86
Management returns										
Number of farms		190	243	262	335	86	86	86	86	86
Selected returns and costs										
per operator tillable acre										
Crop returns	801.37	799.51	800.30	804.99	802.97	721.38	868.19			
Livestock returns above feed	-0.02	0.29	0.09	0.10	0.11	0.33	0.02			
Custom work, other receipts	19.32	18.71	21.12	22.50	21.47	27.39	19.67			
Value of farm production	820.67	818.51	821.51	827.58	824.56	749.10	887.88			
Soil fertility	79.82	88.06	89.38	90.36	89.16	94.49	82.98			
Pesticides	37.94	37.83	35.55	35.80	36.16	38.61	32.40			
Seed and other crop expense	79.29	78.25	81.59	81.79	81.10	86.79	73.82			
Crop total	197.05	204.15	206.51	207.95	206.42	219.89	189.19			
Light vehicle and utilities	14.52	10.18	7.78	6.35	7.71	9.59	6.87			
Machinery repairs, supplies	28.42	26.96	24.92	20.14	22.66	29.34	19.76			
Machinery hire, lease	18.71	14.26	10.44	10.94	11.78	10.20	8.93			
Fuel and oil	19.58	20.48	20.67	21.81	21.23	21.60	18.60			
Machinery depreciation	38.41	36.81	41.66	39.24	39.39	48.98	35.37			
Power and equipment total	119.65	108.68	105.48	98.49	102.77	119.71	89.52			
Drying and storage	23.11	22.95	24.16	20.71	21.93	23.12	23.18			
Building repair and rent	9.77	7.35	5.53	5.04	5.77	8.03	3.94			
Building depreciation	7.36	6.33	5.72	6.17	6.17	6.63	4.82			
Building total	40.24	36.63	35.41	31.93	33.87	37.78	31.94			
Labor, unpaid	63.32	48.90	35.27	21.70	31.07	35.28	33.82			
Labor, paid	8.21	7.30	9.86	15.81	12.85	12.84	7.98			
Labor total	71.53	56.21	45.12	37.52	43.92	48.12	41.80			
Insurance and miscellaneous	49.85	47.38	50.45	52.22	51.02	64.59	42.07			
Livestock services and supplies	0.49	0.65	0.39	0.41	0.44	0.59	0.38			
Interest on nonland capital	41.93	43.76	45.80	44.03	44.25	47.62	44.77			
Other costs total	92.27	91.80	96.64	96.66	95.71	112.81	87.22			
Land charge	187.22	182.98	185.01	195.70	191.05	199.28	166.79			
Total nonfeed costs	707.95	680.45	674.18	688.23	673.74	737.59	606.47			
Capital account adjustment	4.16	4.41	7.02	2.74	4.01	3.11	14.41			
Management returns	116.88	142.47	154.35	162.09	154.82	146.2	295.82			
Percent crop returns fed	0.01	0.03	0.03	0.02	0.02	0.04	0.01			
Capital purchases	25,077	53,022	82,911	163,830	91,509	92,644	81,937			
Interest paid	6,740	11,275	16,328	33,979	19,108	19,879	12,397			
Percent tillable land in										
Corn and corn silage	54.7	54.9	55.6	58.2	56.9	57.4	53.1			
Soybeans	44.0	42.8	42.2	39.3	40.7	40.6	43.9			
Wheat	0.1	0.2	0.2	0.1	0.2	0.3	0.2			
Other small grains	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
CRP acres	0.2	0.3	0.3	0.2	0.3	0.4	0.3			
All hay and pasture	0.2	0.3	0.2	0.1	0.1	0.2	0.1			
Crop yields, bushels per acre										
Corn	172	173	171	171	171	160	179			
Soybeans	58	60	60	60	59	58	60			
Wheat	64	63	72	70	69	67	76			
Prices received										
Corn (old crop)	3.58	3.60	3.59	3.60	3.60	3.55	3.57			
Corn (new crop)	4.28	4.24	4.23	4.22	4.23	4.13	4.17			
Soybeans (old crop)	9.91	9.93	10.04	10.06	10.02	10.03	10.03			
Soybeans (new crop)	10.33	10.27	10.32	10.30	10.30	10.07	10.55			

Note: Variations in totals due to rounding to the nearest dollar. Farms with soil ratings from 86 to 100 are those with nearly level, well-drained prairie soils.

Table 20. 2010 Operator Average Returns, Costs, and Financial Summary by Size and by Management Returns for Northern and Central Illinois Grain Farms with Soil Ratings from 56 to 85

	180-499		500-799		800-1,199		> 1,199		All farms		800-1,199	
	Range in size (total acres)	Number of farms	180	160	163	242	Low 33%	High 33%	Low 33%	High 33%	54	54
Management returns												
Number of farms			360	670	1,030	2,048	1,012	1,028	745			
Total acres in farm			340	644	982	1,977	1,078	1,028	1,121			
Acres of tillable land			297	533	783	1,624	885	778	885			
Operator tillable acres			77	78	78	78	78	79	78			
Soil rating on tillable land			38	26	16	14	23	16	23			
Percent land owned			26	34	40	37	34	43	34			
Percent land crop shared			37	40	44	49	43	41	43			
Percent land cash rented			0.7	1.3	2.7	8.2	3.7	2.0	4.1			
Months of hired labor			8.9	11.2	14.1	22.0	14.8	12.7	15.9			
Total months labor												
Dollar returns												
Crop returns			222,163	389,897	578,324	1,206,778	655,946	622,026	655,946			
Livestock returns above feed			112	191	716	843	499	2,084	499			
Custom work			2,345	3,754	5,803	16,371	7,960	5,050	7,960			
Other farm receipts			2,541	5,701	7,757	17,987	9,372	9,212	9,372			
Value of farm production			227,161	399,543	592,600	1,241,959	673,777	638,372	673,777			
Dollar costs												
Crop expenses			56,309	106,829	156,512	327,880	177,297	140,822	177,297			
Power and equipment			38,483	61,069	83,154	174,894	97,418	72,871	97,418			
Building and fence			11,883	17,976	24,459	45,290	26,795	24,801	26,795			
Labor			24,644	30,156	36,342	60,727	40,108	31,522	40,108			
Insurance and miscellaneous			14,141	24,318	36,028	81,419	42,969	34,955	42,969			
Livestock services and supplies			290	272	414	615	419	472	419			
Interest on nonland capital			12,244	21,398	32,520	69,692	37,307	32,141	37,307			
Real estate taxes			3,416	3,917	3,944	8,216	5,198	3,960	5,198			
Cash rent			20,311	42,674	70,893	186,422	90,139	66,543	90,139			
Other land charges			26,187	40,411	51,777	91,231	55,969	51,085	55,969			
Total nonfeed costs			207,909	349,020	496,042	1,046,385	573,620	459,171	573,620			
Capital account adjustment			1,233	1,988	4,986	7,169	4,145	7,800	4,145			
Management returns			24,540	59,623	113,439	230,835	118,536	199,044	118,536			
Farm production per \$1.00												
of nonfeed costs			1.09	1.14	1.19	1.19	1.17	1.39	1.17			
Farm production per man			254,692	451,956	635,791	908,698	592,881	730,398	592,881			
Financial summary												
Cash operating income			201,421	360,151	533,700	1,109,390	603,149	537,068	603,149			
Inventory change			26,628	39,525	59,809	136,646	72,395	101,265	72,395			
Accts. receivable (net change)			-56	1,344	405	2,447	1,159	2,968	1,159			
Less purchased feed			499	1,346	218	3,469	1,584	457	1,584			
Less purchased livestock			244	103	880	595	467	2,523	467			
Gross farm returns			227,250	399,571	592,817	1,244,419	674,651	638,320	674,651			
Cash operating expenses			143,124	263,411	382,235	839,669	447,534	354,760	447,534			
Prepaid expenses (- if increased)			-4,804	-9,860	-15,270	-20,016	-13,121	-19,029	-13,121			
Accts. payable (+ if increased)			-355	-1,898	-1,241	-2,625	-1,617	-1,581	-1,617			
Total operating expenses			137,965	251,653	365,725	817,028	432,795	334,150	432,795			
Income before depreciation			89,285	147,917	227,092	427,391	241,856	304,170	241,856			
Less depreciation			16,484	26,675	43,289	90,544	48,594	39,032	48,594			
Capital account adjustment			1,233	1,988	4,986	7,169	4,145	7,800	4,145			
Net farm income			74,034	123,231	188,789	344,016	197,406	272,938	197,406			
Net farm income per operator			74,065	121,378	182,599	296,691	180,289	265,273	180,289			
Labor & mgmt. income per operator			51,189	90,979	145,202	238,369	141,106	227,272	141,106			

Note: Variations in totals due to rounding to the nearest dollar. Farms with soil ratings from 56 to 85 are those with poorly drained, heavy-til, and timber soils.

Table 20a. 2010 Operator Average Operating Costs, Land Use, Yields, and Prices Received by Size and by Management Returns for Northern and Central Illinois Grain Farms with Soil Ratings from 56 to 85

Management returns	180-499		500-799		800-1,199		> 1,199		All farms	
	180	160	160	163	242	242	745	745	Low 33%	High 33%
Number of farms									54	54
Range in size (total acres)										
Selected returns and costs										
per operator tillable acre										
Crop returns	748.21	731.85	738.73	742.95	741.12	741.12	741.12	741.12	672.47	799.41
Livestock returns above feed	0.38	0.36	0.91	0.52	0.56	0.56	0.56	0.56	-0.06	2.68
Custom work, other receipts	16.46	17.75	17.32	21.14	19.58	19.58	19.58	19.58	17.39	18.33
Value of farm production	765.04	749.96	756.96	764.61	761.27	761.27	761.27	761.27	689.80	820.41
Soil fertility	80.14	88.32	85.29	86.36	85.90	85.90	85.90	85.90	99.43	70.84
Pesticides	34.72	35.32	37.11	38.03	37.23	37.23	37.23	37.23	39.05	35.09
Seed and other crop expense	74.78	76.88	77.52	77.47	77.19	77.19	77.19	77.19	78.81	75.05
Crop total	189.64	200.52	199.92	201.86	200.32	200.32	200.32	200.32	217.29	180.98
Light vehicle and utilities	14.64	10.53	9.08	6.66	8.28	8.28	8.28	8.28	10.07	8.88
Machinery repairs, supplies	30.42	30.17	23.66	23.10	24.72	24.72	24.72	24.72	25.68	20.77
Machinery hire, lease	21.41	17.15	14.10	15.62	15.99	15.99	15.99	15.99	17.31	11.21
Fuel and oil	21.23	19.73	19.61	22.65	21.57	21.57	21.57	21.57	20.63	17.67
Machinery depreciation	41.90	37.06	39.77	39.64	39.51	39.51	39.51	39.51	42.23	35.12
Power and equipment total	129.60	114.63	106.22	107.67	110.07	110.07	110.07	110.07	115.92	93.65
Drying and storage	21.68	19.99	19.46	15.19	17.17	17.17	17.17	17.17	17.91	20.53
Building repair and rent	8.69	7.16	5.64	4.82	5.59	5.59	5.59	5.59	6.07	5.29
Building depreciation	9.65	6.59	6.14	7.87	7.51	7.51	7.51	7.51	6.78	6.06
Building total	40.02	33.74	31.24	27.88	30.27	30.27	30.27	30.27	30.76	31.87
Labor, unpaid	79.31	50.64	37.38	22.71	33.75	33.75	33.75	33.75	40.00	34.71
Labor, paid	3.68	5.97	9.04	14.67	11.57	11.57	11.57	11.57	15.10	5.80
Labor total	83.00	56.60	46.42	37.39	45.32	45.32	45.32	45.32	55.11	40.51
Insurance and miscellaneous	47.63	45.65	46.02	50.13	48.55	48.55	48.55	48.55	48.47	44.92
Livestock services and supplies	0.98	0.51	0.53	0.38	0.47	0.47	0.47	0.47	0.68	0.61
Interest on nonland capital	41.24	40.16	41.54	42.91	42.15	42.15	42.15	42.15	41.33	41.31
Other costs total	89.84	86.32	88.09	93.41	91.17	91.17	91.17	91.17	90.47	86.84
Land charge	168.10	163.30	161.73	176.00	170.95	170.95	170.95	170.95	165.90	166.26
Total nonfeed costs	700.20	655.12	633.62	644.21	648.11	648.11	648.11	648.11	675.45	590.11
Capital account adjustment	4.15	3.73	6.37	4.41	4.68	4.68	4.68	4.68	5.51	10.02
Management returns	68.99	98.57	129.71	124.82	117.85	117.85	117.85	117.85	19.86	240.33
Percent crop returns fed	0.02	0.02	0.04	0.03	0.03	0.03	0.03	0.03	0.04	0.05
Capital purchases	30,019	46,347	77,832	182,043	93,369	93,369	93,369	93,369	69,429	82,943
Interest paid	8,593	14,794	17,777	45,331	23,868	23,868	23,868	23,868	19,816	16,755
Percent tillable land in										
Corn and corn silage	55.1	56.6	55.7	58.3	57.3	57.3	57.3	57.3	58.3	54.5
Soybeans	42.2	40.5	41.5	38.4	39.6	39.6	39.6	39.6	37.6	43.6
Wheat	0.7	0.3	0.4	0.3	0.4	0.4	0.4	0.4	0.6	0.2
Other small grains	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CRP acres	0.9	0.9	0.4	0.5	0.6	0.6	0.6	0.6	0.6	0.4
All hay and pasture	0.3	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.8	0.2
Crop yields, bushels per acre										
Corn	165	159	163	164	163	163	163	163	152	172
Soybeans	54	52	55	55	54	54	54	54	52	56
Wheat	64	60	66	58	61	61	61	61	50	58
Prices received										
Corn (old crop)	3.59	3.57	3.60	3.63	3.62	3.62	3.62	3.62	3.57	3.65
Corn (new crop)	4.40	4.16	4.18	4.11	4.15	4.15	4.15	4.15	4.05	4.24
Soybeans (old crop)	9.82	9.83	9.87	9.98	9.92	9.92	9.92	9.92	9.83	9.77
Soybeans (new crop)	10.31	10.28	10.19	10.21	10.22	10.22	10.22	10.22	10.00	10.33

Note: Variations in totals due to rounding to the nearest dollar. Farms with soil ratings from 56 to 85 are those with poorly drained, heavy-til, and timber soils.

Table 21. 2010 Operator Average Returns, Costs, and Financial Summary by Size and by Management Returns for Southern Illinois Grain Farms with Soil Ratings from 36 to 85

	180-499		500-799		800-1,199		> 1,199		Your farm		All farms		800-1,199	
	Range in size (total acres)	Number of farms	43	44	81	137	1,067	2,097	1,382	305	Low 33%	High 33%	27	27
Management returns											1,084	1,074	1,007	1,012
Number of farms											828	835	56	59
Total acres in farm			376	716	1,067	2,097	1,311	1,100	26	22	22	22	44	45
Acres of tillable land			340	647	1,003	2,011	1,677	58	40	34	33	33	4.7	3.7
Operator tillable acres			308	570	832	1,677	58	17	20.1	20.1	16.8	14.8	477,331	655,523
Soil rating on tillable land			59	57	58	58	58	58	4,443	5,170	4,443	1,902	4,136	2,222
Percent land owned			51	34	23	17	23	17	6,199	6,199	6,669	9,427	6,669	9,427
Percent land crop shared			29	32	45	44	45	44	11,077	11,077	492,579	669,074	492,579	669,074
Percent land cash rented			20	34	32	40	32	40	767,402	767,402	154,178	142,050	94,560	91,781
Months of hired labor			0.6	4.0	4.3	12.8	4.3	12.8	19,586	21,935	19,586	16,495	19,586	16,495
Total months labor			8.6	14.2	15.9	28.2	15.9	28.2	53,566	53,566	43,288	38,946	43,288	38,946
Dollar returns									45,034	45,034	35,065	26,097	35,065	26,097
Crop returns	200,310	377,995	566,960	1,138,997	1,942	2,107	1,942	2,107	1,598	1,598	3,561	1,106	3,561	1,106
Livestock returns above feed	1,416	2,291	1,821	9,253	33,364	66,620	33,364	66,620	43,187	43,187	29,757	35,104	29,757	35,104
Custom work	1,088	1,295	3,548	10,947	3,678	5,590	3,678	5,590	4,152	4,152	3,033	3,370	3,033	3,370
Other farm receipts	2,604	5,868	6,514	18,108	34,793	97,206	34,793	97,206	57,093	57,093	36,653	33,899	36,653	33,899
Value of farm production	205,418	387,449	578,843	1,177,305	466,101	947,435	466,101	947,435	622,430	622,430	481,286	448,560	481,286	448,560
Dollar costs									73,438	73,438	61,605	59,722	61,605	59,722
Crop expenses	52,175	105,146	146,053	307,746	146,053	307,746	146,053	307,746	199,546	199,546	154,178	142,050	154,178	142,050
Power and equipment	36,589	64,029	93,039	186,511	93,039	186,511	93,039	186,511	122,881	122,881	94,560	91,781	94,560	91,781
Building and fence	6,466	11,083	18,179	32,496	18,179	32,496	18,179	32,496	21,935	21,935	19,586	16,495	19,586	16,495
Labor	24,817	40,890	41,613	73,728	41,613	73,728	41,613	73,728	53,566	53,566	43,288	38,946	43,288	38,946
Insurance and miscellaneous	10,937	23,995	32,355	69,988	32,355	69,988	32,355	69,988	45,034	45,034	35,065	26,097	35,065	26,097
Livestock services and supplies	401	552	1,942	2,107	1,942	2,107	1,942	2,107	1,598	1,598	3,561	1,106	3,561	1,106
Interest on nonland capital	10,414	20,337	33,364	66,620	33,364	66,620	33,364	66,620	43,187	43,187	29,757	35,104	29,757	35,104
Real estate taxes	1,866	2,784	3,678	5,590	3,678	5,590	3,678	5,590	4,152	4,152	3,033	3,370	3,033	3,370
Cash rent	7,777	21,441	34,793	97,206	34,793	97,206	34,793	97,206	57,093	57,093	36,653	33,899	36,653	33,899
Other land charges	27,405	41,513	61,084	105,444	61,084	105,444	61,084	105,444	73,438	73,438	61,605	59,722	61,605	59,722
Total nonfeed costs	178,848	331,770	466,101	947,435	466,101	947,435	466,101	947,435	622,430	622,430	481,286	448,560	481,286	448,560
Capital account adjustment	1,102	1,476	4,504	4,845	4,504	4,845	4,504	4,845	3,740	3,740	5,699	4,545	5,699	4,545
Management returns	30,106	63,615	126,625	256,230	126,625	256,230	126,625	256,230	162,144	162,144	26,252	232,947	26,252	232,947
Farm production per \$1.00 of nonfeed costs	1.15	1.17	1.24	1.24	1.24	1.24	1.24	1.24	1.23	1.23	1.02	1.49	1.02	1.49
Farm production per man	226,484	377,537	558,147	674,737	558,147	674,737	558,147	674,737	537,702	537,702	470,516	663,527	470,516	663,527
Financial summary														
Cash operating income	176,989	318,621	484,329	1,059,245	484,329	1,059,245	484,329	1,059,245	675,334	675,334	476,652	474,565	476,652	474,565
Inventory change	33,347	69,784	110,407	170,149	110,407	170,149	110,407	170,149	120,518	120,518	38,910	206,966	38,910	206,966
Accts. receivable (net change)	-793	1,345	-1,529	-3,417	-1,529	-3,417	-1,529	-3,417	-1,859	-1,859	-234	45	-234	45
Less purchased feed	2,213	2,521	10,418	38,155	10,418	38,155	10,418	38,155	20,581	20,581	15,071	9,395	15,071	9,395
Less purchased livestock	1,697	163	3,585	6,809	3,585	6,809	3,585	6,809	4,273	4,273	7,517	1,844	7,517	1,844
Gross farm returns	205,632	387,067	579,204	1,181,014	579,204	1,181,014	579,204	1,181,014	769,139	769,139	492,741	670,337	492,741	670,337
Cash operating expenses	119,362	236,663	338,458	716,184	338,458	716,184	338,458	716,184	462,551	462,551	354,686	320,062	354,686	320,062
Prepaid expenses (- if increased)	-2,627	-5,166	-8,374	-8,374	-8,374	-8,374	-8,374	-8,374	-7,095	-7,095	-5,490	-4,370	-5,490	-4,370
Accts. payable (+ if increased)	-695	501	1,600	1,702	1,600	1,702	1,600	1,702	1,164	1,164	2,045	1,102	2,045	1,102
Total operating expenses	116,039	231,998	331,709	709,511	331,709	709,511	331,709	709,511	456,620	456,620	351,241	316,794	351,241	316,794
Income before depreciation	89,593	155,068	247,495	471,502	247,495	471,502	247,495	471,502	312,519	312,519	141,500	353,543	141,500	353,543
Less depreciation	13,484	26,992	46,549	100,326	46,549	100,326	46,549	100,326	63,222	63,222	42,404	46,664	42,404	46,664
Capital account adjustment	1,102	1,476	4,504	4,845	4,504	4,845	4,504	4,845	3,740	3,740	5,699	4,545	5,699	4,545
Net farm income	77,210	129,552	205,450	376,021	205,450	376,021	205,450	376,021	253,038	253,038	104,795	311,424	104,795	311,424
Net farm income per operator	77,167	122,987	202,802	281,542	202,802	281,542	202,802	281,542	208,943	208,943	99,888	308,387	99,888	308,387
Labor & mgmt. income per operator	56,031	91,688	161,548	225,302	161,548	225,302	161,548	225,302	165,231	165,231	61,916	266,061	61,916	266,061

Note: Variations in totals due to rounding to the nearest dollar.

Table 21a. 2010 Operator Average Operating Costs, Land Use, Yields, and Prices Received by Size and by Management Returns for Southern Illinois Grain Farms with Soil Ratings from 36 to 85

	180-499		500-799		800-1,199		> 1,199		All farms	
	43	44	81	137	305	Low 33%	High 33%			
Range in size (total acres)	180-499	500-799	800-1,199	> 1,199	Your farm	800-1,199	High 33%			
Management returns						Low 33%	High 33%			
Number of farms	43	44	81	137	305	27	27			
Selected returns and costs										
per operator tillable acre										
Crop returns	651.34	662.94	681.53	679.13	677.31	576.41	785.51			
Livestock returns above feed	4.60	4.02	2.19	5.52	4.70	5.36	2.28			
Custom work, other receipts	12.00	12.56	12.10	17.32	15.71	13.05	13.96			
Value of farm production	667.95	679.52	695.82	701.97	697.72	594.82	801.75			
Soil fertility	79.28	86.13	82.19	87.28	85.86	87.59	80.27			
Pesticides	29.96	34.43	29.84	32.88	32.27	36.46	26.38			
Seed and other crop expense	60.42	63.85	63.54	63.33	63.30	62.13	63.57			
Crop total	169.66	184.41	175.57	183.49	181.43	186.18	170.22			
Light vehicle and utilities	12.44	10.12	9.09	7.18	7.99	9.35	7.89			
Machinery repairs, supplies	29.33	30.08	27.63	25.81	26.63	27.66	29.55			
Machinery hire, lease	19.59	11.30	8.79	10.32	10.45	12.54	6.19			
Fuel and oil	21.80	22.99	24.19	23.48	23.52	25.62	24.38			
Machinery depreciation	35.81	37.81	42.15	44.41	43.12	39.01	41.97			
Power and equipment total	118.97	112.30	111.84	111.21	111.72	114.19	109.98			
Drying and storage	7.42	6.54	8.75	6.27	6.84	11.60	6.53			
Building repair and rent	8.78	7.54	6.93	6.02	6.42	7.31	6.91			
Building depreciation	4.83	5.36	6.17	7.09	6.68	4.74	6.32			
Building total	21.03	19.44	21.85	19.38	19.94	23.65	19.77			
Labor, unpaid	76.60	51.03	37.79	24.81	31.42	39.73	35.68			
Labor, paid	4.10	20.69	12.24	19.15	17.28	12.54	10.99			
Labor total	80.70	71.71	50.02	43.96	48.70	52.27	46.67			
Insurance and miscellaneous	35.56	42.08	38.89	41.73	40.94	42.34	31.27			
Livestock services and supplies	1.30	0.97	2.33	1.26	1.45	4.30	1.33			
Interest on nonland capital	33.86	35.67	40.11	39.72	39.27	35.93	42.07			
Other costs total	70.73	78.72	81.33	82.71	81.66	82.58	74.66			
Land charge	120.47	115.29	119.67	124.16	122.31	122.31	116.21			
Total nonfeed costs	581.55	581.87	560.29	564.91	565.91	581.18	537.51			
Capital account adjustment	3.58	2.59	5.41	2.89	3.40	6.88	5.45			
Management returns	89.98	100.24	140.94	139.95	135.21	20.52	269.69			
Percent crop returns fed	2.92	1.25	2.44	2.15	2.21	4.74	1.07			
Capital purchases	25,555	39,260	86,696	213,340	128,119	66,772	94,933			
Interest paid	8,999	11,844	17,615	35,812	23,741	17,200	15,797			
Percent tillable land in										
Corn and corn silage	37.3	45.6	43.9	47.7	46.4	40.8	48.2			
Soybeans	46.5	48.2	45.6	45.5	45.7	45.4	45.9			
Wheat	5.5	2.6	3.6	2.8	3.1	3.5	4.0			
Other small grains	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
CRP acres	1.0	0.7	0.7	0.7	0.7	1.0	0.5			
All hay and pasture	7.0	1.5	1.3	1.1	1.4	2.1	0.5			
Crop yields, bushels per acre										
Corn	147	141	148	146	146	135	154			
Soybeans	49	47	49	48	48	45	53			
Wheat	55	55	52	58	56	53	58			
Prices received										
Corn (old crop)	3.55	3.64	3.74	3.86	3.81	3.78	3.71			
Corn (new crop)	4.08	4.31	4.24	4.20	4.21	4.18	4.37			
Soybeans (old crop)	10.14	9.95	10.04	10.13	10.10	10.20	9.99			
Soybeans (new crop)	10.98	10.50	10.69	10.40	10.49	10.67	10.91			

Note: Variations in totals due to rounding to the nearest dollar.

Table 22. 2010 Operator Average Returns, Costs, and Financial Summary by Size and by Cwt of Pork Produced for Illinois Hog Farms

Range in size (total acres) Cwt of pork produced Number of farms	60-799		> 799		Your farm		All farms		Cwt of pork produced	
	31	509	23	1,549			54		< 6,000 cwt	> 6,000 cwt
Total acres in farm		509		1,549			54		7	12
Acres of tillable land		484		1,497			952		417	1,083
Operator tillable acres		426		1,363			825		354	1,062
Soil rating on tillable land		81		82			82		269	980
Percent land owned		28		20			24		75	88
Percent land crop shared		26		21			23		39	27
Percent land cash rented		47		60			52		44	17
Months of hired labor		10.9		35.3			21.3		5.1	23.1
Total months labor		23.3		48.8			34.1		18.2	39.1
Dollar returns										
Crop returns		334,765		1,106,572			663,497		185,527	794,106
Livestock returns above feed		193,980		626,328			378,128		63,732	406,519
Custom work		1,377		7,740			4,087		82	3,693
Other farm receipts		12,596		30,837			20,365		851	20,732
Value of farm production		542,717		1,771,477			1,066,078		250,192	1,225,050
Dollar costs										
Crop expenses		66,100		289,352			161,189		39,265	203,561
Power and equipment		84,132		278,775			167,036		45,615	189,508
Building and fence		44,429		202,532			111,770		8,364	72,608
Labor		67,063		149,809			102,306		47,523	115,966
Insurance and miscellaneous		27,028		78,875			49,111		8,979	50,653
Livestock services and supplies		30,461		91,150			56,310		10,549	71,462
Interest on nonland capital		31,612		106,523			63,518		13,285	64,942
Real estate taxes		7,944		10,676			9,107		3,063	6,616
Cash rent		44,937		189,848			106,658		7,992	123,087
Other land charges		36,773		79,088			54,796		36,482	58,575
T total nonfeed costs		440,478		1,476,630			881,802		221,116	956,977
Capital account adjustment		490		7,039			3,280		666	1,272
Management returns		108,323		320,059			198,507		31,636	278,408
Farm production per \$1.00 of nonfeed costs		1.23		1.20			1.21		1.13	1.28
Farm production per man		320,669		563,009			475,449		278,814	387,064
Financial summary										
Cash operating income		970,733		2,760,670			1,733,114		267,942	1,522,116
Inventory change		63,533		237,435			137,602		43,542	149,322
Accts. receivable (net change)		-1,116		-7,282			-3,742		-971	-2,380
Less purchased feed		303,549		741,345			490,018		52,093	359,543
Less purchased livestock		186,909		478,068			310,921		8,228	84,464
Gross farm returns		542,693		1,771,410			1,066,035		250,192	1,225,050
Cash operating expenses		369,944		1,318,736			774,059		160,339	825,585
Prepaid expenses (- if increased)		-18,582		-56,646			-34,794		-15,002	-39,230
Accts. payable (+ if increased)		-2,384		2,257			-407		-3,386	-7,403
T total operating expenses		348,979		1,264,347			738,858		141,951	778,953
Income before depreciation		193,714		507,063			327,178		108,240	446,097
Less depreciation		26,938		77,911			48,649		12,776	43,483
Capital account adjustment		490		7,039			3,280		666	1,272
Net farm income		167,266		436,192			281,808		96,130	403,886
Net farm income per operator		151,432		210,984			176,797		86,939	230,254
Labor & mgt. income per operator		135,502		184,275			156,276		69,121	191,497

Note: Variations in totals due to rounding to the nearest dollar.

Table 22a. 2010 Operator Average Operating Costs, Land Use, Yields, and Prices Received by Size and by Cwt of Pork Produced for Illinois Hog Farms

Range in size (total acres) Cwt of pork produced Number of farms	60-799		> 799	Your farm	All farms	Cwt of pork produced	
	31	23	54		< 6,000 cwt	7	> 6,000 cwt
Selected returns and costs per operator tillable acre							
Crop returns	785.06	811.76	803.84		690.43	810.04	
Livestock returns above feed	454.90	459.46	458.11		237.17	414.67	
Custom work, other receipts	32.77	28.30	29.62		3.47	24.91	
Value of farm production	1272.73	1299.52	1291.58		931.07	1249.63	
Soil fertility	47.46	89.14	76.78		54.29	89.41	
Pesticides	32.75	35.79	34.89		28.45	29.34	
Seed and other crop expense	74.81	87.33	83.61		63.38	88.89	
Crop total	155.01	212.26	195.28		146.12	207.65	
Light vehicle and utilities	32.79	27.98	29.41		37.83	29.87	
Machinery repairs, supplies	44.28	42.92	43.33		41.23	47.76	
Machinery hire, lease	39.28	56.81	51.61		22.47	48.25	
Fuel and oil	38.11	41.39	40.42		33.94	40.76	
Machinery depreciation	42.84	35.40	37.60		34.27	26.67	
Power and equipment total	197.30	204.50	202.37		169.75	193.31	
Drying and storage	14.72	21.68	19.62		5.86	13.24	
Building repair and rent	73.39	109.33	98.67		19.09	45.55	
Building depreciation	16.08	17.56	17.12		6.18	15.27	
Building total	104.19	148.57	135.41		31.12	74.06	
Labor, unpaid	83.87	29.48	131.44		131.44	48.40	
Labor, paid	73.40	80.42	78.34		45.42	69.89	
Labor total	157.27	109.90	123.95		176.85	118.29	
Insurance and miscellaneous	63.38	57.86	59.50		33.42	51.67	
Livestock services and supplies	71.43	66.87	68.22		39.26	72.90	
Interest on nonland capital	74.13	78.14	76.95		49.44	66.24	
Other costs total	208.95	202.87	204.67		122.11	190.81	
Land charge	210.25	205.12	206.64		176.90	192.05	
Total nonfeed costs	1032.97	1083.23	1068.32		822.87	976.18	
Capital account adjustment	1.15	5.16	3.97		2.48	1.30	
Management returns	240.91	221.46	227.23		110.68	274.75	
Percent crop returns fed	124.45	102.25	114.99		62.93	86.85	
Capital purchases	48,910	123,925	80,861		22,928	80,752	
Interest paid	33,547	75,039	51,220		6,835	32,013	
Percent tillable land in							
Corn and corn silage	59.3	72.2	68.3		48.6	69.7	
Soybeans	35.1	23.6	27.1		35.8	28.0	
Wheat	1.6	1.1	1.2		2.0	1.2	
Other small grains	0.5	0.0	0.2		2.5	0.0	
CRP acres	0.4	0.0	0.2		0.0	0.1	
All hay and pasture	2.1	0.3	0.9		6.6	0.4	
Crop yields, bushels per acre							
Corn	165	165	165		167	176	
Soybeans	58	60	59		52	61	
Wheat	73	61	65		79	70	
Prices received							
Corn (old crop)	3.52	3.59	3.58		3.57	3.54	
Corn (new crop)	4.07	4.24	4.20		3.78	4.06	
Soybeans (old crop)	10.03	9.75	9.86		9.75	10.09	
Soybeans (new crop)	10.49	10.47	10.48		10.27	10.32	

Note: Variations in totals due to rounding to the nearest dollar.

Table 23. 2010 Operator Average Returns, Costs, and Financial Summary for Illinois Dairy and Beef Farms

Area of state	Dairy (by Number of Cows in Herd)			Beef (by Size)		
	10-79	> 79	All farms	180-799	> 799	All farms
Number of cows in herd	28	32	60	15	5	20
Number of farms	289	575	441	494	1,167	662
Total acres in farm	289	575	441	494	1,167	662
Acres of tillable land	249	492	379	430	980	568
Operator tillable acres	233	481	365	395	856	510
Soil rating on tillable land	68	67	67	68	85	73
Percent land owned	57	40	48	43	32	40
Percent land crop shared	11	6	8	16	29	19
Percent land cash rented	32	54	44	41	40	41
Months of hired labor	1.7	22.2	12.6	2.1	34.1	10.1
Total months labor	15.7	39.1	28.2	15.3	46.7	23.2
Dollar returns						
Crop returns	162,388	352,553	263,810	260,675	687,077	367,275
Livestock returns above feed	49,662	248,546	155,733	69,580	359,119	141,965
Custom work	760	1,187	988	2,753	1,456	2,429
Other farm receipts	4,094	12,734	8,702	2,817	15,839	6,073
Value of farm production	216,904	615,021	429,233	335,825	1,063,491	517,742
Dollar costs						
Crop expenses	35,447	71,919	54,899	64,631	162,616	89,127
Power and equipment	55,293	138,015	99,412	74,672	227,857	112,968
Building and fence	10,233	26,159	18,727	14,886	55,897	25,139
Labor	48,519	122,065	87,743	47,860	135,974	69,888
Insurance and miscellaneous	9,592	21,134	15,748	17,317	38,476	22,607
Livestock services and supplies	23,202	84,580	55,937	12,563	51,238	22,232
Interest on nonland capital	17,467	48,063	33,785	31,958	98,056	48,483
Real estate taxes	3,303	5,944	4,712	3,845	16,882	7,104
Cash rent	10,810	32,551	22,406	27,844	64,222	36,939
Other land charges	23,465	28,789	26,304	31,458	75,791	42,542
Total nonfeed costs	237,331	579,219	419,671	327,036	927,008	477,029
Capital account adjustment	1,973	1,934	1,952	1,576	12,666	4,349
Management returns	-16,794	41,445	14,267	14,829	156,277	50,191
Farm production per \$1.00 of nonfeed costs	0.91	1.06	1.02	1.03	1.15	1.09
Farm production per man	179,371	204,697	192,878	277,012	381,141	303,044
Financial summary						
Cash operating income	249,869	721,113	501,199	638,561	2,207,676	1,030,840
Inventory change	13,658	41,163	28,327	50,104	181,664	82,994
Accts. receivable (net change)	-9	-1,867	-1,000	-1,395	2,000	-546
Less purchased feed	41,765	137,772	92,969	63,967	238,870	107,693
Less purchased livestock	4,848	7,751	6,396	287,542	1,088,978	487,901
Gross farm returns	216,904	614,886	429,161	335,761	1,063,491	517,694
Cash operating expenses	155,075	437,410	305,654	234,151	802,127	376,145
Prepaid expenses (- if increased)	-3,349	-9,710	-6,742	-8,486	-69,738	-23,799
Accts. payable (+ if increased)	-2,431	510	-862	-4,776	1,774	-3,138
Total operating expenses	149,295	428,210	298,050	220,889	734,162	349,208
Income before depreciation	67,609	186,676	131,111	114,872	329,329	168,486
Less depreciation	18,267	47,426	33,818	25,969	68,799	36,677
Capital account adjustment	1,973	1,934	1,952	1,576	12,666	4,349
Net farm income	51,315	141,184	99,245	90,479	273,196	136,158
Net farm income per operator	45,664	101,366	75,372	83,007	231,251	120,068
Labor & mgt. income per operator	18,287	59,745	40,398	50,240	159,305	77,506

Note: Variations in totals due to rounding to the nearest dollar.

Table 23a. 2010 Operator Average Operating Costs, Land Use, Yields, and Prices Received for Illinois Dairy and Beef Farms

Area of state	Dairy (by Number of Cows in Herd)			Beef (by Size)				
	10-79 28	> 79 32	Your farm	All farms 60	180-799 15	> 799 5	Your farm 0	All farms 20
Number of cows in herd								
Number of farms								
Selected returns and costs per operator tillable acre								
Crop returns	696.52	733.48		722.47	660.72	802.29		720.15
Livestock returns above feed	213.01	517.10		426.49	176.36	419.34		278.36
Custom work, other receipts	20.82	28.96		26.54	14.12	20.19		16.67
Value of farm production	930.35	1,279.54		1,175.50	851.20	1,241.82		1,015.18
Soil fertility	63.24	65.45		64.79	71.35	70.65		71.05
Pesticides	32.20	25.28		27.34	25.46	28.69		26.82
Seed and other crop expense	56.60	58.89		58.21	67.01	90.54		76.89
Crop total	152.04	149.63		150.35	163.82	189.88		174.76
Light vehicle and utilities	39.60	41.10		40.65	18.13	19.98		18.91
Machinery repairs, supplies	69.31	70.16		69.31	55.16	58.53		56.57
Machinery hire, lease	31.25	51.87		45.73	35.85	76.16		52.77
Fuel and oil	41.56	52.90		49.52	32.39	53.74		41.35
Machinery depreciation	55.44	71.11		66.44	47.73	57.66		51.90
Power and equipment total	237.16	287.14		272.25	189.27	266.06		221.51
Drying and storage	7.13	8.04		7.77	8.76	7.07		8.06
Building repair and rent	15.95	19.68		18.57	14.28	40.28		25.20
Building depreciation	20.82	26.70		24.95	14.68	17.92		16.04
Building total	43.89	54.42		51.28	37.73	65.27		49.29
Labor, unpaid	184.96	112.74		134.26	102.80	44.74		78.43
Labor, paid	23.15	141.21		106.03	18.51	114.04		58.61
Labor total	208.11	253.95		240.29	121.31	158.77		137.04
Insurance and miscellaneous	41.14	43.97		43.13	43.89	44.93		44.33
Livestock services and supplies	99.52	175.97		153.19	31.84	59.83		43.59
Interest on nonland capital	74.92	100.00		92.52	81.00	114.50		95.06
Other costs total	215.58	319.93		288.84	156.74	219.25		182.98
Land charge	161.18	139.98		146.30	160.06	183.20		169.77
Total nonfeed costs	1017.96	1205.06		1149.31	828.92	1082.45		935.35
Capital account adjustment	8.46	4.02		5.35	4.00	14.79		8.53
Management returns	-79.15	78.51		31.53	26.27	174.16		88.36
Percent crop returns fed	85.89	103.82		95.45	70.71	57.84		67.49
Capital purchases	29,509	77,057		54,868	27,747	203,144		71,596
Interest paid	14,057	27,967		21,475	23,664	72,852		35,961
Percent tillable land in								
Corn and corn silage	50.0	48.7		49.1	54.1	70.5		61.2
Soybeans	16.0	18.3		17.6	18.3	23.8		20.7
Wheat	1.1	3.4		2.7	2.4	0.0		1.4
Other small grains	3.4	0.8		1.6	0.9	0.0		0.5
CRP acres	0.8	0.3		0.4	0.4	0.0		0.2
All hay and pasture	22.5	13.7		16.4	23.8	4.5		15.5
Crop yields, bushels per acre								
Corn	156	161		159	156	156		156
Soybeans	56	54		55	52	62		57
Wheat	45	63		61	75	0		75
Prices received								
Corn (old crop)	3.54	3.45		3.48	3.70	3.39		3.51
Corn (new crop)	4.58	4.40		4.45	4.23	3.38		3.76
Soybeans (old crop)	9.79	9.74		9.75	10.13	9.99		10.03
Soybeans (new crop)	10.62	10.57		10.59	10.30	0.00		10.30

Note: Variations in totals due to rounding to the nearest dollar.

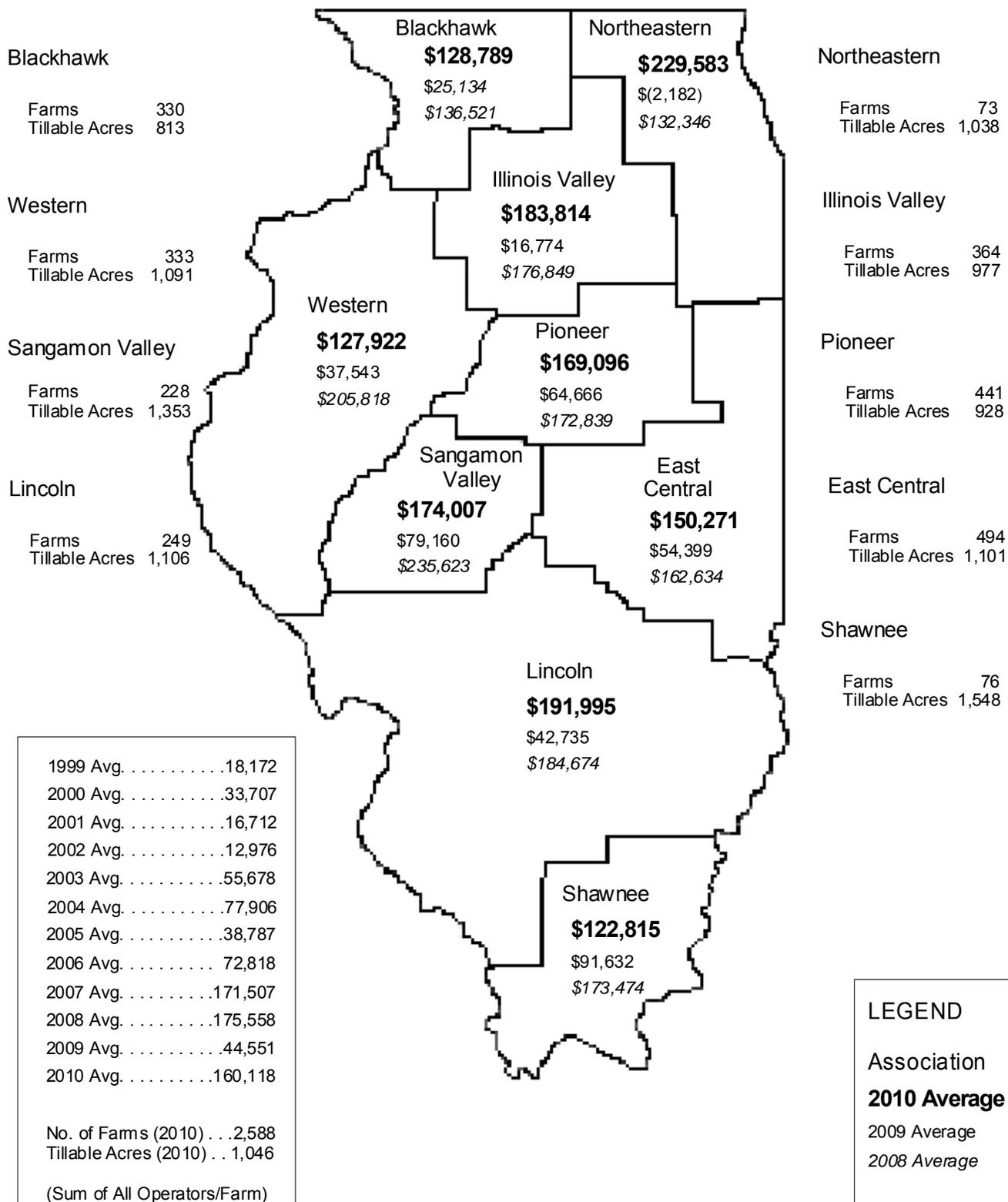
Financial Characteristics of Illinois FBFM Grain Farms

	2010	2009	2008	2007	4-Year Average	My Farm
Number of Farms	2,383	2,410	2,421	2,443	2,414	
Liquidity						
Working Capital	\$277,779	\$317,726	\$351,299	\$288,994	\$308,950	
Current Ratio						
Upper Quartile	NA	5.63	5.85	5.79	5.76	
Median	2.58	2.31	2.51	2.38	2.45	
Solvency						
Net Worth (Market)	\$1,968,908	\$1,759,082	\$1,651,985	\$1,474,834	\$1,713,702	
Debt/Equity Ratio (%)						
Upper Quartile	NA	11.5	11.5	12.0	11.7	
Median	26.5	28.7	29.0	30.4	28.7	
Debt/Total Asset Ratio (%)						
Upper Quartile	NA	10.4	10.4	10.8	10.5	
Median	21.0	22.4	22.7	23.6	22.4	
Profitability						
Net Farm Income	\$175,274	\$80,760	\$196,347	\$189,000	\$160,345	
Return on Farm Assets (%)						
Upper Quartile	NA	6.7	17.1	21.0	14.9	
Median	8.3	3.3	10.8	13.2	8.9	
Return on Farm Equity (%)						
Upper Quartile	NA	7.9	24.7	30.8	21.1	
Median	9.9	3.0	12.9	16.2	10.5	
Repayment Capacity						
Debt/Farm Operating Income	3.10	5.25	2.25	2.05	3.16	
Financial Efficiency (as a % of Gross Farm Returns)						
Interest Expense Ratio						
Upper Quartile	NA	1.1	1.1	1.7	1.3	
Median	2.5	3.1	2.9	3.8	3.1	
Operating Expense Ratio						
Upper Quartile	NA	62.1	49.3	44.6	52.0	
Median	57.0	71.2	57.0	51.5	59.2	
Depreciation Expense Ratio						
Upper Quartile	NA	4.9	3.4	3.0	3.8	
Median	6.8	7.1	5.0	4.6	5.9	
Farm Operating Income Ratio						
Upper Quartile	NA	28.5	43.1	48.0	39.9	
Median	32.8	18.0	34.5	39.7	31.3	
Asset Turnover Ratio						
Upper Quartile	NA	0.44	0.55	0.59	0.53	
Median	0.31	0.30	0.37	0.38	0.34	

NA = not available yet.

Illinois FBFM Association

Operators' Share of Labor and Management Income per Farm—2008, 2009, and 2010 (Sum of All Operators/Farm)



In Memoriam

Gary Freeman was raised on a dairy and grain farm near Waynesville. After finishing high school, he enrolled in Lincoln College, graduating in 1969 with an associate's degree. He then transferred to Southern Illinois University, where he earned a bachelor's degree in agronomy in 1972. Gary returned to school at Illinois State University in 1980 and received a teaching certificate in agricultural education the following year.

Gary then became a vocational agricultural teacher at Paxton High School. While he was teaching, he earned a master's degree in agricultural education from the University of Illinois in 1983. In the summer of 1986, Gary became an agricultural instructor at Lincoln College.

Gary was employed by the Pioneer FBFM Association in June 1991. His area included eastern Tazewell County. In 2006, Gary became the administrative coordinator for the Pioneer Association.

Gary was very active in his church and community, and he enjoyed camping and gardening. He was in his 20th year of dedicated service to FBFM at his untimely death in March 2011. Gary's desire to be of service to others together with his knowledge made him a valuable asset to his cooperators and fellow field staff. He will long be remembered for his contributions to the FBFM program and the Pioneer Association.





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>