

WHAT IS THE ECONOMIC IMPACT OF AN AVERAGE FBMA FARM IN A LOCAL MISSOURI COMMUNITY IN 2010?

Money Spent by the Average 2010 Missouri FBMA Farm in the Local Community & Service Area (138 Farms, Missouri FBMA Summary, 2010)

With Other Farmers.....		\$41,168
(Brd/Non-Brd. Livestock & Custom Work)		
With Other Landowners		\$38,437
(Cash Land Rent/ Land Leases)		
For Labor.....		\$19,903
For Farm Utilities		\$6,255
With Agribusiness Community		\$305,514
Crop Production Expenses	\$139,280	
Livestock Production Expenses	\$93,838	
Fuel & Repair Expenses.....	\$50,513	
Other/Misc. Expenses	\$16,163	
Farm Insurance.....	\$5,720	
With Lenders (Interest)		\$21,216
For Farm Equipment/Vehicles/Leases.....		\$72,249
For Farm Assets		\$73,833
(Bldgs./Land/Improvements-Other Farm Assets)		
For Local Government		\$4,092
(Real Estate/Personal Property Tax)		
Family Living Expenses*.....		\$75,225
(Inc. Taxes & Purchase of Non-Farm Assets)		

Total Annual Spending Within the Community or Service Area by the Average Missouri FBMA Farm in 2010 ----- \$657,892
*partially reported

Demographics of FBMA Summary Farms 2010

Gross Farm Income

All Farms	Less than \$50,000	\$50,001—\$100,000	\$100,001-\$250,000	\$250,001-\$500,000	\$500,001-\$1,000,000	Over \$1,000,000
138	18	13	29	30	28	20

Farm Type (by Enterprise(s)) contributing > 70% of gross farm income

All Farms	Crop	Beef	Crop & Beef	Other
138	75	16	20	19

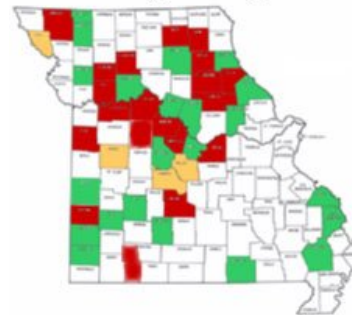
Age of Operator

All Farms	Less than 31	31-40	41-50	51-60	Over 60
138	12	26	29	37	34



Farm Business Management Analysis 2010 Missouri Summary

Missouri Adult Ag Programs



■ FBMA, Adult Classes, Young Farmers
■ Adult Classes, Young Farmers
■ Adult Classes

Balance Sheets

The 138 farms completing a cost balance sheet ended the year with a net worth of \$1,008,625 (farm and non-farm). The average increase in net worth for the year was \$134,768. The average farm debt:asset ratio was 24% at market value. The average farm borrowed \$189,536 and paid \$163,855 in principal payments in 2010.

Household and Personal Expenses

Nine FBMA farms submitted detailed family living and non-farm expenditures in 2010. The average of these families spent \$44,187 for family living and an additional \$31,793 for income taxes and major non-farm purchases and investments, for a total of \$75,980.



For More Information

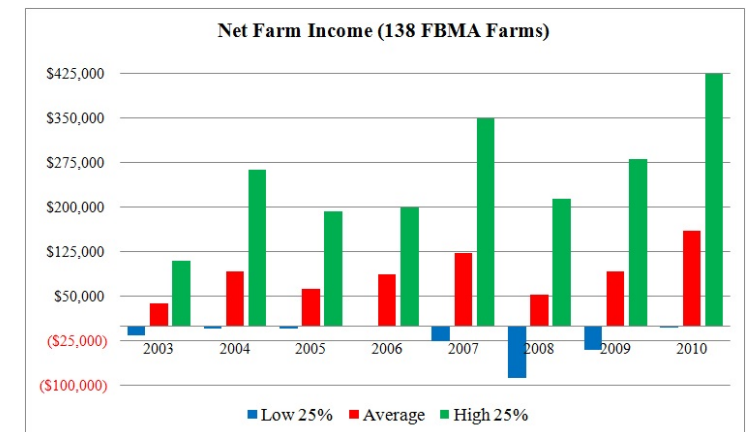
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*** Overview & Highlights from the 2010 Missouri Averages**

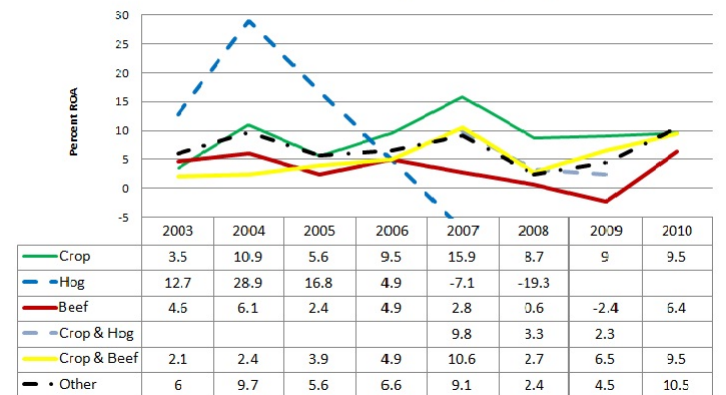
The average net farm income (NFI) for the 138 farms included in the 2010 annual report of the Missouri Farm Business Management Analysis Program was \$160,387. As usual, there was a wide range in income among program participants. Median net farm income, or the income earned by the middle farm, was \$105,443, substantially lower than the average NFI, indicating that the average was skewed by high profits of the most profitable farms.

The average age of the operator on the 138 FBMA farms was 49.5 years. The average years in the farming operation was 27.1 years.

The net farm income/unpaid labor hour averaged \$103.45/hr. and ranged from -\$3.21 in the low profit group to \$239.90 in the high profit group.



Return on Farm Assets by Type (Cost)
Data Source: Missouri Farm Business Management Analysis Program

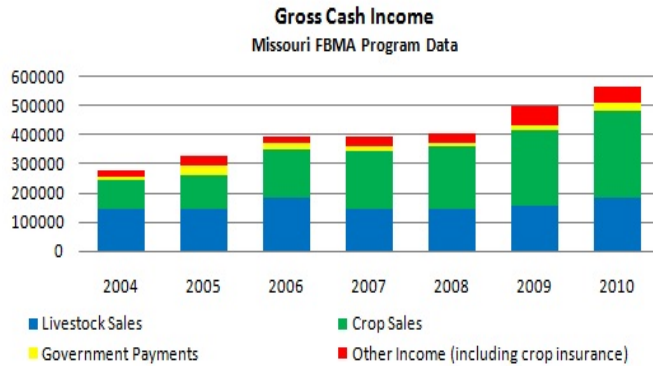


Note: '08-'10 hogs not included on graph

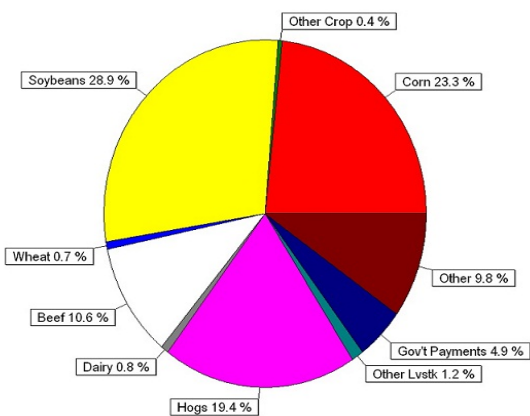
* Data Source: Missouri Farm Business Management Analysis Program

Average FBMA Farm Income Statement—2010

Gross Cash Farm Income	\$567,187	
Total Cash Expense	\$433,597	
Net Cash Farm Income	\$133,590	
Inventory Changes		
Crops & Feed	\$23,507	
Market & Breeding Livestock	\$10,299	
Accts Rec & Prepaid Expenses	\$14,323	
Accounts Payable	\$1,127	
Other	(\$3,873)	
Total Inventory Change	\$45,383	
Net Operating Profit	\$178,973	
Depreciation & Other Capital Adjustments	(\$26,125)	
Gain or Loss on Capital Sales	\$7,539	
Net Farm Income	\$160,387	



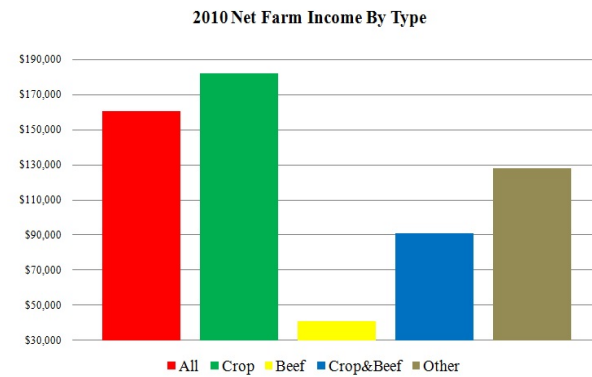
2010 Missouri FBMA Income Sources



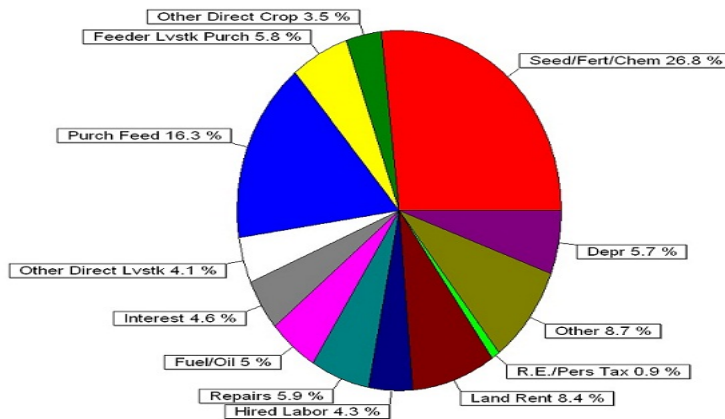
Observations from the 2010 Summary – The average net farm income of FBMA farms in 2010 represented a big increase over 2009, and overall, was one of the best years on record for Missouri farms. Net farm income increased by an average of \$68,368 per farm, or a 74% increase from 2009.

Crop farms were most profitable, with corn and soybeans making up nearly 98% of crop receipts on FBMA farms, and crop farms continued making strong gains. Livestock farms also made up a lot of ground this year, with hogs becoming profitable for the first time since 2006, and beef farms turning around from losses in 2009 to a much better year in 2010. Average prices received for corn and soybeans remained nearly the same for 2010 as 2009, but inventory values of both crops were considerably higher at the end of 2010, making a strong contribution to the high net farm income. Higher commodity prices across the board for most FBMA farm enterprises as we progressed through 2010 made for a very good profit year for most Missouri farms.

(continued on next column)

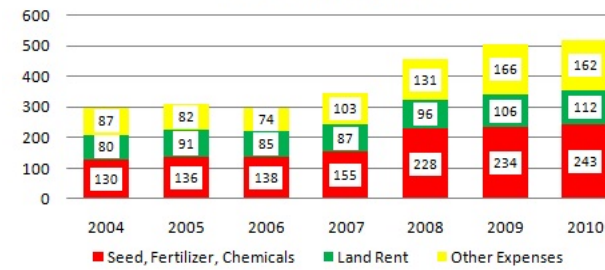


2010 Missouri FBMA Expense Sources

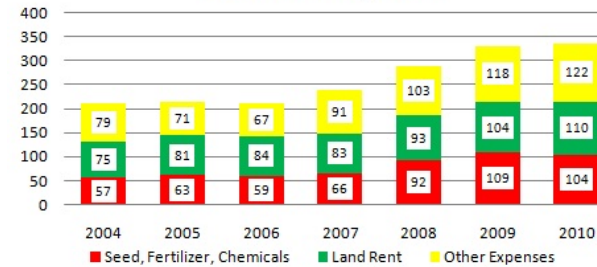


The key trend that describes the last seven years of FBMA farms is that in 2004, livestock receipts accounted for 53% of gross cash farm income while crop receipts (including government payments) accounted for 39%. Since then, crop's share of gross cash farm income has mushroomed, while livestock's share has steadily declined. In 2010, crops accounted for 58% of cash receipts, while livestock only accounted for 32%. This represents a complete turn-around plus some. Profits were certainly much improved for livestock producers in 2010 because of stronger prices, but input volatility and regulatory concerns will likely keep the industry on edge for some time to come. For those who have been involved in agriculture for any period at all, 2010 confirms the notion that "things down on the farm are getting really interesting."

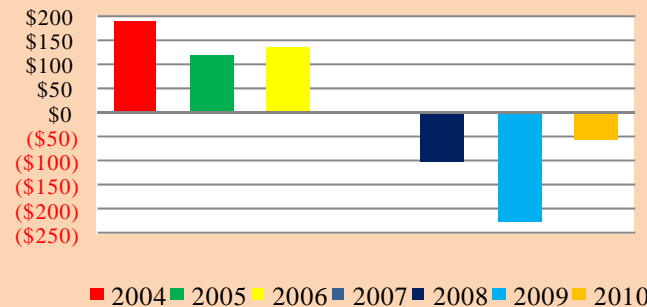
*Corn Cost Per Acre (cash rent)



*Soybean Cost Per Acre (cash rent)



Beef Cow-Calf - Average Per Cow Net Return Over Labor & Management



2003-2010 Crop Yields & Returns

<i>Corn (owned land)</i>			
	Bu/acre	Net Return over Labor/Mgt./Ac	* Cost of Prod./Bu.
2003	77.87	(\$52.65)	\$3.05
2004	172.18	\$119.94	\$1.29
2005	63.65	(\$36.83)	\$2.62
2006	120.90	\$77.02	\$1.99
2007	138.74	\$232.56	\$2.25
2008	135.19	\$196.91	\$2.75
2009	150.29	\$125.31	\$2.90
2010	110.63	\$134.24	\$3.62

<i>Soybeans (owned land)</i>			
	Bu/acre	Net Return over Labor/Mgt./Ac	* Cost of Prod./Bu.
2003	27.30	\$54.04	\$5.19
2004	52.36	\$116.83	\$3.27
2005	30.16	\$24.15	\$4.91
2006	39.37	\$72.26	\$4.23
2007	36.43	\$176.29	\$5.31
2008	35.86	\$162.87	\$5.45
2009	44.51	\$191.53	\$5.50
2010	43.14	\$218.83	\$6.10

*direct & overhead expense including charge for labor & management less government & other income/bushel.

2010 Livestock Highlights

Profits were certainly much improved for livestock producers in 2010 because of stronger prices, but input volatility and regulatory concerns will likely keep the industry on edge for some time to come.

Beef Cow-Calf Enterprise—2010

Gross return / cow	\$580.93
Feed cost / cow	\$286.75
Total direct expense / cow	\$407.89
Total overhead expense / cow	\$133.31
Net return / cow (w/o labor / mgt.)	\$39.73
Net return / cow over labor / mgt.	(\$54.81)
Average weaning weight	482