

**WHAT IS THE ECONOMIC IMPACT OF AN AVERAGE FBMA FARM
IN A LOCAL MISSOURI COMMUNITY IN 2013?**

Money Spent by the Average 2013 Missouri FBMA Farm in the
Local Community & Service Area (118 Farms, Missouri FBMA Summary, 2013)

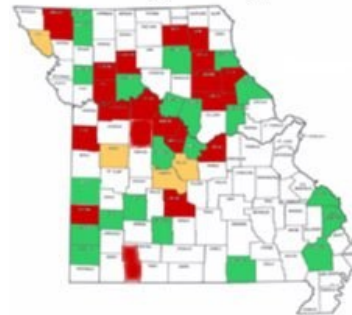
| | |
|--|-----------|
| With Other Farmers..... (Brd/Non-Brd. Livestock & Custom Work) | \$40,086 |
| With Other Landowners..... (Cash Land Rent/ Land Leases) | \$46,370 |
| For Labor..... | \$24,557 |
| For Farm Utilities..... | \$6,489 |
| With Agribusiness Community..... | \$377,800 |
| Crop Production Expenses..... | \$158,147 |
| Livestock Production Expenses..... | \$142,290 |
| Fuel & Repair Expenses..... | \$46,991 |
| Other/Misc. Expenses..... | \$17,034 |
| Farm Insurance..... | \$6,338 |
| With Lenders (Interest)..... | \$17,753 |
| For Farm Equipment/Vehicles/Leases..... | \$83,222 |
| For Farm Assets..... (Bldgs./Land/Improvements-Other Farm Assets) | \$51,794 |
| For Local Government..... (Real Estate/Personal Property Tax) | \$4,376 |
| Family Living Expenses*..... (Inc. Taxes & Purchase of Non-Farm Assets) | \$65,979 |

Total Annual Spending Within the Community or Service Area by the Average Missouri FBMA Farm in 2013 ----- \$719,200
**partially reported*



Farm Business Management Analysis 2013 Missouri Summary

Missouri Adult Ag Programs



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

Balance Sheets

The 118 farms completing a cost balance sheet ended the year with a net worth of \$1,310,151 (farm and non-farm). The average increase in net worth for the year was \$98,784. The average farm debt:asset ratio was 20% at market value. The average farm borrowed \$228,731 and paid \$184,316 in principal payments in 2013.

Household and Personal Expenses

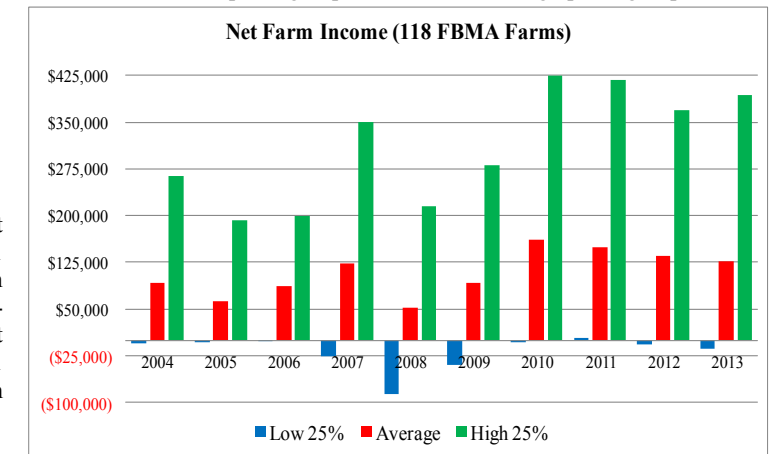
Ten FBMA farms submitted detailed family living and non-farm expenditures in 2013. The average of these families spent \$42,428 for family living and an additional \$23,880 for income taxes and major non-farm purchases and investments, for a total of \$66,308.

* Overview & Highlights from the 2013 Missouri Averages

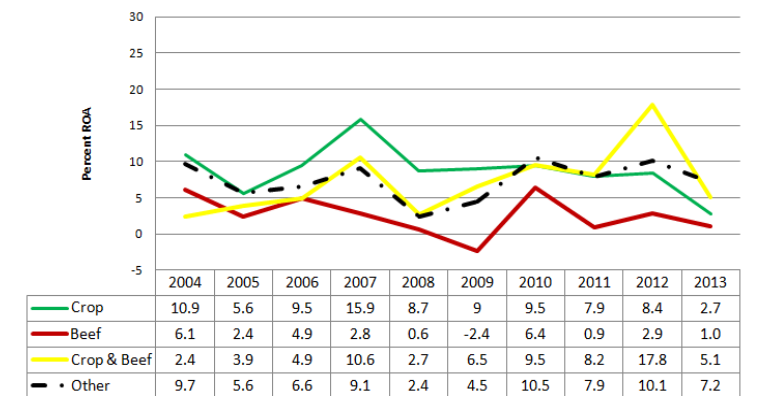
The average net farm income (NFI) for the 118 farms included in the 2013 annual report of the Missouri Farm Business Management Analysis Program was \$126,104. As is the case every year, there was a wide range in income among program participants. Median net farm income, or the income earned by the middle farm, was \$48,359, 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 118 FBMA farms was 51.9 years. The average years in the farming operation was 28.9 years.

The net farm income/unpaid labor hour averaged \$91.70/hr. and ranged from -\$4.98 in the low profit group to \$208.03 in the high profit group.



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



Demographics of FBMA Summary Farms 2013

Gross Farm Income

| All Farms | Less than \$100,000 | \$100,001—\$250,000 | \$250,001-\$500,000 | \$500,001-\$1,000,000 | \$1,000,001-\$2,000,000 | Over \$2,000,000 |
|-----------|---------------------|---------------------|---------------------|-----------------------|-------------------------|------------------|
| 118 | 35 | 12 | 24 | 24 | 13 | 5 |

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

| All Farms | Crop | Beef | Crop & Beef | Other |
|-----------|------|------|-------------|-------|
| 118 | 42 | 8 | 25 | 39 |

Age of Operator

| All Farms | Less than 31 | 31-40 | 41-50 | 51-60 | Over 60 |
|-----------|--------------|-------|-------|-------|---------|
| 118 | 11 | 19 | 24 | 24 | 40 |

For More Information

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* Data Source: Missouri Farm Business Management Analysis Program

Average FBMA Farm Income Statement—2013

| | |
|------------------------------|------------------|
| Gross Cash Farm Income | \$617,755 |
| Total Cash Expense | \$516,057 |
| Net Cash Farm Income | \$101,698 |
| Inventory Changes | |
| Crops & Feed | \$31,689 |
| Market & Breeding Livestock | \$45,721 |
| Accts Rec & Prepaid Expenses | (\$32,179) |
| Accounts Payable | \$3,902 |
| Other | \$3,306 |

Total Inventory Change **\$52,439**

| | |
|--|------------|
| Net Operating Profit | \$154,137 |
| Depreciation & Other Capital Adjustments | (\$31,536) |
| Gain or Loss on Capital Sales | \$3,503 |

Net Farm Income **\$126,104**

Observations from the 2013 Summary – Even though making comparisons between annual record summaries is imperfect when a few farms drop out and new farms are added each year, a large percentage of the farms in the summary are the same ones as 2012, so it is reasonable to make several general observations when comparing this year's summary to 2012. Even though the average net farm income of FBMA farms in 2013 declined somewhat from the net farm incomes of 2012, it was still a very profitable year overall for Missouri farms. Net farm income decreased by an average of \$9,304 per farm, or a 7% decrease from 2012.

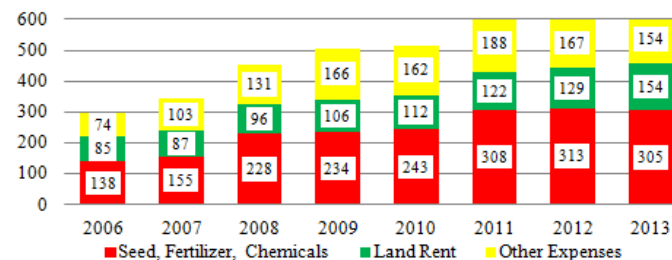
The 118 farms in the report were classified by type (e.g. crop, dairy, hog) on the basis of having at least 70% of gross sales in each category (reference page 36). Using this 70% rule, there were 42 crop farms, 8 beef farms, 25 crop and beef farms, and 39 "other" farms. "Other" farms were those that did not have a single source (or pair of sources) of income over 70%. Also, when there are less than four farms with a single source of income over 70%, they are not reported as a group. This year, many crop farms fell into this "other" category as crop insurance income was categorized as other income.

(continued on next column)

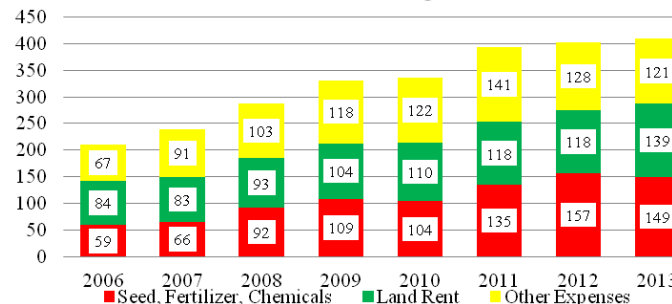
2013 was once again a non-typical year for many producers. Livestock producers spent the first part of the year with increased feed expenses due to the drought of 2012, and many producers received crop insurance payments in 2013 for losses incurred in the drought of 2012. Some crop producers were unable to plant corn due to wet conditions, pushing some to take prevented planting payments or switch acres to soybeans or other crops.

The Farm Business Management Analysis Program is a component of the public school agriculture offerings for adults. The state of Missouri, through the Division of College and Career Readiness of the Department of Elementary and Secondary Education and the National Institute of Food and Agriculture (USDA), through the Farm Business Management and Benchmarking Program, provided funds in support of the program.

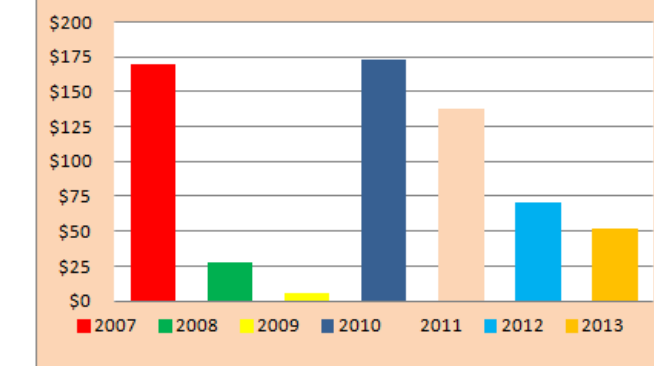
Corn Cost Per Acre (cash rent)* Missouri FBMA Program Data



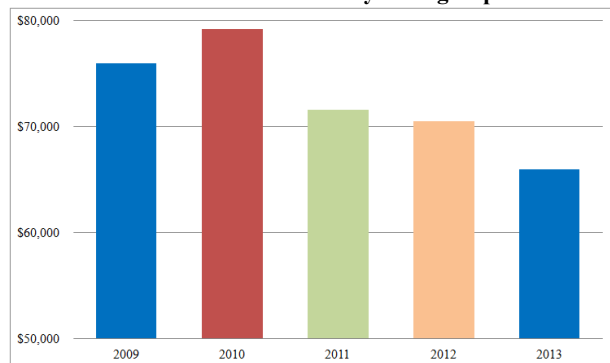
Soybean Cost Per Acre (cash rent)* Missouri FBMA Program Data



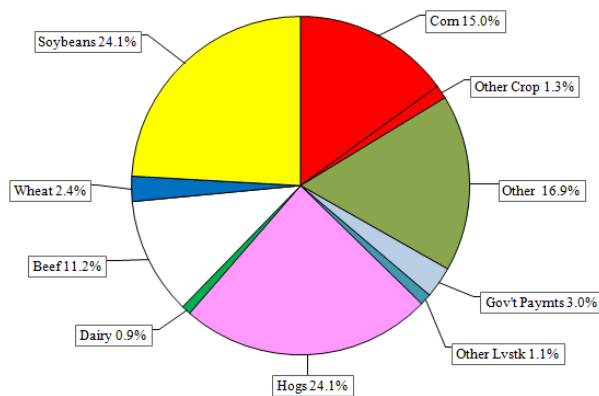
Beef Cow-Calf - Average Per Cow Return Over Direct Expense



2009-2013 FBMA Family Living Expenses

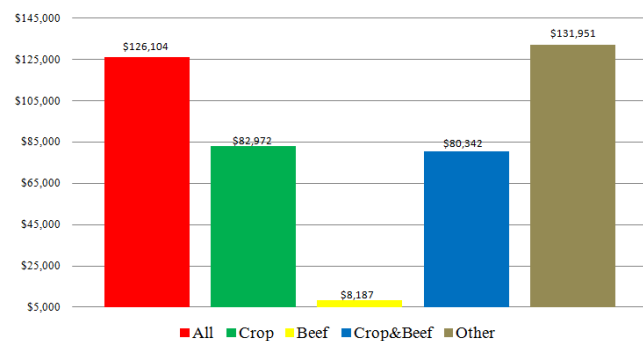


2013 Missouri FBMA Income Sources *

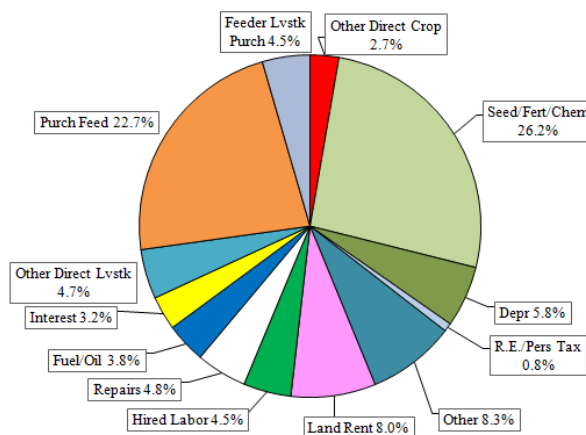


* Average FBMA Farm 2013

2013 Net Farm Income By Type



2013 Missouri FBMA Expense Sources *



2005-2013 Crop Yields & Returns

| Corn (owned land) | | | |
|-------------------|---------|-------------------------------|---------------------|
| | Bu/acre | Net Return over Labor/Mgt./Ac | * Cost of Prod./Bu. |
| 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 |
| 2011 | 121.10 | \$200.79 | \$4.33 |
| 2012 | 55.21 | \$104.19 | \$4.89 |
| 2013 | 126.78 | \$129.86 | \$3.43 |

Soybeans (owned land)

| | Bu/acre | Net Return over Labor/Mgt./Ac | * Cost of Prod./Bu. |
|------|---------|-------------------------------|---------------------|
| 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 |
| 2011 | 42.07 | \$178.33 | \$7.51 |
| 2012 | 31.75 | \$156.18 | \$8.65 |
| 2013 | 32.77 | \$139.16 | \$8.49 |

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

2013 Beef Cow-Calf Highlights

Cow-calf producers continued experiencing challenges during the first part of the year due to the 2012 drought. Feed prices dropped after harvest 2013 making future prospects more promising.

Beef Cow-Calf Enterprise—2013

| | |
|-------------------------------------|------------|
| Gross return / cow | \$710.69 |
| Feed cost / cow | \$475.12 |
| Other direct expense / cow | \$184.27 |
| Total overhead expense / cow | \$143.62 |
| Net return / cow (w/o labor / mgt.) | (\$92.33) |
| Net return / cow over labor / mgt. | (\$186.26) |
| Average weaning weight | 454 |