

ODAP-S

Ontario Data Analysis Project - Swine

FARM SUMMARY

For 2004 Tax Year

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SUMMARY STATISTICS

This past year 14 farrow-to-finish hog farms and 3 finishers participated in the Ontario Data Analysis Project (ODAPS-04). The following pages summarize selected data results from the ODAP survey for the 2004 fiscal year based on the data collected from the farms surveyed.

1. Farm Size

The average workable land base of the farms was 410 acres of which the participants owned 65% (265 ac) and rented or sharecropped 35% (145 ac). The average rental rate was \$92/acre. The average crop mix consisted primarily of grain corn (38%), soybeans (35%) and winter wheat (16%). On average, participants had 459 acres available to them for the purposes of manure disposal. The survey results recorded an average of 217 sows for the farrow-to-finish farms and 2,370 grow/finish pigs on the finishing farms.

2. Operator Background

The average operator in the study was 49 years old with 28 years experience raising hogs. The survey showed 47% of the producers had post secondary school education.

3. Business and Management Characteristics

The survey results showed the business organization structure was 58% Family Corporations, 24% Spousal Partnerships and 18% Sole Proprietors. In the next five years, 53% plan on expanding their hog enterprise, 42% plan to maintain their present size of operation and 6% plan to decrease the size of their hog enterprise.

When asked what will be the most significant issue the pork industry will face in the next 5 years, 35% of participants indicated trade, 29% reported environment, 24% traceability, 6% food safety and 6% other reasons. The results for issues that significantly influence the swine operation showed 25% reported environment/manure handling, 25% said the cost of feed, 13% credit availability, 13% the ability to hire or retain employees, 6% relationship with packer, 6% record keeping and 12% other reasons. The survey results of producer involvement in government programs showed that 94% signed up for CAIS, 71% had completed Environmental Farm Plans and 35% have completed a Nutrient Management Plan.

4. Production Information

Farrow to finish

The survey results indicated the sows gave birth to an average of 2.37 litters per sow per year with 11.7 piglets born per litter. However, only 10.8 piglets were born alive per

litter resulting in 9.6 piglets being weaned per litter. The average piglet was weaned at 22 days and weighed 6.3 kg. After 166 days, the average market hog was shipped at a live weight of 113.6 kg and indexed 109.7. The survey results reported 86% of the farms are using some artificial insemination (AI). The average farm shipped 81 hogs every 7 days and 57% of the producers weigh some or all of their hogs before shipping. The average farm also sold 76 weaners every 13 days. The ODAP results showed 57% of all farms use commercial suppliers for 100% of their boars and gilts to improve or maintain their breeding stock.

Finishing

The survey results showed that the average market hog stayed on the finishing farm for 111 days. Mortality for the grow/finish pigs on the finishing farms was 8.0%. The results showed that 67% of the farms were involved in written contracts for pig sales/purchases. The average farm shipped 173 hogs every 7 days and 100% of these farms weighed some or all of their hogs prior to shipping. The hogs weighed 113.9 kg when shipped. The dressed weight was 91 kg and the average index was 109.1.

5. Financial Characteristics

The survey results indicated the average **Net Farm Income** was \$113,785 before income tax and excluding family labour expense for all 17 farms. Net farm income varied from \$137,374 for the group of farrow-to-finish farms to \$3,702 for the group of finishing farms. The average **ending assets** were \$2,679,527 with **ending liabilities** of \$926,817 and **ending equity** of \$1,752,711 or 65.4% for all farms. The average **Return on Assets** was 6.2% with average **Return on Equity** of 6.6%. With the inclusion of an average Family Labour expense of \$64,800 the average Net Farm Income is \$48,985. The financial ratios have been calculated using Net Farm Income excluding family labour expense.

NOTICE

The **Pigs Produced** figure is a calculated number. It will not match the reproduction figures found in a production analysis which is usually solely based on head marketed. The **pigs produced** number in this report is the number of **market hog equivalents** produced by the swine operation, taking into account all production and inventory changes. The number is standardized to represent the value of a market hog. This is done in order to get a consistent analysis of costs. Weaner pigs are converted to market hog equivalents using a factor of forty percent and SEW pigs are given a factor of twenty-five percent.

Unstandardized e.g. Feed per pig

Total Feed Costs	\$90,000	
Market hogs produced & sold	800	
Weaner pigs produced & sold	600	
SEW pigs produced & sold	<u>100</u>	
		1500 pigs
Costs per pig	<u>\$90,000</u>	= \$60 unrealistic
(SEW, weaner, market)	1500 pigs	(ie. Each ate \$60 worth of feed)

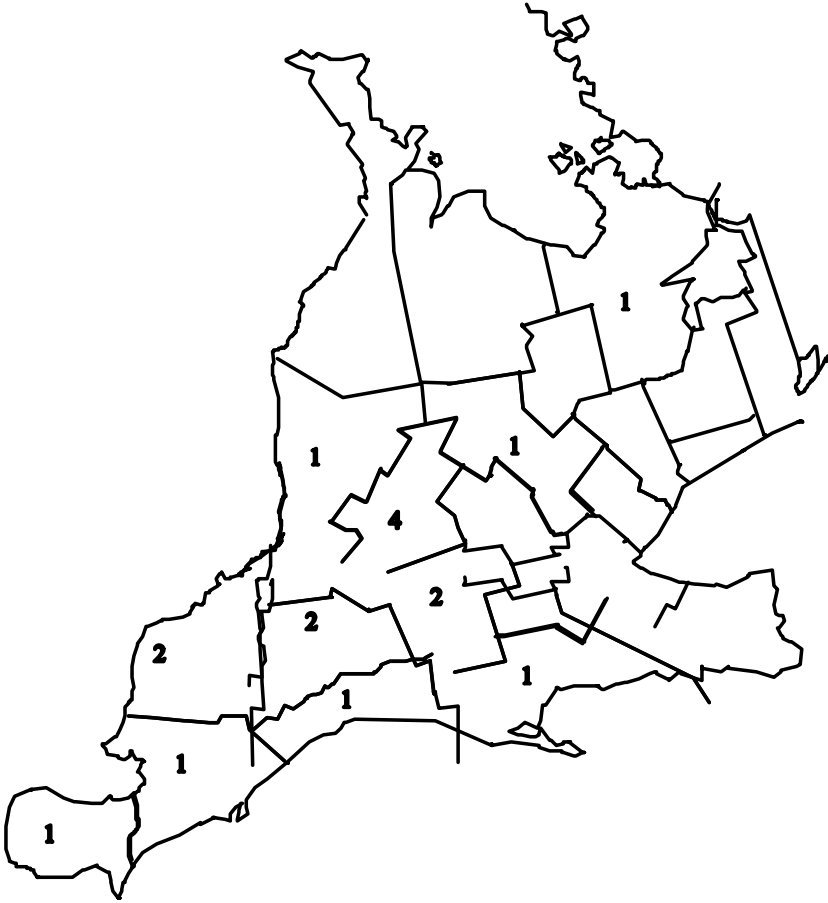
Standardized

Total Feed Costs	\$90,000	
Market hogs produced & sold	800	
Weaner pigs produced & sold	600 x 0.4 = 240 market hog equivalents	
Nursing pigs produced & sold	100 x 0.25 = 25	
	800+240+25 = 1065 market hog	
equivalents		
Cost per market hog	<u>\$90,000</u>	= \$84.51 more realistic
	1065	(ie. a market hog eats \$84.51 worth of feed)

As you can see a more accurate analysis is achieved by standardizing.

LOCATION OF ODAP PARTICIPANTS BY COUNTY

The following map outlines the location of all ODAP participants for 2004 at the County level.



SELECTED DESCRIPTIVE DATA

SURVEY ITEM	AVERAGE ALL 17 FARMS	FARROW-TO-FINISH 14 FARMS	FINISHERS 3 FARMS
Personal Information:			
Age of Major Decision Maker	48.7	47.3	55.3
Number of Years Raising Pigs	27.9	26.8	33.3
Number of Family Members Working on Farm (full-time)	1.5	1.4	2.0
Number of Non-family Members Working on Farm (full-time)	0.3	0.4	0.0
Off Farm Income of Major Decision Maker (Full Time and Part Time)	\$933	\$1,133	\$0
Crop Information:			
Acres Worked	410	343	728
Acres Owned and Worked	265	273	225
Rent Price Per Acre	\$92	\$73	\$110
Business Organization (% of farms):			
Sole Proprietor	18%	14%	33%
Spousal partnership	24%	29%	0%
Family Corporation	59%	57%	67%
Finisher Ration Formulations - % of farms using:			
Purchased Complete Feed	47%	50%	33%
Corn and a Supplement	24%	21%	33%
Base Mix, Grain, Soybean meal	53%	57%	33%
Manure Handling:			
% Spread	85%	81%	100%
% Irrigated	11%	13%	0%
% Injected	5%	6%	0%
Manure Storage Capacity:			
365 days or greater	12%	7%	33%
300 to 364 days	29%	29%	33%
200 to 299 days	47%	50%	33%
Less than 200 days	12%	14%	0%
Manure Storage Type:			
Lagoon	4%	2%	17%
Uncovered concrete tank	47%	52%	25%
Covered concrete tank	33%	33%	33%
Other (i.e. under barn)	16%	14%	25%
Government Programs:			
Signed up for CAIS	94%	93%	100%
Completed Environmental Farm Plan	71%	64%	100%
Completed Nutrient Management Plan	35%	36%	33%
Management Practices:			
Use Forward Selling	76%	71%	100%
Use Prebooked Feed	82%	79%	100%
Weigh Market Hogs Before Shipping	65%	57%	100%
Most Important Industry Issues For The Next 5 Years			
Environmental Concerns	29%	36%	0%
Trade	35%	29%	67%
Food Safety	6%	7%	0%
Traceability	24%	29%	0%
Other	6%	0%	33%

FARM INCOME STATEMENT

	AVERAGE ALL 17 FARMS	FARROW-TO-FINISH 14 FARMS	FINISHERS 3 FARMS
REVENUE			
Corn	\$13,225	\$13,844	\$10,333
Soybeans	43,134	29,731	105,686
Wheat	14,983	10,271	36,975
Spring Grains	0	0	0
Other Crops	509	618	0
Forage	699	849	0
Swine	843,142	707,859	1,474,467
Other Livestock	39	47	0
Government	40,733	41,319	37,997
Custom Work	7,239	3,133	26,401
Other Farm Income	16,122	16,206	15,732
TOTAL CASH REVENUE	979,826	823,877	1,707,591
Change In Accounts Receivable	(1,430)	1,973	(17,312)
Change In Inventories	28,485	41,751	(33,423)
	=====	=====	=====
TOTAL REVENUE	1,006,881	867,600	1,656,856
EXPENSES			
Fertilizer	15,972	15,023	20,403
Pesticides	12,337	10,777	19,615
Seeds And Plants	19,450	17,529	28,410
Machinery Repair, Fuel, Vehicle, Small Tools	36,646	33,681	50,484
Storage And Drying	6,026	6,246	5,000
Crop Insurance, Stabilization, GRIP	2,984	2,655	4,517
Other Crop Expenses	15,952	14,206	24,100
Purchased Feed	367,868	322,737	578,481
Swine Purchases	122,575	39,779	508,957
Other Livestock Purchases	9	10	0
Vet, Health, Dead Stock Removal	27,076	24,705	38,140
Building Repairs	9,583	7,856	17,643
Custom Work: Livestock	12,874	15,207	1,987
Trucking, Marketing	22,458	19,200	37,667
Hired Labour	13,324	16,179	0
Utilities	19,623	21,435	11,169
Accounting, Professional And Bank Fees	6,364	5,446	10,649
Operating Interest	4,436	2,763	12,247
Other Farm Expenses	9,623	11,047	2,977
TOTAL CASH OPERATING EXPENSES	725,181	586,481	1,372,446
Change In Accounts Payable	(8,403)	(508)	(45,249)
OPERATING MARGIN	290,103	281,627	329,659
Building Rental	27,164	1,186	148,395
Land Rental	12,585	7,089	38,230
Property Tax And Insurance	15,126	14,326	18,862
Interest (Term And Mortgage)	46,602	48,954	35,628
TOTAL CASH OVERHEAD EXPENSES	101,477	71,554	241,115
Depreciation (1)	74,841	72,698	84,843
TOTAL OVERHEAD EXPENSES	176,318	144,253	325,958
	=====	=====	=====
TOTAL EXPENSES (excl Family Labour Exp)	893,096	730,226	1,653,154
NET FARM INCOME	113,785	137,374	3,702

(1) DEPRECIATION: 2.5% OTHER ASSETS, 5% BUILDINGS, 15% MACHINERY INCLUDING TRUCKS AND CARS, 20% BARN EQUIPMENT

FARM BALANCE SHEET (YEAR END MARKET VALUE)

	AVERAGE ALL 17 FARMS	FARROW-TO-FINISH 14 FARMS	FINISHERS 3 FARMS
ASSETS			
CASH	\$51,425	\$62,184	\$1,217
Securities	41,496	50,388	0
Accounts Receivable	19,159	17,255	28,043
Crops In Storage	77,993	76,456	85,166
Seed, Fertilizer, Pesticide	12,037	14,616	0
Fuel	4,197	1,692	15,886
Purchased Feed	34,702	38,353	17,667
Market/Feeder Livestock	195,955	171,725	309,031
Other Current Assets	22,171	19,603	34,154
TOTAL CURRENT ASSETS	459,135	452,272	491,164
NISA And/Or CAIS	45,205	50,926	18,504
Field Machinery	192,551	160,652	341,411
Barn Equipment	96,201	100,030	78,333
Trucks	19,165	18,272	23,333
Buildings	499,349	540,639	306,667
Land	1,102,265	1,138,464	933,333
Swine Breeding Stock	61,725	74,952	0
Other Breeding Livestock	0	0	0
Market Quota	0	0	0
House	202,935	192,850	250,000
Other Capital Assets	996	924	1,333
TOTAL CAPITAL ASSETS	2,220,392	2,277,708	1,952,915
TOTAL FARM ASSETS	2,679,527	2,729,980	2,444,079
LIABILITIES			
Accounts Payable	47,919	26,464	148,040
Interest Arrears	0	0	0
Advanced Payments	13,035	14,286	7,200
Operating Credit	126,162	92,792	281,886
Current Term/Mortgage Debt	56,952	58,558	49,461
Other Current Liabilities	38,531	13,587	154,936
TOTAL CURRENT LIABILITIES	282,599	205,687	641,523
Deferred Taxes	15,309	13,803	22,333
Term Debt	14,336	17,409	0
Mortgage	614,573	670,899	351,718
TOTAL LONG TERM LIABILITIES	644,218	702,110	374,052
TOTAL FARM LIABILITIES	926,817	907,797	1,015,575
EQUITY IN FARM	1,752,711	1,822,183	1,428,505

FARM FINANCIAL ANALYSIS

	AVERAGE ALL 17 FARMS	FARROW-TO-FINISH 14 FARMS	FINISHERS 3 FARMS
** LIQUIDITY **			
Working Capital (Ending)	\$176,537	\$246,586	-\$150,359
Current Ratio (Ending)	1.62	2.20	0.77
Debt Structure (Ending)	30.5%	22.7%	63.2%
** SOLVENCY **			
Percent Equity (Ending)	65.4%	66.7%	58.4%
Debt To Asset Ratio (Ending)	0.35	0.33	0.42
Debt To Equity Ratio (Ending)	0.53	0.50	0.71
** PROFITABILITY (PRETAX) **			
Net Income: Entire Farm	\$113,785	\$137,374	\$3,702
Return On Average Assets (Farm)	6.2%	7.1%	2.1%
Return On Average Equity (Farm)	6.6%	7.7%	0.3%
** FINANCIAL EFFICIENCY **			
Operating Margin	\$290,103	\$281,627	\$329,659
** DEBT SERVICING **			
Debt Servicing Requirement Ratio	0.11	0.13	0.07

FINANCIAL ANALYSIS DEFINITIONS

Working Capital	=	Current Assets (ending) - Current Liabilities (ending)
Current Ratio	=	$\frac{\text{Current Assets (ending)}}{\text{Current Liabilities (ending)}} : 1$
Debt Structure	=	$\frac{\text{Current Liabilities (ending)}}{\text{Total Liabilities (ending)}} : 1$
Percent Equity	=	$\frac{\text{Equity in farm Business (ending)}}{\text{Total Assets (ending)}} \times 100$
Debt to Asset Ratio	=	$\frac{\text{Total Liabilities (ending)}}{\text{Total Farm Assets (ending)}} : 1$
Debt to Equity Ratio	=	$\frac{\text{Total Liabilities (ending)}}{\text{Owners Equity (ending)}} : 1$
Return on Assets	=	$\frac{\text{Net farm Income (accrual)} + \text{Interest Paid (all)}}{\text{Total Farm Assets (average beg. \& end.)}} \times 100$
Return On Equity	=	$\frac{\text{Net Farm Income (accrual)}}{\text{Owners Equity (average beg. \& end.)}} \times 100$
Debt per Sow	=	$\frac{\text{Total Farm Liabilities (ending)}}{\text{Average \# of Sows}}$
Net Farm Income per Sow	=	$\frac{\text{Net Farm Income (before Income Tax)}}{\text{Average \# of Sows}}$
Operating Margin	=	Total Revenue - Operating Expenses
Debt Servicing Requirement	=	$\frac{\text{Principal} + \text{Interest Paid (All)}}{\text{Total Farm Revenue}} : 1$
Depreciation	=	2.5% on other capital assets, 5% on buildings, 15% on machinery including trucks & cars and 20% on barn equipment

FINANCIAL ANALYSIS: DEFINITIONS EXPLAINED

Liquidity

Liquidity is a measurement of the ability to generate cash without disrupting the operations of the business. Asset items which are easily sold, such as grain and livestock, increase liquidity while machinery, breeding stock, and land which are assets more difficult to sell quickly, decrease liquidity.

Three measures of liquidity have been calculated:

1) **Working Capital = $\text{Current Assets (ending)} - \text{Current Liabilities (ending)}$**

2) **Current Ratio = $\frac{\text{Current Assets (ending)}}{\text{Current Liabilities (ending)}} : 1$**

eg. 2.40 : 1 means you have \$2.40 in liquid (current) assets for every dollar you owe in the next 12 months (current debt).

3) **Debt Structure = $\frac{\text{Current Liabilities (ending)}}{\text{Total Liabilities (ending)}} \times 100$**

eg. 28 % indicates that 28 % of your liabilities are due within one year.

Solvency

Solvency is a term which measures the ability of a business to pay its debt. When a business cannot repay its entire debt, it is said to be technically insolvent. Three measures of solvency have been calculated:

1) **Percent Equity = $\frac{\text{Equity in Farm Business (ending)}}{\text{Total Assets (ending)}} \times 100$**

eg. 69 % signifies that you actually own 69 percent of the total assets of the business.

2) **Debt To Asset Ratio = $\frac{\text{Total Liabilities (ending)}}{\text{Total Farm Assets (ending)}} : 1$**

eg. 0.31 :1 indicates that for every dollar of assets, 31 cents is represented by debt and 69 cents by equity.

3) **Debt to Equity Ratio = $\frac{\text{Total Liabilities (ending)}}{\text{Owners Equity (ending)}} : 1$**

eg. 0.60 : 1 tells you that for every dollar you have in equity (paid assets), you have 60 cents still owing in farm liabilities (unpaid assets).

Profitability

Three measurements of profitability have been calculated:

1) **Net Farm Income (before income tax) = Total Farm Income - Total Farm Expenses**

2) **Return On Assets = $\frac{\text{Net Farm Income (accrual)} + \text{Interest Paid (all)}}{\text{Total Farm Assets (average beg \& end)}} \times 100$**

eg. 11.9 % ROA indicates that for every dollar in assets controlled by the business 11.9 cents is available to pay a return to the owners of the assets.

3) **Return On Equity = $\frac{\text{Net Farm Income (accrual)}}{\text{Owners Equity (average beg \& end)}} \times 100$**

eg. 10.8% shows that for every dollar of business equity, 10.8 cents is available to pay a return to the owners of the equity. This represents a 10.8% return on paid assets.

Financial Efficiency

To determine financial efficiency we look at the following measurements:

1) **Average Debt per Sow = $\frac{\text{Total Farm Liabilities}}{\text{Average \# of Sows}}$**

2) **Net Farm Income per Sow = $\frac{\text{Net Income (before income tax)}}{\text{Average \# of Sows}}$**

3) **Operating Margin = Total Revenue - Operating Expenses**

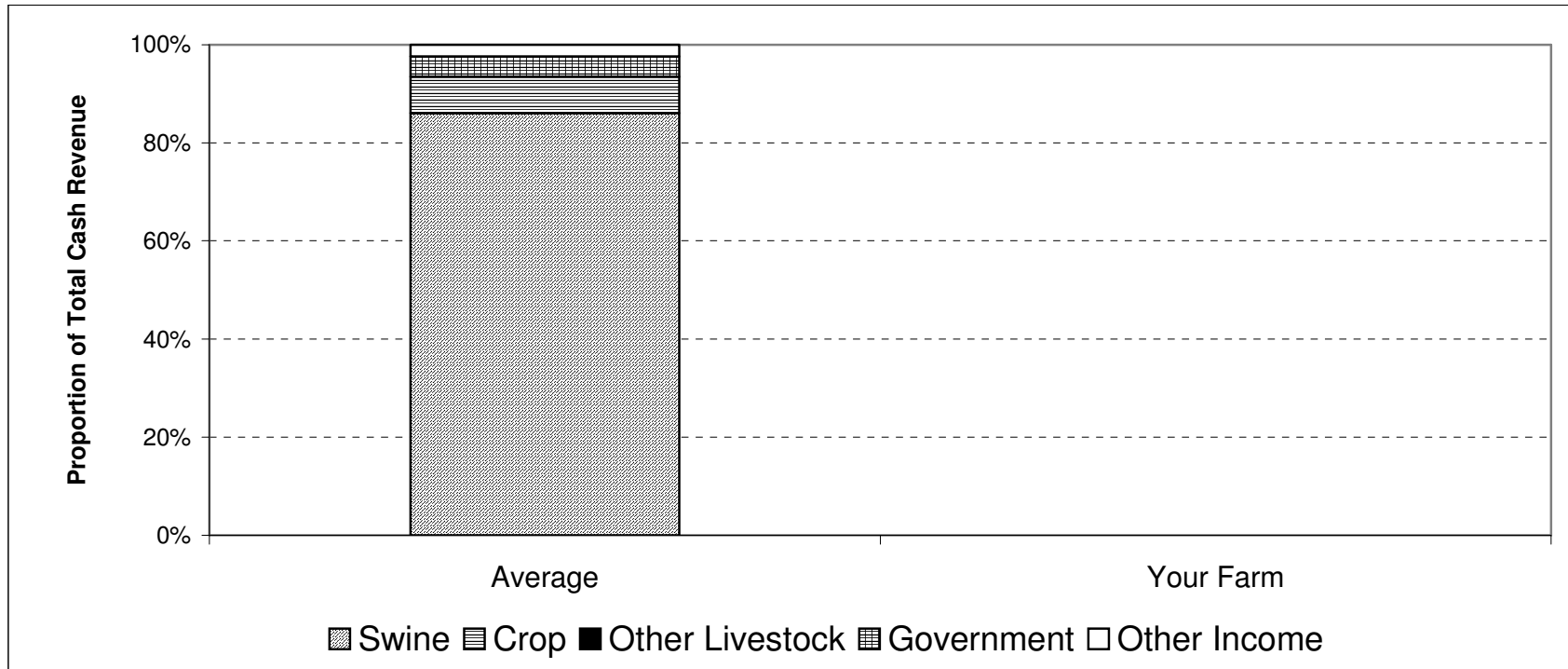
Debt Servicing

This is used as an indicator to show exactly how much of the farm's gross revenue is used towards debt repayment.

Debt Servicing Requirement = $\frac{\text{Principal + Interest Paid (All)}}{\text{Total Farm Revenue}} : 1$

eg. 0.27 : 1 would tell us that of every dollar of revenue taken in, 27 cents of it is used towards debt repayment (includes principal & interest).

FARM CASH REVENUE SOURCES



Average \$979,826 Total Cash Revenue

Your Farm:

Total Cash Revenue

FARROW-TO-FINISH RESULTS
PERSONALIZED

FARM INCOME STATEMENT - Farrow-to-Finish

	BOTTOM 7 FARMS (1)	AVERAGE 14 Farms	TOP 7 FARMS	YOUR FARM
PIGS PRODUCED	3,919	4,182	4,445	
AVERAGE # SOWS	214	217	221	
REVENUE				
Corn	\$1,579	\$13,844	\$26,109	
Soybeans	29,265	29,731	30,196	
Wheat	4,367	10,271	16,174	
Spring Grains	0	0	0	
Other Crops	0	618	1,237	
Forage	1,699	849	0	
Swine	671,834	707,859	743,883	
Other Livestock	94	47	0	
Government	28,677	41,319	30,861	
Custom Work	1,295	3,133	4,971	
Other Farm Income	7,760	16,206	24,652	
TOTAL CASH REVENUE	746,569	823,877	878,084	
Change In Accounts Receivable	(7,971)	1,973	11,916	
Change In Inventories	53,988	41,751	29,514	
TOTAL REVENUE	792,586	867,600	919,514	
EXPENSES				
Fertilizer	12,649	15,023	17,396	
Pesticides	8,769	10,777	12,785	
Seeds And Plants	14,576	17,529	20,483	
Machinery Repair, Fuel, Vehicle, Small Tools	40,341	33,681	27,021	
Storage And Drying	6,088	6,246	6,404	
Crop Insurance, Stabilization, GRIP	2,968	2,655	2,342	
Other Crop Expenses	15,219	14,206	13,193	
Purchased Feed	314,758	322,737	330,715	
Swine Purchases	68,164	39,779	11,394	
Other Livestock Purchases	21	10	0	
Vet, Health, Dead Stock Removal	30,580	24,705	18,830	
Building Repairs	6,886	7,856	8,826	
Custom Work: Livestock	26,216	15,207	4,199	
Trucking, Marketing	26,309	19,200	12,090	
Hired Labour	4,229	16,179	28,129	
Utilities	21,093	21,435	21,777	
Accounting, Professional And Bank Fees	4,699	5,446	6,192	
Operating Interest	1,816	2,763	3,709	
Other Farm Expenses	10,194	11,047	11,900	
TOTAL CASH OPERATING EXPENSES	615,578	586,481	557,384	
Change In Accounts Payable	10,001	(508)	(11,016)	
OPERATING MARGIN	167,008	281,627	373,146	
Building Rental	2,372	1,186	0	
Land Rental	11,364	7,089	2,814	
Property Tax And Insurance	13,745	14,326	14,906	
Interest (Term And Mortgage)	46,274	48,954	51,633	
TOTAL CASH OVERHEAD EXPENSES	73,755	71,554	69,353	
Depreciation (2)	63,958	72,698	81,438	
TOTAL OVERHEAD EXPENSES	137,714	144,253	150,792	
TOTAL EXPENSES (excl Family Labour Exp)	763,292	730,226	697,160	
NET FARM INCOME	29,294	137,374	222,354	

(1) FARMS SORTED INTO TOP AND BOTTOM FARMS BY NET FARM INCOME (with Family Labour Exp Included)

FARM INCOME STATEMENT - Including Family Labour Expense

	BOTTOM 7 FARMS (1)	AVERAGE 14 Farms	TOP 7 FARMS	YOUR FARM
PIGS PRODUCED	3,919	4,182	4,445	
AVERAGE # SOWS	214	217	221	
REVENUE				
Corn	\$1,579	\$13,844	\$26,109	
Soybeans	29,265	29,731	30,196	
Wheat	4,367	10,271	16,174	
Spring Grains	0	0	0	
Other Crops	0	618	1,237	
Forage	1,699	849	0	
Swine	671,834	707,859	743,883	
Other Livestock	94	47	0	
Government	28,677	41,319	30,861	
Custom Work	1,295	3,133	4,971	
Other Farm Income	7,760	16,206	24,652	
TOTAL CASH REVENUE	746,569	823,877	878,084	
Change In Accounts Receivable	(7,971)	1,973	11,916	
Change In Inventories	53,988	41,751	29,514	
	=====	=====	=====	=====
TOTAL REVENUE	792,586	867,600	919,514	
EXPENSES				
Fertilizer	12,649	15,023	17,396	
Pesticides	8,769	10,777	12,785	
Seeds And Plants	14,576	17,529	20,483	
Machinery Repair, Fuel, Vehicle, Small Tools	40,341	33,681	27,021	
Storage And Drying	6,088	6,246	6,404	
Crop Insurance, Stabilization, GRIP	2,968	2,655	2,342	
Other Crop Expenses	15,219	14,206	13,193	
Purchased Feed	314,758	322,737	330,715	
Swine Purchases	68,164	39,779	11,394	
Other Livestock Purchases	21	10	0	
Vet, Health, Dead Stock Removal	30,580	24,705	18,830	
Building Repairs	6,886	7,856	8,826	
Custom Work: Livestock	26,216	15,207	4,199	
Trucking, Marketing	26,309	19,200	12,090	
Hired Labour	4,229	16,179	28,129	
Utilities	21,093	21,435	21,777	
Accounting, Professional And Bank Fees	4,699	5,446	6,192	
Operating Interest	1,816	2,763	3,709	
Other Farm Expenses	10,194	11,047	11,900	
TOTAL CASH OPERATING EXPENSES	615,578	586,481	557,384	
Change In Accounts Payable	10,001	(508)	(11,016)	
OPERATING MARGIN	167,008	281,627	373,146	
Building Rental	2,372	1,186	0	
Land Rental	11,364	7,089	2,814	
Property Tax And Insurance	13,745	14,326	14,906	
Interest (Term And Mortgage)	46,274	48,954	51,633	
TOTAL CASH OVERHEAD EXPENSES	73,755	71,554	69,353	
Depreciation (2)	63,958	72,698	81,438	
TOTAL OVERHEAD EXPENSES	137,714	144,253	150,792	
	=====	=====	=====	=====
Family Labour Expense	74,571	61,329	48,086	
TOTAL EXPENSES (incl Family Labour Exp)	837,864	791,554	745,245	
NET FARM INCOME	(45,277)	76,046	174,268	

(1) FARMS SORTED INTO TOP AND BOTTOM FARMS BY NET FARM INCOME (with Family Labour Exp Included)

(2) DEPRECIATION: 2.5% OTHER ASSETS, 5% BUILDINGS, 15% MACHINERY INCLUDING TRUCKS AND CARS, 20% BARN EQUIPMENT

FARM BALANCE SHEET (YEAR END MARKET VALUE)

	BOTTOM 7 FARMS (1)	AVERAGE 14 Farms	TOP 7 FARMS	YOUR FARM
ASSETS				
CASH	\$5,966	\$62,184	\$118,401	
Securities	41,914	50,388	58,862	
Accounts Receivable	9,490	17,255	25,020	
Crops In Storage	61,395	76,456	91,518	
Seed, Fertilizer, Pesticide	5,638	14,616	23,593	
Fuel	873	1,692	2,511	
Purchased Feed	16,152	38,353	60,554	
Market/Feeder Livestock	180,218	171,725	163,232	
Other Current Assets	13,074	19,603	26,132	
TOTAL CURRENT ASSETS	334,720	452,272	569,824	
NISA And/Or CAIS	0	50,926	43,482	
Field Machinery	115,143	160,652	206,161	
Barn Equipment	92,146	100,030	107,913	
Trucks	19,686	18,272	16,857	
Buildings	532,143	540,639	549,134	
Land	861,571	1,138,464	1,415,357	
Swine Breeding Stock	74,787	74,952	75,116	
Other Breeding Livestock	0	0	0	
Market Quota	0	0	0	
House	208,129	192,850	177,571	
Other Capital Assets	282	924	1,567	
TOTAL CAPITAL ASSETS	1,903,888	2,277,708	2,593,159	
TOTAL FARM ASSETS	2,238,608	2,729,980	3,162,983	
LIABILITIES				
Accounts Payable	36,158	26,464	16,770	
Interest Arrears	0	0	0	
Advanced Payments	21,429	14,286	7,143	
Operating Credit	94,112	92,792	91,473	
Current Term/Mortgage Debt	67,961	58,558	49,155	
Other Current Liabilities	4,464	13,587	22,710	
TOTAL CURRENT LIABILITIES	224,123	205,687	187,250	
Deferred Taxes	0	13,803	27,606	
Term Debt	12,850	17,409	21,967	
Mortgage	689,608	670,899	652,189	
TOTAL LONG TERM LIABILITIES	702,458	702,110	701,763	
TOTAL FARM LIABILITIES	926,580	907,797	889,014	
EQUITY IN FARM	1,312,027	1,822,183	2,273,969	

(1) FARMS SORTED BY NET FARM INCOME (with Family Labour Exp Included)

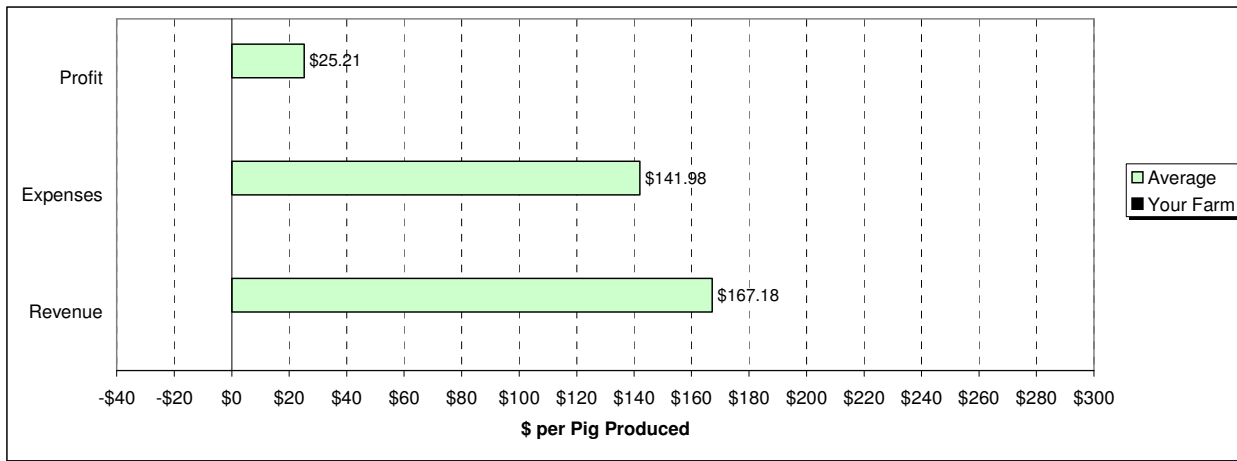
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FARM FINANCIAL ANALYSIS

	BOTTOM 7 FARMS (1)	AVERAGE 14 Farms	TOP 7 FARMS	YOUR FARM	YOUR RANK
** LIQUIDITY **					
Working Capital (Ending)	\$110,598	\$246,586	\$382,573		
Current Ratio (Ending)	1.49	2.20	3.04		
Debt Structure (Ending)	24.2%	22.7%	21.1%		
** SOLVENCY **					
Percent Equity (Ending)	58.6%	66.7%	71.9%		
Debt To Asset Ratio (Ending)	0.41	0.33	0.28		
Debt To Equity Ratio (Ending)	0.71	0.50	0.39		
** PROFITABILITY (PRETAX) **					
Net Income: Entire Farm	\$29,294	\$137,374	\$222,354		
Return On Average Assets (Farm)	3.5%	7.1%	8.9%		
Return On Average Equity (Farm)	2.2%	7.7%	10.1%		
** FINANCIAL EFFICIENCY **					
Debt Per Sow (Ending)	\$4,328	\$4,174	\$4,025		
Net Farm Income Per Sow	\$137	\$632	\$1,007		
Operating Margin	\$167,008	\$281,627	\$373,146		
** DEBT SERVICING **					
Debt Servicing Requirement Ratio	0.15	0.13	0.12		

(1) FARMS SORTED BY NET FARM INCOME (with Family Labour Exp Included)

INCOME SUMMARY

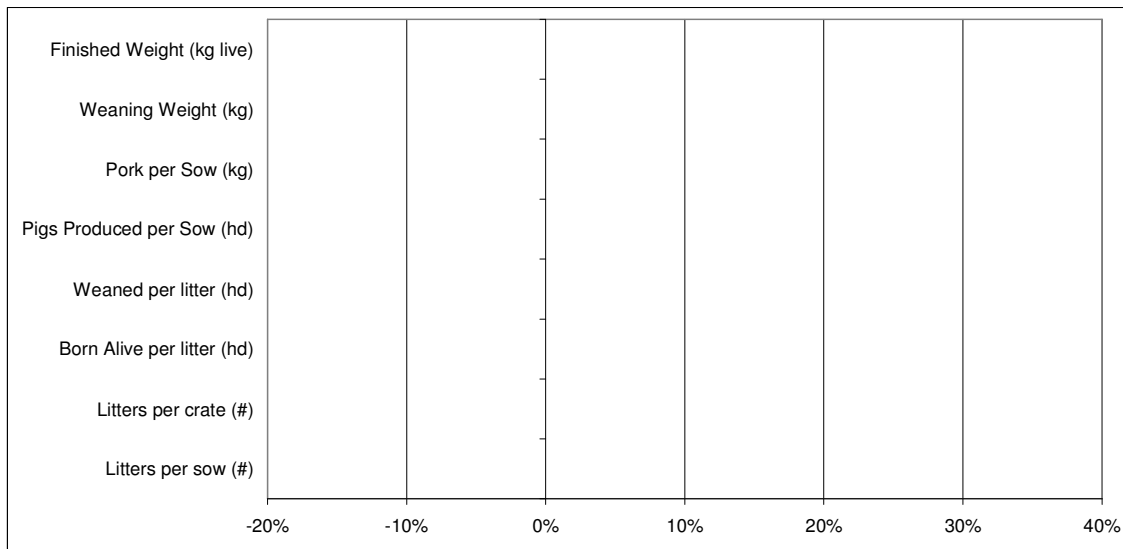


YOUR RANK

Average: 4,182 Pigs Produced Your Farm: Pigs Produced

** Taken from Swine Enterprise

SELECTED PERFORMANCE VARIABLES



YOUR AVERAGE FARM RANK

113.6

6.3

1,766.3

19.2

9.6

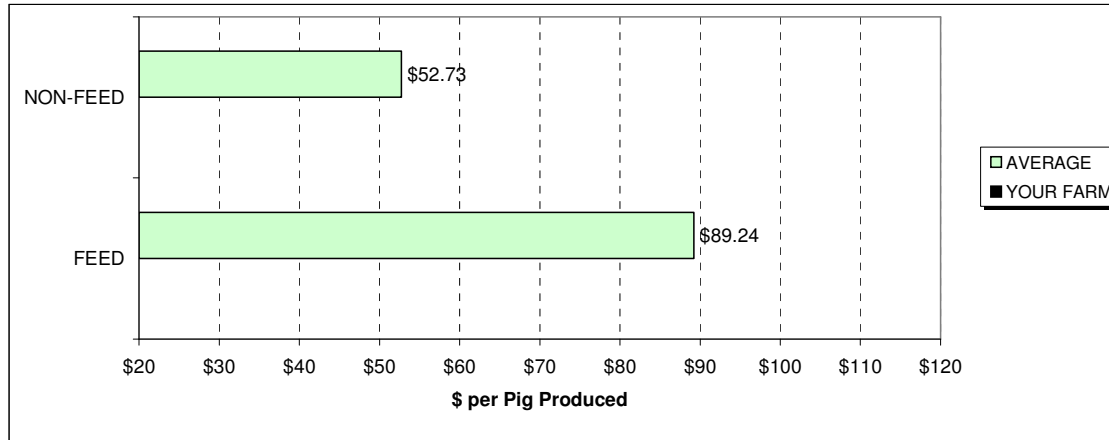
10.8

12.3

2.4

FEED vs NON-FEED EXPENSES

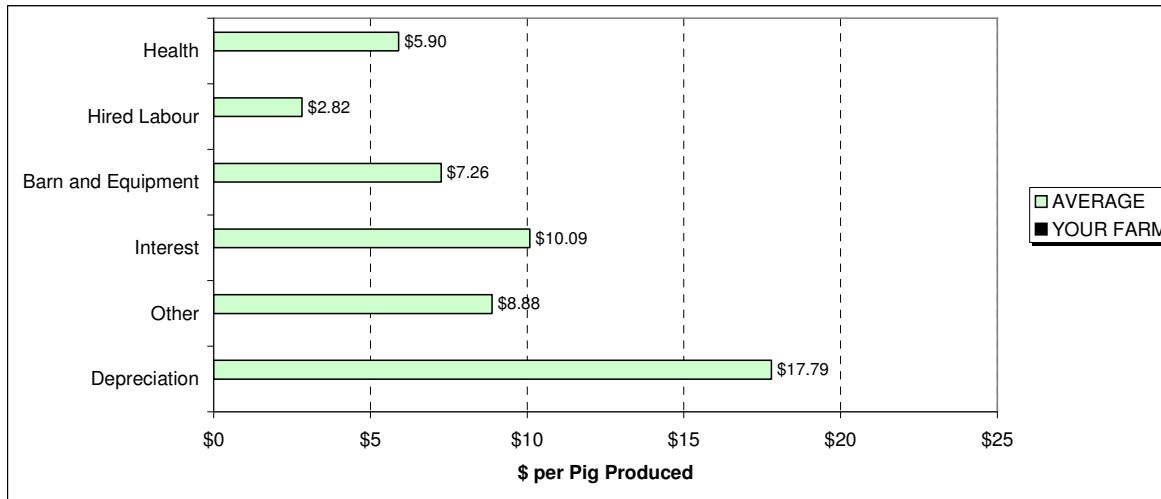
YOUR RANK



** Expenses are tabulated from the SWINE ENTERPRISE

NON-FEED EXPENSES

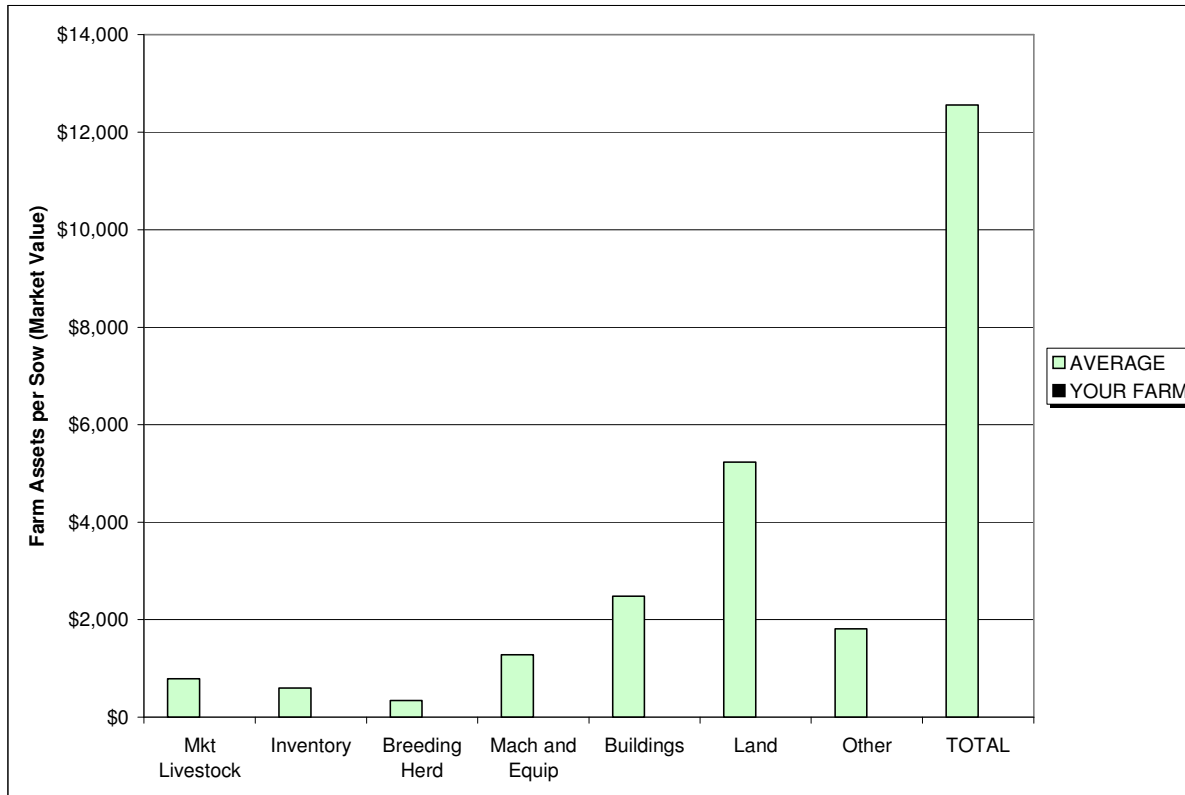
YOUR RANK



NOTES ON EXPENSE CATEGORIES:

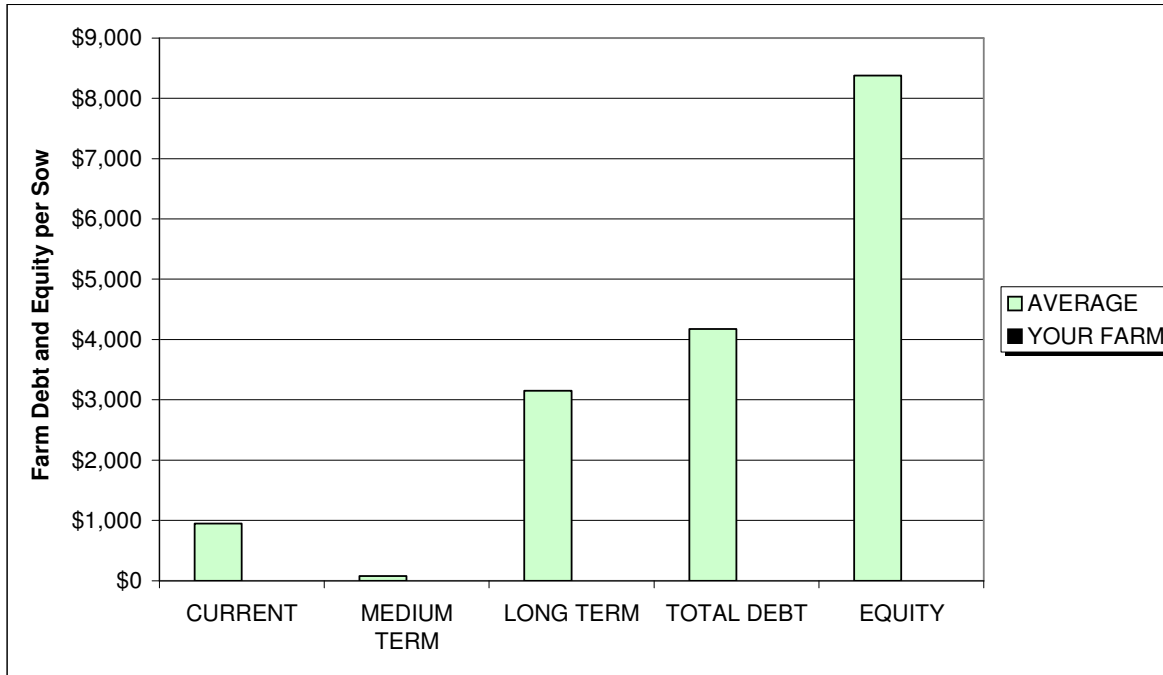
1. "INTEREST" includes OPERATING, TERM, and MORTGAGE.
2. "OTHER" includes ACCOUNTING/PROFESSIONAL, MARKETING/TRUCKING, TAXES/INSURANCE, and CHANGES IN ACCOUNTS PAYABLE
3. "DEPRECIATION" includes ALL SWINE ASSET DEPRECIATION, plus BUILDING RENTAL and CUSTOM WORK
4. "BARN AND EQUIPMENT" includes UTILITIES, FUEL, REPAIRS, and VEHICLE EXPENSES

ENDING FARM ASSETS



		Mkt/Fdr Livestock	Inventory Herd	Breeding Herd	Machinery & Equipment	Buildings	Land	Other	TOTAL
Survey	Farm	\$171,725	\$131,117	\$74,952	\$278,953	\$540,639	\$1,138,464	\$394,130	\$2,729,980
Average:	Per Sow	\$790	\$603	\$345	\$1,283	\$2,486	\$5,235	\$1,812	\$12,554
	Per Pig Prod'd	\$41	\$31	\$18	\$67	\$129	\$272	\$94	\$653
BOTTOM 7 (by NFI)	Farm	\$180,218	\$84,058	\$74,787	\$226,976	\$532,143	\$861,571	\$278,854	\$2,238,608
	Per Sow	\$842	\$393	\$349	\$1,060	\$2,486	\$4,025	\$1,303	\$10,457
	Per Pig Prod'd	\$46	\$21	\$19	\$58	\$136	\$220	\$71	\$571
TOP 7 (by NFI)	Farm	\$163,232	\$178,176	\$75,116	\$330,931	\$549,134	\$1,415,357	\$451,036	\$3,162,983
	Per Sow	\$739	\$807	\$340	\$1,498	\$2,486	\$6,408	\$2,042	\$14,321
	Per Pig Prod'd	\$37	\$40	\$17	\$74	\$124	\$318	\$101	\$712
Your Farm	Farm								
	Per Sow								
	Per Pig Prod'd								

ENDING FARM DEBT AND EQUITY



		LIABILITIES				
		CURRENT	MEDIUM TERM	LONG TERM	TOTAL DEBT	EQUITY
Survey Average:	Farm	\$205,687	\$17,409	\$684,702	\$907,797	\$1,822,183
	Per Sow	\$946	\$80	\$3,149	\$4,174	\$8,379
	Per Pig Prod'd	\$49	\$4	\$164	\$217	\$436
BOTTOM 7 (by NFI)	Farm	\$224,123	\$12,850	\$689,608	\$926,580	\$1,312,027
	Per Sow	\$1,047	\$60	\$3,221	\$4,328	\$6,129
	Per Pig Prod'd	\$57	\$3	\$176	\$236	\$335
TOP 7 (by NFI)	Farm	\$187,250	\$21,967	\$679,796	\$889,014	\$2,273,969
	Per Sow	\$848	\$99	\$3,078	\$4,025	\$10,296
	Per Pig Prod'd	\$42	\$5	\$153	\$200	\$512
Your Farm	Farm					
	Per Sow					
	Per Pig Prod'd					

Breakdown of Participants by Category

Below is a breakdown of participants by various categories for 2004.

Average # Sows/Farm

<100 sows	2 participants
100-199 sows	5 "
200-400 sows	6 "
>400 sows	1 "

Total Marketings Per Sow

(hogs, weaners, SEW, brdg stock, cull)

<20 pigs	4 participants
20-21.5 pigs	4
21.5-23 pigs	2
>23 pigs	4

Total Pigs Produced Per Sow

(market hog equivalents-see def'n in Summary Statistics)

<18 pigs	5 participants
18-19.5 pigs	2
19.5-21 pigs	2
>21 pigs	5

NFI Including Family Labour Expense

<\$10,000	7 participants
\$10,000-\$25,000	0
\$25,000-\$50,000	1
>\$50,000	6

NFI Excluding Family Labour Expense

<\$10,000	2 participants
\$10,000-\$25,000	1
\$25,000-\$50,000	0
>\$50,000	11

Total Family Labour Expense

<\$25,000	0 participants
\$25,000-\$50,000	5
\$50,000-\$75,000	6
>\$75,000	3

Total Family Labour Expense/Sow

<\$200/sow	4 participants
\$200-\$400/sow	6
\$400-\$600/sow	3
>\$700/sow	1

Family Labour Expense = # Full time equivalents x \$36,000/person

FINISHER RESULTS

PERSONALIZED

FARM INCOME STATEMENT - Finishing

	AVERAGE 3 FARMS	YOUR FARM
PIGS SOLD	9,486	
REVENUE		
Corn	\$10,333	
Soybeans	105,686	
Wheat	36,975	
Spring Grains	0	
Other Crops	0	
Forage	0	
Swine	1,474,467	
Other Livestock	0	
Government	37,997	
Custom Work	26,401	
Other Farm Income	15,732	
TOTAL CASH REVENUE	1,707,591	
Change In Accounts Receivable	(17,312)	
Change In Inventories	(33,423)	
	=====	=====
TOTAL REVENUE	1,656,856	
EXPENSES		
Fertilizer	20,403	
Pesticides	19,615	
Seeds And Plants	28,410	
Machinery Repair, Fuel, Vehicle, Small Tools	50,484	
Storage And Drying	5,000	
Crop Insurance, Stabilization, GRIP	4,517	
Other Crop Expenses	24,100	
Purchased Feed	578,481	
Swine Purchases	508,957	
Other Livestock Purchases	0	
Vet, Health, Dead Stock Removal	38,140	
Building Repairs	17,643	
Custom Work: Livestock	1,987	
Trucking, Marketing	37,667	
Hired Labour	0	
Utilities	11,169	
Accounting, Professional And Bank Fees	10,649	
Operating Interest	12,247	
Other Farm Expenses	2,977	
TOTAL CASH OPERATING EXPENSES	1,372,446	
Change In Accounts Payable	(45,249)	
OPERATING MARGIN	329,659	
Building Rental	148,395	
Land Rental	38,230	
Property Tax And Insurance	18,862	
Interest (Term And Mortgage)	35,628	
TOTAL CASH OVERHEAD EXPENSES	241,115	
Depreciation (2)	84,843	
TOTAL OVERHEAD EXPENSES	325,958	
	=====	=====
TOTAL EXPENSES (excl Family Labour Exp)	1,653,154	
NET FARM INCOME	3,702	

(1) FARMS SORTED INTO TOP AND BOTTOM FARMS BY NET FARM INCOME (with Family Labour Exp Included)

FARM INCOME STATEMENT - Finishing

	AVERAGE 3 FARMS	YOUR FARM
PIGS SOLD	9,486	
REVENUE		
Corn	\$10,333	
Soybeans	105,686	
Wheat	36,975	
Spring Grains	0	
Other Crops	0	
Forage	0	
Swine	1,474,467	
Other Livestock	0	
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TOTAL REVENUE	1,656,856	
EXPENSES		
Fertilizer	20,403	
Pesticides	19,615	
Seeds And Plants	28,410	
Machinery Repair, Fuel, Vehicle, Small Tools	50,484	
Storage And Drying	5,000	
Crop Insurance, Stabilization, GRIP	4,517	
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Purchased Feed	578,481	
Swine Purchases	508,957	
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Depreciation (2)	84,843	
TOTAL OVERHEAD EXPENSES	325,958	
	=====	=====
TOTAL EXPENSES (excl Family Labour Exp)	1,653,154	
NET FARM INCOME	3,702	

(1) FARMS SORTED INTO TOP AND BOTTOM FARMS BY NET FARM INCOME (with Family Labour Exp Included)

2) DEPRECIATION: 2.5% OTHER ASSETS, 5% BUILDINGS, 15% MACHINERY INCLUDING TRUCKS AND CARS, 20% BARN EQUIPMENT

FARM INCOME STATEMENT - Including Family Labour Expense

	AVERAGE 3 FARMS	YOUR FARM
REVENUE		
Corn	\$10,333	
Soybeans	105,686	
Wheat	36,975	
Spring Grains	0	
Other Crops	0	
Forage	0	
Swine	1,474,467	
Other Livestock	0	
Government	37,997	
Custom Work	26,401	
Other Farm Income	15,732	
TOTAL CASH REVENUE	1,707,591	
Change In Accounts Receivable	(17,312)	
Change In Inventories	(33,423)	
	=====	=====
TOTAL REVENUE	1,656,856	
EXPENSES		
Fertilizer	20,403	
Pesticides	19,615	
Seeds And Plants	28,410	
Machinery Repair, Fuel, Vehicle, Small Tools	50,484	
Storage And Drying	5,000	
Crop Insurance, Stabilization, GRIP	4,517	
Other Crop Expenses	24,100	
Purchased Feed	578,481	
Swine Purchases	508,957	
Other Livestock Purchases	0	
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Property Tax And Insurance	18,862	
Interest (Term And Mortgage)	35,628	
TOTAL CASH OVERHEAD EXPENSES	241,115	
Depreciation (2)	84,843	
TOTAL OVERHEAD EXPENSES	325,958	
	=====	=====
Family Labour Expense	69,000	
TOTAL EXPENSES (incl Family Labour Exp)	1,722,154	
NET FARM INCOME	(65,298)	

(1) FARMS SORTED INTO TOP AND BOTTOM FARMS BY NET FARM INCOME (with Family Labour Exp Included)

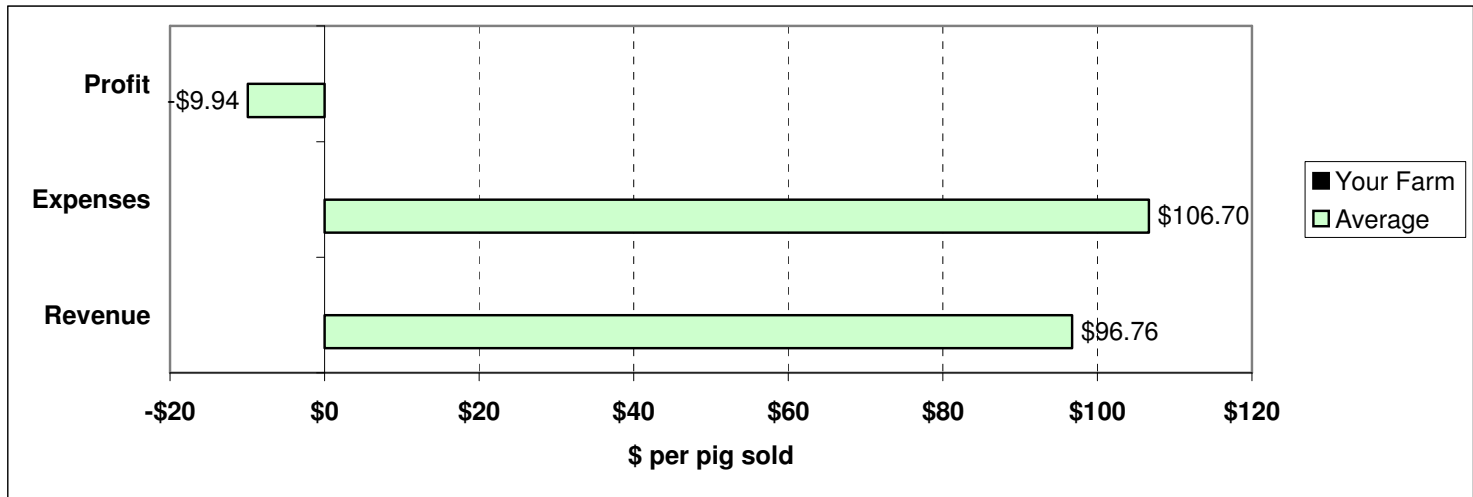
(2) DEPRECIATION: 2.5% OTHER ASSETS, 5% BUILDINGS, 15% MACHINERY INCLUDING TRUCKS AND CARS, 20% BARN EQUIPMENT

FARM BALANCE SHEET (YEAR END MARKET VALUE)		
	AVERAGE 3 FARMS	YOUR FARM
ASSETS		
CASH	\$1,217	
Securities	0	
Accounts Receivable	28,043	
Crops In Storage	85,166	
Seed, Fertilizer, Pesticide	0	
Fuel	15,886	
Purchased Feed	17,667	
Market/Feeder Livestock	309,031	
Other Current Assets	34,154	
TOTAL CURRENT ASSETS	491,164	
NISA And/Or CAIS	18,504	
Field Machinery	341,411	
Barn Equipment	78,333	
Trucks	23,333	
Buildings	306,667	
Land	933,333	
Swine Breeding Stock	0	
Other Breeding Livestock	0	
Market Quota	0	
House	250,000	
Other Capital Assets	1,333	
TOTAL CAPITAL ASSETS	1,952,915	
TOTAL FARM ASSETS	2,444,079	
LIABILITIES		
Accounts Payable	148,040	
Interest Arrears	0	
Advanced Payments	7,200	
Operating Credit	281,886	
Current Term/Mortgage Debt	49,461	
Other Current Liabilities	154,936	
TOTAL CURRENT LIABILITIES	641,523	
Deferred Taxes	22,333	
Term Debt	0	
Mortgage	351,718	
TOTAL LONG TERM LIABILITIES	374,052	
TOTAL FARM LIABILITIES	1,015,575	
EQUITY IN FARM	1,428,505	

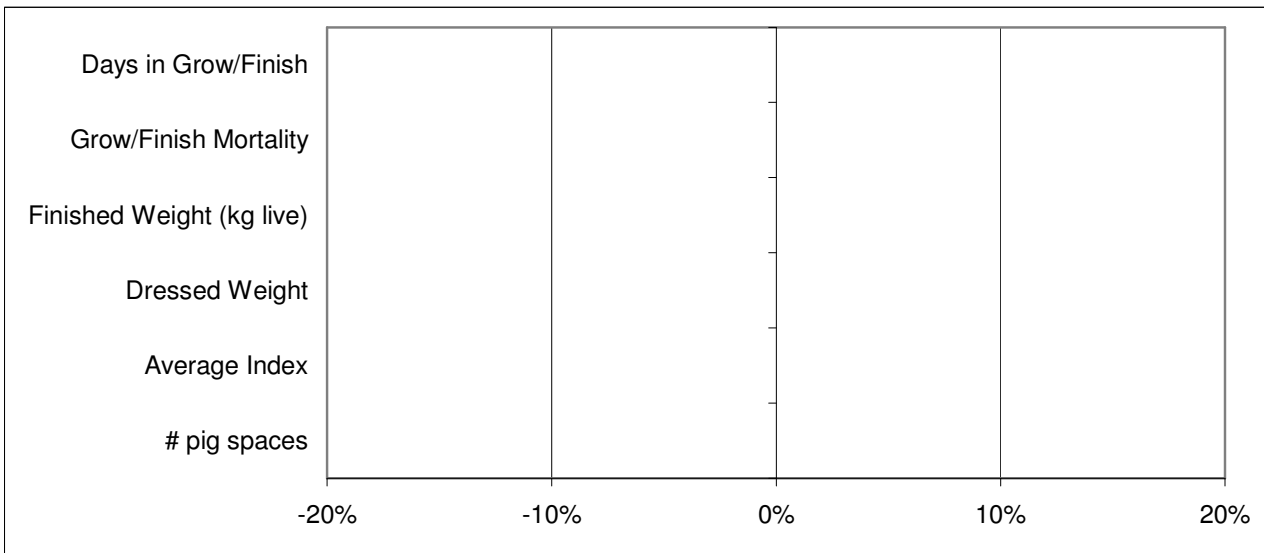
FARM FINANCIAL ANALYSIS

	AVERAGE 3 FARMS	YOUR FARM
** LIQUIDITY **		
Working Capital (Ending)	-\$150,359	
Current Ratio (Ending)	0.77	
Debt Structure (Ending)	63.2%	
** SOLVENCY **		
Percent Equity (Ending)	58.4%	
Debt To Asset Ratio (Ending)	0.42	
Debt To Equity Ratio (Ending)	0.71	
** PROFITABILITY (PRETAX) **		
Net Income: Entire Farm	\$3,702	
Return On Average Assets (Farm)	2.1%	
Return On Average Equity (Farm)	0.3%	
** FINANCIAL EFFICIENCY **		
Operating Margin	\$329,659	
** DEBT SERVICING **		
Debt Servicing Requirement Ratio	0.07	

INCOME SUMMARY - FINISHERS



** Taken from Swine Enterprise; Pig sold = market hog equivalent



AVERAGE YOUR FARM

111.3

8.0%

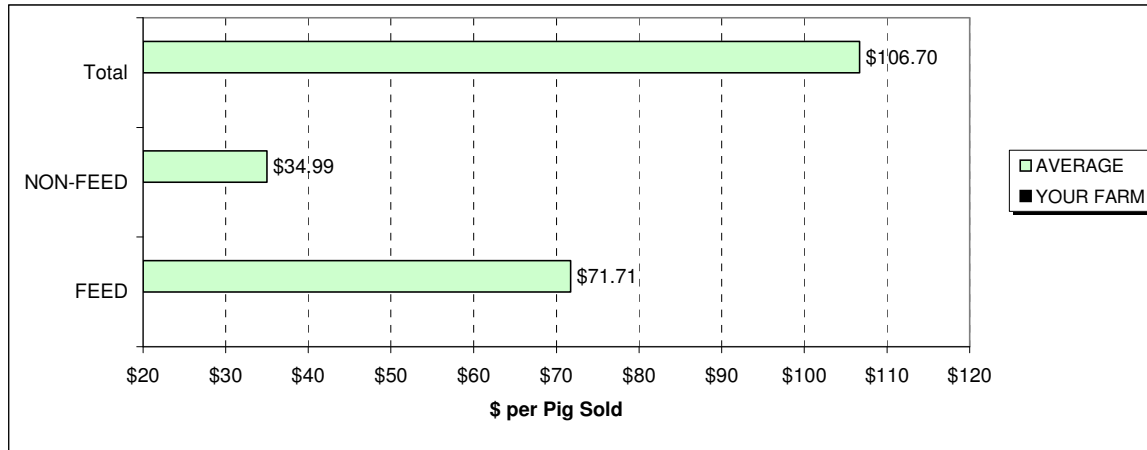
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91.0

109.1

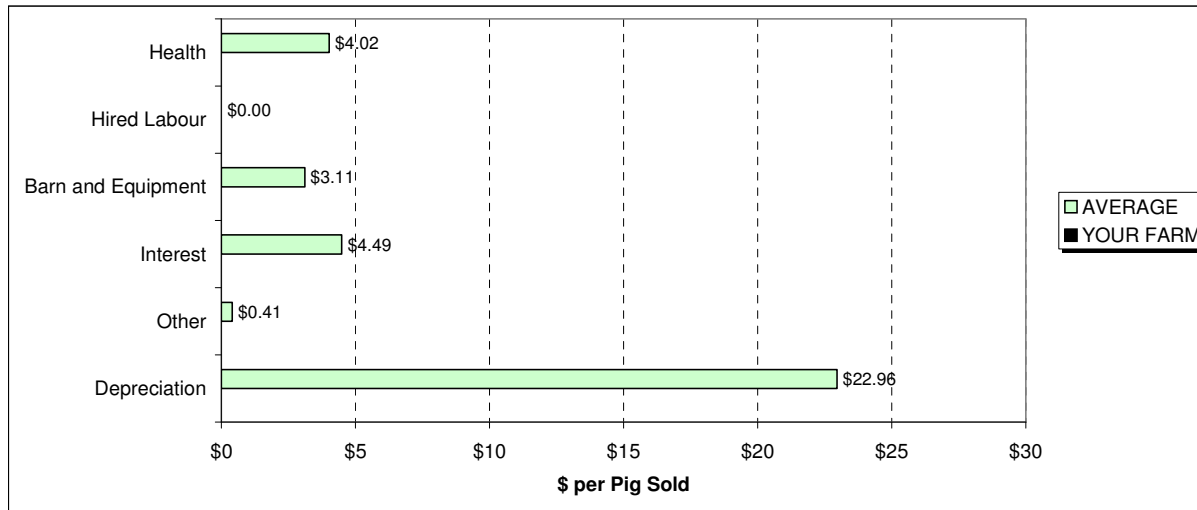
3,000

FEED vs NON-FEED EXPENSES



** Expenses are tabulated from the SWINE ENTERPRISE; pig sold = market hog equivalent

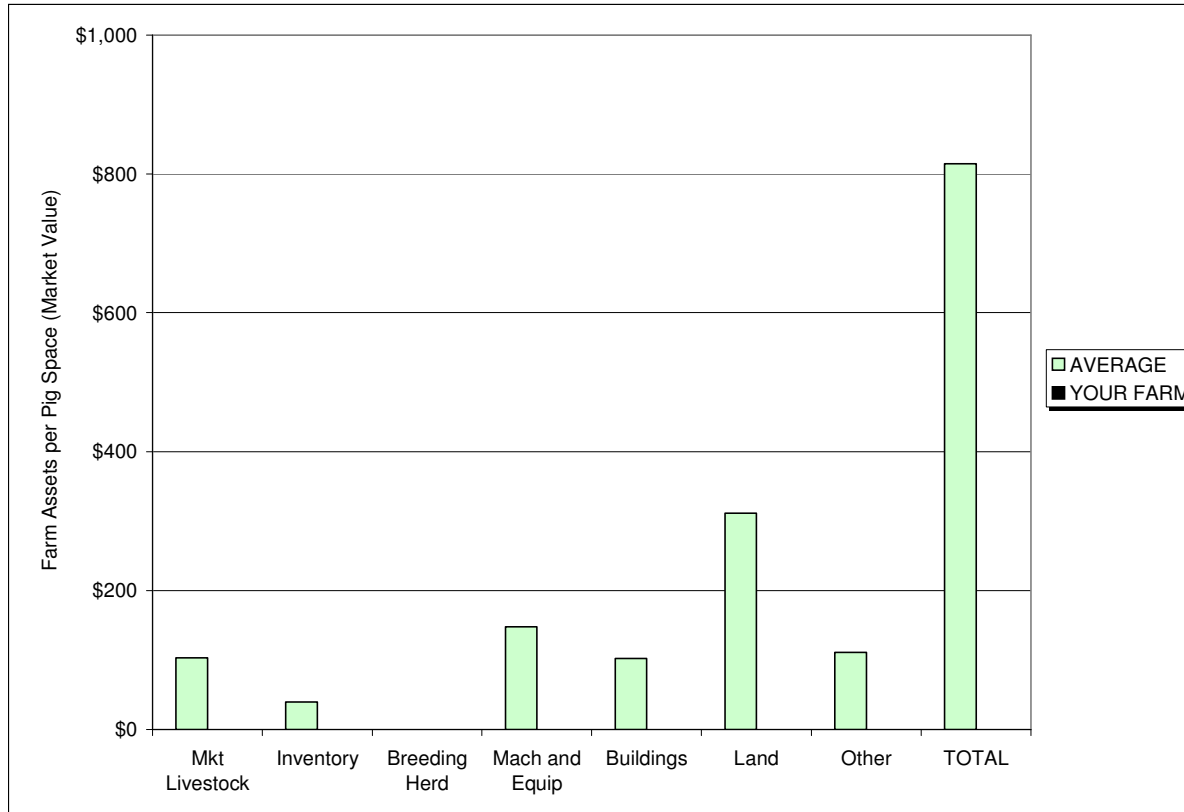
NON-FEED EXPENSES



NOTES ON EXPENSE CATEGORIES:

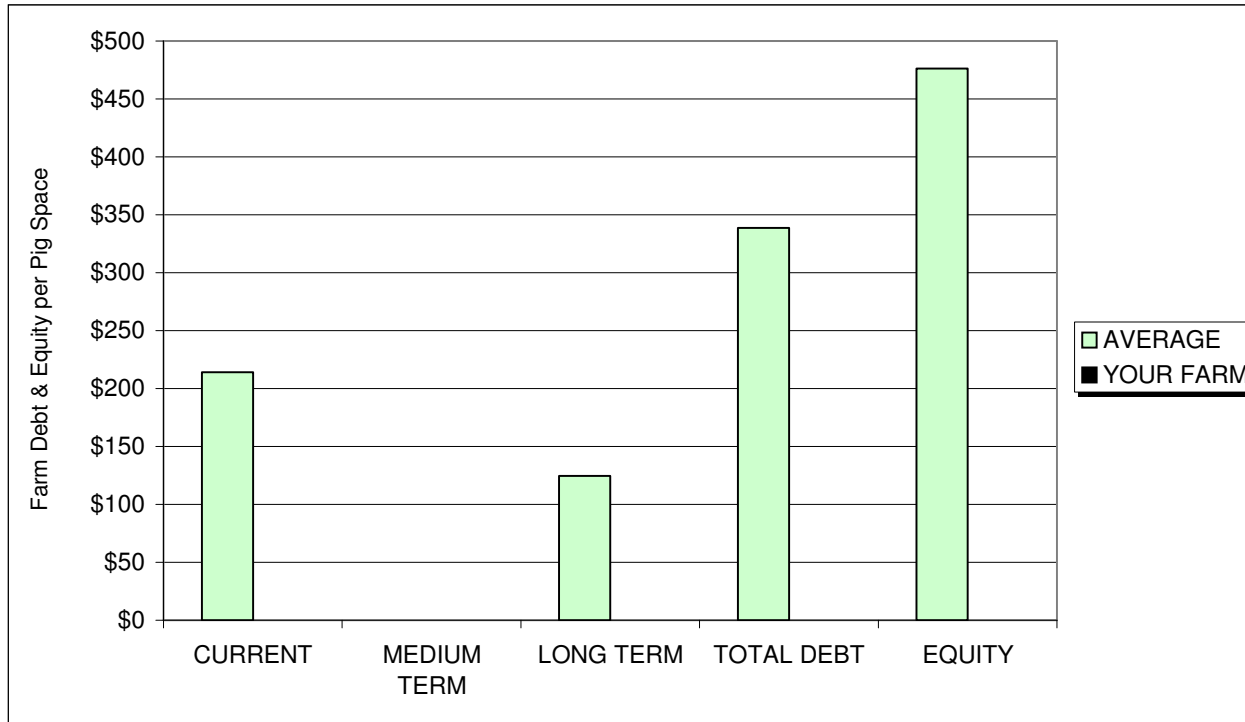
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3. "DEPRECIATION" includes ALL SWINE ASSET DEPRECIATION, plus BUILDING RENTAL and CUSTOM WORK
4. "BARN AND EQUIPMENT" includes UTILITIES, FUEL, REPAIRS, and VEHICLE EXPENSES

ENDING FARM ASSETS



		Mkt/Fdr Livestock	Inventory Herd	Breeding Herd	Machinery & Equipment	Buildings	Land	Other	TOTAL
Survey	Farm	\$309,031	\$118,719	\$0	\$443,078	\$306,667	\$933,333	\$333,251	\$2,444,079
Average:	Per Pig Space	\$103	\$40	\$0	\$148	\$102	\$311	\$111	\$815
	Per Pig Sold	\$33	\$13	\$0	\$47	\$32	\$98	\$35	\$258
Your Farm	Farm								
	Per Pig Space								
	Per Pig Sold								

ENDING FARM DEBT AND EQUITY



		LIABILITIES				
		CURRENT	MEDIUM TERM	LONG TERM	TOTAL DEBT	EQUITY
Survey	Farm	\$641,523	\$0	\$374,052	\$1,015,575	\$1,428,505
Average:	Per Pig Space	\$214	\$0	\$125	\$339	\$476
	Per Pig Sold	\$68	\$0	\$39	\$107	\$151
Your Farm	Farm					
	Per Pig Space					
	Per Pig Sold					