

For: Joe Goatman #1 Cyclone Lane, Dairyland, IA 52003 Year 2008  
 Market Analysis Average Herd Size 200 Crop Acres 80

**NET WORTH SUMMARY**

**ASSETS**

COST	Begin	End
Current	\$54,490	\$59,081
NonCurrent	\$133,736	\$134,098
<b>Total</b>	<b>\$188,226</b>	<b>\$193,179</b>

MARKET	Begin	End
Current	\$54,490	\$59,081
NonCurrent	\$557,783	\$560,494
<b>Total</b>	<b>\$612,273</b>	<b>\$619,575</b>

**LIABILITIES**

	Begin	End
Current	\$28,544	\$32,716
NonCurrent	\$0	\$0
<b>Total</b>	<b>\$28,544</b>	<b>\$32,716</b>

**OWNER'S EQUITY**

Change	Begin	End
\$781	\$159,682	\$160,463
\$2,349	\$424,047	\$426,396
\$3,130	\$583,729	\$586,859

**CASH FLOW STATEMENT**

Beginning Cash Balance	\$800
Non-farm Income	\$2,200
Income Taxes Paid	\$70
Principal Payments	\$4,281
Family Living Expenses	\$18,000
Capital Purchases	\$2,000
Capital Sales (exclude cull doe sales)	\$3,141
New Monies (from loans, savings, ect.)	\$0
Net Farm Cash Income	\$11,429
<b>Ending Cash Flow</b>	<b>-5.27% (\$6,781) &gt;10%</b>

**NET FARM INCOME STATEMENT**

Farm Cash Incomes	Yours	/Cwt.Eq.	/Doe	Goal /Doe
Milk Sales	\$88,177	2,662	\$441	\$472
Cull Doe Sales	\$1,668	50	\$8	\$10
Kid Sales	\$5,353	162	\$27	\$25
Crop Sales	\$3,000	91	\$15	\$0
Other Income	\$17,568	530	\$88	\$65
<b>Total Cash Income</b>	<b>\$115,766</b>	<b>\$33.12</b>	<b>\$579</b>	<b>\$572</b>

**INVENTORY CHANGES**

Accounts Receivable	\$0
Feed Inventory	\$5,000
Supplies and Other	\$0
Resale Livestock	\$0
Breeding Livestock	\$2,384
<b>Income Change</b>	<b>\$7,384</b>
Prepaid Expenses	(\$409)
Accounts Payable	\$4,172
Machinery & Equipment	\$327
Land and Buildings	\$0
Other Adjustments	\$0
<b>Expense Change</b>	<b>\$4,254</b>
Capital Purchases Minus	
Sales Adjustment	(\$1,141)

Farm Cash Expenses	Yours	/Cwt.Eq.	/Doe	/Doe
Veterinary, Medicine	\$1,293	\$0.35	\$6	\$9
Dairy Supplies	\$8,628	\$2.32	\$43	\$40
Breeding Fees	\$170	\$0.05	\$1	\$0
Feed Purchased	\$41,805	\$11.24	\$209	\$175
Repairs	\$5,090	\$1.37	\$25	\$15
Seed, Chem, Fert	\$5,133	\$1.38	\$26	\$25
Fuel, Gas, and Oil	\$6,569	\$1.77	\$33	\$25
Utilities	\$5,617	\$1.51	\$28	\$25
Interest Paid	\$3,208	\$0.86	\$16	\$0
Labor Hired	\$8,100	\$2.18	\$41	\$0
Rent, Lease and Hire	\$5,207	\$1.40	\$26	\$20
Property Taxes	\$2,103	\$0.57	\$11	\$10
Farm Insurance	\$2,737	\$0.74	\$14	\$13
Other Cash Expense	\$8,677	\$2.33	\$43	\$25
<b>Total Cash Expense</b>	<b>\$104,337</b>	<b>\$28.06</b>	<b>\$522</b>	<b>\$382</b>

Depreciation COST	\$7,800
Depreciation FM Value	\$3,000
Unpaid Labor Cost	\$30,000
Unpaid Labor Hours	3,000
Labor FTE's	1.00

<b>Net Cash Income</b>	<b>\$11,429</b>	<b>\$5.06</b>	<b>\$57</b>	<b>\$190</b>
Inventory Change	\$4,271	\$1.15	\$21	\$20
<b>* Net Farm Income</b>	<b>\$15,700</b>	<b>\$6.21</b>	<b>\$79</b>	<b>\$210</b>
- Equity@ 5.0%	\$29,265	\$7.87	\$146	\$110
= Return to Labor	(\$13,564)	(\$1.66)	(\$68)	\$100

DAIRY TRANS Returns Summary		/Cwt.Eq	/Cow	/Crop Acre	Page 2
Cash Income	\$115,766	3495	\$579	\$1,447	<b>Labor Earnings</b> (\$4.52) Per Hour
Adjusted Income	\$7,384	223	\$37	\$92	
Total Income	\$123,150	\$33.12	\$616	\$1,539	
Cash Costs	\$104,337	\$28.06	\$522	\$1,304	<b>Break-Even Cost</b> per cwt. equivalent \$33.12 Income \$44.84 Expense (\$11.72) Net
Adjusted Costs	\$3,113	\$0.84	\$16	\$39	
Overhead Costs	\$59,265	\$15.94	\$296	\$741	
Total Costs	\$166,715	\$44.84	\$834	\$2,084	
<b>RETURN OVER COSTS</b>	<b>(\$43,564)</b>	<b>(\$11.72)</b>	<b>(\$218)</b>	<b>(\$545)</b>	

DAIRY TRANS Profit Performance Rating	Yours	Goal	Average	Rank
Adjusted Gross Return per FTE Labor.....	\$123,150	\$139,112	\$118,077	24%
Return to All Labor per FTE Labor.....	(\$5,464)	\$26,637	-\$15,877	24%
Number of Does per FTE Labor.....	200	175	150	100%
Cwts. of Milk Sold per FTE Labor.....	2,662	3,000	2,700	0%
Pounds of Milk Sold per Doe.....	1,331	1,500	1,200	44%
Total Debt per Doe.....	\$153	\$100	\$150	0%
Productive Crop Acres per Doe.....	0.4	0.2	0.4	0%
Capital Cost per Doe..... \$2,796 Invested/Doe.....	\$177	\$165	\$232	82%
All Labor Costs per Doe.....	\$191	\$115	\$185	0%
Fixed Cost per Doe(depreciation, interest, repair, taxes, insurance) .....	\$227	\$200	\$280	66%
Net Farm Income per Crop Acre.....	\$196	\$6,700	\$1,345	0%
Pounds of Milk Produced per Crop Acre.....	3,328	60,000	30,000	0%
Adjusted Gross Cash Income per Crop Acre.....	\$1,539	\$25,000	\$11,429	0%
Machinery FMV per Crop Acre.....	\$461	\$500	\$2,000	100%
Fuel, Gas and Oil Cost per Crop Acre.....	\$82	\$200	\$275	100%
Repair Cost per Crop Acre.....	\$64	\$130	\$140	100%
Fert/Lime/Chem/Seed Cost per Crop Acre.....	\$64	\$100	\$120	100%
Livestock over Total Investment Percent.....	18%	35%	25%	0%
Cash Expense / Cash Income w/o Labor&Interest.....	80%	60%	85%	19%
All Labor as a Percent of Total Costs.....	23%	20%	25%	43%
Fixed Cost as a Percent of Total Cost.....	27%	25%	30%	55%

The "Sweet 16" of Financial Ratios as determined by the National Farm Financial Standards Task Force				
**Net Farm Income From Operations (NFIFO).....	\$15,700	\$50,000	\$15,542	0%
**Rate of Return on Assets..... 10.5% Paid..*.....	-1.80%	8.0%	-2.5%	7%
**Rate of Return on Equity..... [1-5 Profit Ratios].....	-2.44%	10.0%	-2.5%	0%
**Operating Profit Margin.....	-9.01%	20.0%	-25.0%	36%
**Asset Turnover Ratio..... 5.0 years.....	20%	45%	30%	0%
**Operating Expense Ratio..... [4 Efficiency Ratios].....	82%	55%	85%	9%
**Depreciation Expense Ratio.....	2%	5%	10%	100%
**Interest Expense Ratio.....	3%	10%	15%	100%
**Net Farm Income Ratio..... 100% .....	13%	35%	5%	26%
**Current Ratio..... [2 Liquidity Ratios].....	1.91	1.75	1.1	100%
**Working Capital..... [Goal=Family Living+Principal; Ave=half].....	\$26,365	\$22,281	\$11,141	100%
**Debt/Asset Ratio..[Solvency]...Begin... 5% .....End	5%	40%	50%	Risky
**Equity/Asset Ratio.....Begin... 95% .....End	95%	60%	50%	Risky
**Debt/Equity Ratio.....Begin... 5% .....End	6%	67%	80%	Risky
**Debt & Capital Lease Coverage Ratio..... [2 Repay Capacity Ratios]...	1.23			
**Debt & Capital Replacement Margin.....	\$1,690			

**Profit Status is**  
**POOR** 34%