

# 2009 Iowa Farm Costs and Returns

*Ag Decision Maker*

File C1-10

The farm record data utilized in this report were obtained from the Iowa Farm Business Association. The average of all farms in each table represents a weighted average of the values for each size group listed. Weighting factors are based on the number of farms in each size group in the state, as computed from the most recent Census of Agriculture. Only farms with sales of \$100,000 or more were counted in making the weighting. Thus, overall averages should be representative of full-time Iowa farms.

All records were kept on the accrual, or inventory, basis. On rented farms, only operator income and expenses were recorded. Data for ending assets and liabilities represent those of the operator only, and do not include the value of rented land.

## Definition of Terms Used

**Net farm income, cash** - total sales and other cash income minus cash expenses, including purchases of livestock and feed. Does not include principal borrowed or repaid, sales and purchases of capital assets, or nonfarm income and expenses.

**Net farm income, accrual** - cash net income adjusted for inventory changes and accrued expenses. Represents a return to unpaid labor, net worth (equity), management, and profit.

**Value of farm production** - value of crops produced (at market price), livestock production (net of feed and purchased livestock), inventory value gain or loss, and miscellaneous income. This measures the total production per farm.

**Management return** - accrual net farm income less four percent interest on value of equity (net worth), and wages for operator and family labor. The wage rate used for operator labor was \$1,700 per month. For family labor, the rate was \$850 per month.

**Inventory value gain or loss** - change in value of crops or livestock sold due to differences in opening inventory price and final sale price.

**Livestock returns per \$100 feed fed** - value of livestock production minus livestock purchases, divided by value of feed fed, multiplied by 100.

**Machinery cost per crop acre** - total of machinery repairs, fuel, custom machine hire, utilities, machinery depreciation and auto expense, less 75 percent of all custom hire income received, divided by crop acres. Depreciation is estimated at 10 percent of current value of the machinery. Interest is not included.

**Return to owned assets** - net farm income, plus interest expense, minus value of operator and family labor, divided by total farm assets owned.

**Return to equity** - net farm income minus value of operator and family labor, divided by net worth.

**Operating profit margin ratio** - net farm income, plus interest expense, minus value of operator and family labor, divided by value of farm production.

**Working capital** - current assets minus current liabilities.



The data for this report were collected by Iowa Farm Business Association consultants, and compiled by Iowa State University Extension, with assistance from the Iowa Agricultural Experiment Station, project number 0111.

## 2009 Iowa Farm Costs and Returns

The following summary is intended to provide a general picture of costs and returns to well-managed, full-time Iowa farms during 2009. The values presented are averages; however, results vary widely from one farm to the next.

Farm financial results were generally less profitable than in 2007 and 2008, but still above long-term averages. Accrual net farm income averaged \$114,716, the third highest value ever recorded in this survey. Excellent crop yields were offset by lower selling prices for both crops and livestock. Machinery cost per acre continued to increase. Most financial efficiency factors showed some weakness compared to 2008. However, average debt-to-asset ratio decreased to its lowest level in many years, indicating that many farms paid off debts with profits from previous years.

**Table 1. Comparison by Years**

	2009*	2008*	2007*	2006	2005
<b>Financial Returns</b>					
Net farm income-accrual	\$114,716	\$149,605	\$152,084	\$72,865	\$49,041
Return to management	52,151	58,112	76,956	23,683	367
Net farm income-cash	121,202	191,934	98,367	49,297	54,658
<b>Resources Used</b>					
Acres per farm	645	806	688	477	564
Labor months	15	18	15	11	12
Livestock, feed, supplies	\$403,303	\$545,933	\$435,181	\$230,640	\$203,974
Machinery and equipment	243,720	271,312	201,269	127,579	130,720
Land and improvement	772,236	835,588	706,214	477,720	490,358
Total farm assets	\$1,419,258	\$1,652,833	\$1,342,664	\$835,940	\$825,052
Farm net worth	\$1,111,854	\$1,255,289	\$1,034,264	\$644,630	\$635,730
<b>Sources of Income</b>					
Livestock income less feed	\$22,329	\$45,409	\$40,620	\$25,259	\$34,520
Crop production	366,475	408,950	364,909	186,570	153,536
Miscellaneous	19,904	53,228	26,134	13,572	21,227
Crop inventory gain or loss	34,369	77,171	2,166	8,634	10,143
Value of farm production	\$443,077	\$584,758	\$433,829	\$234,035	\$219,426
<b>Expenses</b>					
Operating	\$194,721	\$255,605	\$159,489	\$92,155	\$98,451
Fixed	131,633	182,719	124,554	71,001	73,976
<b>Efficiency</b>					
Corn yield (bu. per acre)	183	179	171	166	165
Average sale price for corn, per bushel	\$3.80	\$4.60	\$3.69	\$3.17	\$1.60
Crop value per acre	\$562	\$541	\$576	\$454	\$335
Machinery cost per crop acre	109	99	88	96	81
Livestock returns per \$100 feed fed	118	124	147	178	203
Value of farm production per person	389,276	459,157	396,331	260,301	226,723
Value of farm prod. per \$1 expense	\$1.43	\$1.39	\$1.57	\$1.47	\$1.27
Value of farm prod. per \$1 assets	\$0.29	\$0.44	\$0.42	\$0.37	0.33
% return to owned assets	7.4%	10.6%	13.9%	8.2%	4.8%
% return to equity capital	7.9%	13.5%	19.2%	8.1%	5.2%
Debt-to-asset ratio	0.19	0.24	0.24	0.23	0.25

\* Due to changes in weighting procedures, 2007, 2008, and 2009 are not directly comparable with previous years.

## Assets and Liabilities

A breakdown of farm assets and liabilities by value of gross sales per farm is shown in Table 2 below. Both assets and debts increased as farm size increased. The total debt-to-asset ratio also increased as farm size increased, indicating that larger farms utilized relatively more credit.

**Table 2. Assets and Liabilities by Size of Farm, End of Year Values**

	Average	Total Value of Gross Sales			
		\$100,000 to \$199,999	\$200,000 to \$299,999	\$300,000 to \$499,999	\$500,000 and above
<b>Farm Assets</b>					
Feeding livestock	\$51,210	\$10,018	\$7,177	\$16,916	\$150,198
Corn	178,980	71,927	123,063	174,149	328,574
Soybeans	79,775	32,028	58,624	81,870	140,483
Other feed	7,666	3,677	2,963	4,671	17,298
Supplies, prepaid expenses	85,671	34,629	50,937	82,490	163,321
Total short term assets	\$403,303	\$152,279	\$242,764	\$360,096	\$799,874
Breeding livestock	15,837	11,409	6,115	12,508	29,670
Machinery, equipment	227,883	82,270	131,340	225,267	442,501
Total intermediate assets	\$243,720	\$93,679	\$137,455	\$237,775	\$472,171
Land and improvements	772,236	479,433	576,603	788,786	1,187,536
Total assets	\$1,419,258	\$725,391	\$956,822	\$1,386,657	\$2,459,581
<b>Farm Liabilities</b>					
Operating notes, accounts payable	103,343	33,435	46,651	78,920	231,969
Intermediate and long term due	4,578	1,226	4,542	3,567	8,750
FSA marketing loans	7,165	3,097	4,886	8,468	11,776
Total short term debt	\$115,086	\$37,758	\$56,079	\$90,955	\$252,495
Intermediate term debts	46,746	13,375	29,795	38,359	98,503
Long term debts	145,572	41,877	79,986	135,630	302,610
Total liabilities	\$307,405	\$93,010	\$165,860	\$264,944	\$653,608
<b>Farm Net Worth</b>					
Net worth change from last year	\$1,111,854	\$632,381	\$790,962	\$1,121,713	\$1,805,973
Working capital	93,429	39,652	92,768	84,639	154,504
Current asset-to-debt ratio	\$288,216	\$114,521	\$186,685	\$269,141	\$547,379
Total debt-to-asset ratio	3.83	4.03	4.33	3.96	3.17
	0.19	0.13	0.17	0.19	0.27
Total acres farmed	645	316	456	635	1,112
Months of labor used	15	9	11	13	24
Farm net worth per acre farmed	\$1,786	\$2,001	\$1,735	\$1,766	\$1,624

## Income and Expenses

A summary of operating and fixed expenses by size of farm is shown in Table 3. Most expenses increased as farm size increased. Crop expenses include seed, fertilizer, pesticides and other expenses related to crop production. The average farm had over \$100,000 available for replacement of capital assets, expansion, savings, living expenses and income taxes.

**Table 3. Summary of Cash Income and Expenses by Size of Farm**

	Average	Total Value of Gross Sales			
		\$100,000 to \$199,999	\$200,000 to \$299,999	\$300,000 to \$499,999	\$500,000 and above
<b>Income</b>					
Livestock sales	\$137,113	\$14,781	\$20,959	\$41,132	\$416,248
Crop sales	317,592	121,341	204,199	320,120	590,384
Other cash income	50,630	20,978	28,482	40,704	103,521
<b>Total cash income</b>	<b>\$505,336</b>	<b>\$157,100</b>	<b>\$253,640</b>	<b>\$401,956</b>	<b>\$1,110,153</b>
<b>Expenses</b>					
Machinery and equipment repairs	\$18,226	\$8,338	\$12,224	\$18,100	\$32,374
Fuel and oil	13,073	4,700	7,968	11,245	26,434
Machine hire	8,360	3,828	5,672	7,736	15,251
Auto and truck expense	5,227	2,505	3,581	4,419	9,729
Utilities	6,016	2,470	3,984	5,184	11,630
Labor hired	8,862	1,291	1,134	3,986	25,668
Livestock expense	10,247	1,201	1,318	4,907	29,730
Crop expense	116,817	47,130	78,347	116,163	213,661
Miscellaneous	7,893	3,116	2,782	7,203	16,767
<b>Total cash operating expense</b>	<b>\$194,721</b>	<b>\$74,579</b>	<b>\$117,010</b>	<b>\$178,943</b>	<b>\$381,244</b>
Cash rent	56,129	15,810	27,093	51,151	120,534
Property taxes	5,856	4,099	4,118	5,359	9,213
Insurance	12,781	5,042	8,342	12,306	23,973
Building repairs	6,135	2,302	3,623	5,742	12,021
Interest	17,074	4,208	10,974	15,735	35,223
<b>Total cash fixed expense</b>	<b>\$97,975</b>	<b>\$31,461</b>	<b>\$54,150</b>	<b>\$90,293</b>	<b>\$200,964</b>
Feed purchased	42,962	4,296	4,413	9,390	135,036
Livestock purchased	48,476	5,820	4,102	10,008	152,473
<b>Total cash expenses</b>	<b>\$384,134</b>	<b>\$116,156</b>	<b>\$179,675</b>	<b>\$288,634</b>	<b>\$869,717</b>
<b>Cash net farm income</b>	<b>\$121,202</b>	<b>\$40,944</b>	<b>\$73,965</b>	<b>\$113,322</b>	<b>\$240,436</b>
Loans received minus loans repaid	12,278	14,866	1,341	-2,104	28,731
<b>Net farm cash flow</b>	<b>\$133,480</b>	<b>\$55,810</b>	<b>\$75,306</b>	<b>\$111,218</b>	<b>\$269,167</b>
Nonfarm income	19,892	23,631	15,494	19,524	19,520
<b>Net cash available</b>	<b>\$153,372</b>	<b>\$79,441</b>	<b>\$90,800</b>	<b>\$130,742</b>	<b>\$288,687</b>

A more accurate measure of net farm income is achieved by netting out changes in the values of beginning and ending inventories, subtracting a depreciation charge for farm assets, and including accrued income and expenses. A summary of income and expenses using accrual accounting is shown in Table 4. The average accrual net farm income ranged from \$48,765 for the smallest farms to \$206,450 for the largest. Return to management, after subtracting a return to unpaid labor and equity capital invested, ranged from \$8,959 for the smallest size group to \$111,276 for the largest farms.

**Table 4. Summary of Accrual Income and Expenses by Size of Farm**

	Average	Total Value of Gross Sales			
		\$100,000 to \$199,999	\$200,000 to \$299,999	\$300,000 to \$499,999	\$500,000 and above
<b>Income</b>					
Total cash income	\$505,336	\$157,100	\$253,640	\$401,956	\$1,110,153
Accrued income and food from farm	29,521	20,641	15,508	30,288	47,537
Change in crop and livestock inventories	-2,221	-1,083	8,842	1,315	-13,874
<b>Total accrual income</b>	<b>\$532,635</b>	<b>\$176,658</b>	<b>\$277,990</b>	<b>\$433,559</b>	<b>\$1,143,816</b>
Total cash expenses	384,134	116,156	179,675	288,634	869,717
Depreciation	33,658	11,549	18,326	31,916	67,781
Accrued expenses	127	188	0	488	-132
<b>Total accrual expenses</b>	<b>\$417,919</b>	<b>\$127,893</b>	<b>\$198,001</b>	<b>\$321,038</b>	<b>\$937,366</b>
<b>Accrual net farm income</b>	<b>\$114,716</b>	<b>\$48,765</b>	<b>\$79,989</b>	<b>\$112,521</b>	<b>\$206,450</b>
Charge for unpaid labor	19,288	14,759	17,914	19,259	24,788
Charge for equity capital (4%)	43,277	25,047	29,935	43,750	70,386
<b>Return to management</b>	<b>\$52,151</b>	<b>\$8,959</b>	<b>\$32,140</b>	<b>\$49,512</b>	<b>\$111,276</b>

The value of all crops and livestock produced on the farm is shown in Table 5. Gains from increasing crop prices after the beginning of the year are shown separately. Crop production accounted for more than two-thirds of the total value produced. On average, 27 percent of the value of production was left as net farm income after all expenses were paid.

**Table 5. Value of Farm Production by Size of Farm**

	Average	Total Value of Gross Sales			
		\$100,000 to \$199,999	\$200,000 to \$299,999	\$300,000 to \$499,999	\$500,000 and above
Value of livestock production	\$113,971	\$0	\$42,503	\$82,186	\$302,687
Feed fed	91,642	0	35,624	69,892	239,354
Livestock production minus feed cost	22,329	0	6,879	12,294	63,333
Value of crop production	366,475	142,298	228,437	351,884	697,882
Miscellaneous income	19,904	8,662	8,310	12,311	45,223
Crop inventory and marketing gain	34,369	17,595	27,625	39,411	51,801
<b>Value of farm production</b>	<b>\$443,077</b>	<b>\$168,555</b>	<b>\$271,251</b>	<b>\$415,900</b>	<b>\$858,239</b>
<b>Allocation of value of farm production</b>					
Operating expense	62%	62%	60%	61%	64%
Interest expense	4%	2%	4%	4%	4%
Depreciation expense	7%	7%	7%	8%	8%
Net farm income	27%	29%	29%	27%	24%
	100%	100%	100%	100%	100%

## Efficiency Factors

Efficiency can be measured in many ways. Several efficiency factors are shown in Table 6, for four farm size groups. Crop value and machinery investment per acre increased as farm size increased. Larger farms produced more crops and livestock per unit of labor and per dollar of assets invested, but dollars of production per dollar of expense was similar for all size groups. Return on equity showed an average rate of 7.9 percent, while the return on assets averaged 7.4 percent.

**Table 6. Overall Efficiency Factors by Size of Farm**

	Average	Total Value of Gross Sales			
		\$100,000 to \$199,999	\$200,000 to \$299,999	\$300,000 to \$499,999	\$500,000 and above
<b>Crops</b>					
Acres in crops	617	296	430	608	1,073
Crop value per acre	\$562	\$481	\$531	\$579	\$650
Crop acres per person	488	395	469	561	537
Machinery cost per crop acre	\$109	\$113	\$119	\$106	\$101
Machinery investment per crop acre	\$332	\$285	\$303	\$351	\$385
<b>Livestock</b>					
Livestock returns per \$100 feed fed	\$118	\$108	\$119	\$118	\$126
<b>Financial</b>					
Value of farm production per person	\$389,276	\$257,669	\$328,996	\$412,075	\$544,483
Value of farm production per \$1 expense	\$1.43	\$1.47	\$1.46	\$1.41	\$1.37
Value of farm production per \$1 assets	\$0.29	\$0.23	\$0.28	\$0.30	\$0.35
% return to owned assets	7.4%	5.3%	7.6%	7.9%	8.9%
% return to equity capital	7.9%	5.4%	7.8%	8.4%	10.1%
Operating profit margin ratio	25%	23%	27%	26%	25%
Average interest rate on debt	5.5%	4.5%	6.6%	5.9%	5.4%

## Crop and Livestock Production

Details of crop production income and expenses per acre are summarized in Table 7. Acres rented under a share lease are reduced to reflect only the tenant's share of total costs, so that expenses per acre are comparable to expenses on owned or cash rented acres.

Some expenses, such as cash rent, did not occur on all farms or on all acres, but are shown as the average cost over all acres. Total economic costs include a four percent opportunity cost charge for the farm net worth capital, a depreciation charge, and a charge for operator and family labor.

Cash flow needs include all cash costs, principal payments, and living costs.

**Table 7. Crop Production**

	All Corn	Soybeans	Hay	Small Grain
Acres, operator share	304	243	28	13
Yield, bushels or tons per acre	183	52	3.9	66
Selling price per bushel or ton	\$3.80	\$9.94	\$98.41	\$17.64
Crop value per acre	\$661	\$460	\$379	\$176
<b>Crop Expenses</b>				
Seed	\$83.78	\$44.01	\$17.99	\$8.80
Fertilizer and lime	143.25	21.92	31.05	7.98
Herbicide	33.03	30.61	2.28	5.39
Insecticide	3.02	6.95	2.14	0.00
Drying and storage	28.17	2.59	0.43	0.00
Machinery, fuel, repairs, machine hire	70.41	64.72	60.47	56.41
Utilities	8.56	7.15	6.00	5.18
Insurance	20.73	19.66	10.70	8.90
Hired labor	7.58	6.37	9.67	7.04
Interest	24.59	21.34	18.79	17.80
Cash rent	88.47	86.00	63.40	114.46
Property taxes and building repairs	18.78	18.31	13.06	13.05
Other crop expenses	20.32	15.97	11.38	6.16
Total cash crop expenses	\$550.67	\$345.60	\$247.36	\$251.17
Machinery depreciation	\$38.40	\$36.34	\$28.56	\$25.11
Building depreciation	9.56	8.08	7.93	11.01
Charge for equity capital	76.65	65.60	52.91	50.87
Unpaid labor value	36.76	35.09	35.16	22.33
Total economic cost per acre	\$712.04	\$490.69	\$371.92	\$360.50
Total economic cost per bushel or ton	\$3.89	\$9.47	\$98.36	\$6.86
Principal payments	\$11.26	\$12.92	\$5.96	\$26.26
Family living expenses	94.06	77.07	71.47	105.45
Total cash flow needed per acre	\$655.99	\$435.59	\$324.79	\$382.87
Total cash flow needed per bushel or ton	\$3.59	\$8.41	\$84.26	\$7.34

**Table 8. Livestock Production**

	Swine (farrow to finish)	Beef Cows (calves sold)	Dairy
Number of hundred weight produced per farm	6,495	588	60,363
Average number of breeding units	83	20	273
Average weaning rate	9.50	not available	0.98
Lbs. of feed per lb. of production	3.35	not available	32.08
Feed cost per cwt. of production	\$30.99	\$51.57	\$9.09
Livestock production per \$100 feed fed	\$120	\$145	\$150
Average selling price per cwt.	\$41.52	\$95.24	\$12.93
Average cost of production per cwt.	\$48.66	\$94.70	\$17.32

**Table 9. Comparison of High and Low Profit Farms, Ranked by Return to Management**

	<b>High Third</b>	<b>Middle Third</b>	<b>Low Third</b>	<b>Your Farm</b>
<b>Farm Income</b>				
Value of livestock production	\$207,028	\$107,092	\$184,289	
Feed fed	141,800	90,756	161,657	
Livestock production less feed	65,228	16,336	22,632	
Value of crop production	680,904	372,931	369,125	
Miscellaneous income	38,727	20,149	22,265	
Crop inventory gain or loss	87,789	27,529	7,001	
Value of farm production	\$872,648	\$436,945	\$421,023	
Operating expenses	\$340,168	\$192,837	\$230,219	
Fixed expenses	254,661	154,792	208,778	
Accrual net farm income	\$297,788	\$110,276	\$28,613	
Operator and family labor charge	\$22,838	\$19,518	\$20,551	
Charge for equity capital	65,389	38,111	52,683	
Return to management	\$209,562	\$52,646	(\$44,621)	
<b>Crops</b>				
Acres in crops	1,078	627	599	
Crop value per acre	\$632	\$605	\$616	
Crop acres per person	647	580	399	
Corn yield, bu. per acre	194	187	183	
Average price received for corn	\$3.94	\$3.80	\$3.72	
Total economic cost per bu. for corn	\$3.47	\$3.58	\$4.26	
Machinery cost per crop acre	\$97	\$101	\$123	
Machinery investment per crop acre	\$338	\$336	\$385	
<b>Livestock</b>				
Livestock returns/\$100 feed fed	\$146	\$118	\$114	
<b>Value of farm product - Sources (%)</b>				
Crops	78%	81%	88%	
Livestock	7%	5%	5%	
Miscellaneous income	4%	4%	5%	
Crop inventory gain or loss	10%	9%	2%	
<b>Financial</b>				
Value of farm production per person	\$599,743	\$402,731	\$331,566	
Value of farm prod. per \$1 expense	\$1.61	\$1.45	\$1.14	
Value of farm prod. per \$1 assets	\$0.39	\$0.36	\$0.24	
% return to owned assets	13.6%	9.8%	1.8%	
% return to equity	16.0%	11.3%	0.6%	
Operating profit margin ratio	0.35	0.35	0.08	
Debt-to-asset ratio	0.22	0.26	0.24	
<b>Allocation of Value of Farm Production</b>				
Operating expense	56%	55%	78%	
Interest expense	3%	3%	6%	
Depreciation expense	7%	7%	10%	
Net farm income	34%	35%	7%	



## Trends

Table 10 illustrates trends in production and financial efficiency over the past ten years. Livestock income per \$100 feed fed has shown a cyclical pattern throughout the period. The average in 2009 of \$118 was \$6 below the 2008 value of \$124. It was also the lowest value received in the past ten years. This was due both to low selling prices for livestock and high feed costs.

Average corn yield of 183 bushels was the highest ever recorded in these record summaries, while crop value per acre was the second highest recorded. The percent return to owned assets was lower than in the previous year, but still above the ten-year average.

**Table 10. Trends in Production and Financial Efficiency on Iowa Farms**

Year	Livestock Income per \$100 Feed Fed	Corn Yield per Acre	Value of Farm Production per \$1 Expense	Crop Value per Acre	Percent Return to Owned Assets
2000	\$173	143	\$1.35	\$298	6.0%
2001	163	142	1.18	275	2.3%
2002	139	162	1.29	312	4.7%
2003	181	155	1.28	319	4.7%
2004	186	181	1.32	322	5.9%
2005	203	165	1.27	335	4.8%
2006	178	166	1.47	454	8.2%
2007	147	171	1.57	576	13.9%
2008	124	179	1.39	541	10.6%
2009	118	183	1.43	562	7.4%
10-year average	\$161	165	\$1.35	\$399	6.8%

## Costs and Returns of Specialized Farms

Table 11 summarizes the average net incomes over the past ten years for farms specializing in farrow-to-finish hog production, beef feeding, dairy, grain and beef raising. These data are not adjusted for farm size, so the results are not comparable to data shown in the previous tables. Cash grain farms were the most profitable sector in 2009 and showed strong performance for four years in a row. All groups except farrow-to-finish hog farms had net income above their 10-year averages.

Table 12 shows the percent return to owned assets for specialized farms. This is calculated by adding interest expense to the net farm income for the farm, subtracting a charge for operator and family labor, and dividing by the value of total farm assets owned. Cash grain farms had the highest return to capital in 2009 with an average of 9.9 percent, followed by dairy farms with a return of 7.8 percent.

**Table 11. Net Income of Specialized Farms**

Year	Net Income				
	Farrow to Finish	Beef Feeding	Cash Grain	Dairy	Beef Raising
2000	113,021	56,221	55,097	49,439	41,162
2001	83,758	15,858	26,635	52,419	16,271
2002	46,223	49,010	56,154	49,042	37,785
2003	76,887	169,963	49,269	63,714	68,011
2004	175,675	112,461	59,899	128,279	56,518
2005	161,140	93,056	69,541	125,619	72,629
2006	191,858	85,798	128,320	110,666	79,211
2007	122,211	158,412	169,284	158,293	143,755
2008	154,755	134,589	120,273	156,549	74,058
2009	90,251	139,437	165,115	216,949	115,691
10-year average	121,578	101,481	89,959	111,097	70,509

**Table 12. Return to Owned Assets for Specialized Farms**

Year	Percent Return to Owned Assets				
	Farrow to Finish	Beef Feeding	Cash Grain	Dairy	Beef Raising
2000	11.4%	7.1%	7.9%	5.6%	5.2%
2001	7.6%	2.2%	3.2%	11.2%	1.0%
2002	4.0%	5.8%	6.4%	4.6%	5.5%
2003	5.6%	12.0%	5.8%	6.6%	5.7%
2004	12.5%	8.2%	7.9%	11.8%	5.8%
2005	11.1%	5.9%	7.5%	9.6%	7.2%
2006	12.3%	8.7%	14.4%	10.5%	8.1%
2007	11.7%	13.0%	15.7%	14.6%	12.6%
2008	5.9%	8.9%	7.1%	12.2%	6.8%
2009	4.6%	7.4%	9.9%	7.8%	6.9%
10-year average	8.7%	7.9%	8.6%	9.5%	6.5%

Table 13 summarizes resources, production, income, expenses and efficiency for farms specializing in farrow-to-finish hog, beef feeding, cash grain, dairy and beef raising. These data were not corrected for farm size, so are not comparable to the data in Tables 1 to 8. The dairy farms in the records data were somewhat larger than the other types of farms.

**Table 13. Characteristics of Specialized Farms**

	<b>Farrow to Finish</b>	<b>Beef Feeding</b>	<b>Cash Grain</b>	<b>Dairy</b>	<b>Beef Raising</b>
<b>Resources Used</b>					
Labor months	27	26	13	69	16
Current assets	\$548,118	\$736,731	\$465,989	\$885,546	\$472,912
Machinery	305,362	380,166	256,900	399,212	267,776
Breeding stock	30,714	22,563	541	332,835	40,287
Land and buildings	959,728	948,596	888,334	1,031,248	881,171
Total farm assets	\$1,843,922	\$2,088,056	\$1,611,764	\$2,648,841	\$1,662,146
Total farm liabilities	401,195	756,468	324,388	750,661	370,932
Farm net worth	\$1,442,727	\$1,331,588	\$1,287,376	\$1,898,180	\$1,291,214
<b>Production</b>					
Total crop acres	—	—	753	—	—
Average sow units	83	—	—	—	—
Hogs sold	5,364	—	—	—	—
Beef cows	—	—	—	—	20
Beef cattle sold	—	800	—	—	—
Cows milked	—	—	—	273	—
Gross revenue	\$854,886	\$1,137,024	\$450,353	\$1,579,466	\$600,156
<b>Sources of Farm Production</b>					
Total livestock increase	\$263,198	\$454,066	—	\$1,317,006	\$108,455
Less feed fed to livestock	215,001	355,656	—	889,148	94,399
Livestock increase over feed fed	\$48,197	\$98,410	—	\$427,858	\$14,056
Crop production	455,488	529,810	423,285	472,367	440,479
Miscellaneous	25,060	35,015	2,902	61,867	24,913
Crop inventory gain or loss	37,305	43,764	53,035	22,964	33,755
Value of farm production	\$566,050	\$706,999	\$479,222	\$985,056	\$513,203
<b>Expenses</b>					
Operating	\$292,557	\$335,259	\$205,171	\$547,709	\$236,731
Fixed	237,144	298,442	142,301	307,234	201,172
<b>Financial Returns</b>					
Net farm income, accrual	\$90,251	\$139,437	\$165,115	\$216,949	\$115,691
Charge for operator, family labor	27,302	24,867	18,705	46,069	21,038
Charge for equity capital	56,481	53,090	49,952	73,548	50,776
Return to management	\$6,468	\$61,480	\$96,458	\$97,332	\$43,877
<b>Efficiency</b>					
Machinery cost/crop acre	\$92	\$98	\$111	\$81	\$105
Livestock increase/\$100 feed fed	122	128	—	148	115
Value of farm prod. per person	320,567	426,627	451,961	196,565	409,309
Value of farm prod. per \$1 expense	1.22	1.34	1.28	1.24	1.36
Value of farm prod. per \$ assets	0.31	0.34	0.30	0.37	0.31
Return on owned assets	4.6%	7.4%	9.9%	7.8%	6.9%
Return on equity	4.4%	8.7%	11.4%	9.0%	7.3%
<b>Financial Ratios</b>					
Debt-to-asset ratio	0.22	0.36	0.20	0.28	0.22
Current ratio	3.47	2.15	4.00	2.33	3.54
Working capital	\$389,950	\$394,622	\$349,352	\$505,842	\$339,323

**... and justice for all**

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