

# 2010 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 annual summary. 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 three 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 \$700 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 and Outreach, with assistance from the Iowa Agricultural Experiment Station, project number 0111.

## Iowa Farm Costs and Returns 2006-2010

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

Farm financial results were generally more profitable than in 2009, and comparable to results in 2007 and 2008. Accrual net farm income averaged \$140,991, the third highest value ever recorded in this summary. Good crop yields combined with higher selling prices for livestock to boost net incomes. Machinery cost per acre continued to increase. Most financial efficiency factors were slightly stronger than in 2009. 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**

	2010	2009	2008	2007	2006*
<b>Financial Returns</b>					
Net farm income-accrual	\$140,991	\$114,716	\$149,605	\$152,084	\$72,865
Return to management	76,655	52,151	58,112	76,956	23,683
Net farm income-cash	128,642	121,202	191,934	98,367	49,297
<b>Resources Used</b>					
Crop acres per farm	600	645	806	688	477
Labor months	15	15	18	15	11
Livestock, feed, supplies	\$443,654	\$403,303	\$545,933	\$435,181	\$230,640
Machinery and equipment	259,174	243,720	271,312	201,269	127,579
Land and improvement	830,453	772,236	835,588	706,214	477,720
Total farm assets	\$1,533,281	\$1,419,258	\$1,652,833	\$1,342,664	\$835,940
Farm net worth	\$1,238,211	\$1,111,854	\$1,255,289	\$1,034,264	\$644,630
<b>Sources of Income</b>					
Livestock income less feed	\$27,782	\$22,329	\$45,409	\$40,620	\$25,259
Crop production	371,089	366,475	408,950	364,909	186,570
Miscellaneous	28,768	19,904	53,228	26,134	13,572
Crop inventory gain or loss	31,362	34,369	77,171	2,166	8,634
Value of farm production	\$459,001	\$443,077	\$584,758	\$433,829	\$234,035
<b>Cash Expenses</b>					
Operating	\$193,473	\$194,721	\$255,605	\$159,489	\$92,155
Fixed	135,752	131,633	182,719	124,554	71,001
<b>Efficiency</b>					
Corn yield (bu. per acre)	174	183	179	171	166
Average sale price for corn, per bushel	\$3.69	\$3.80	\$4.60	\$3.69	\$3.17
Crop value per acre	\$584	\$562	\$541	\$576	\$454
Machinery cost per crop acre	118	109	99	88	96
Livestock returns per \$100 feed fed	149	118	124	147	178
Value of farm production per person	397,576	389,276	459,157	396,331	260,301
Value of farm prod. per \$1 expense	\$1.52	\$1.43	\$1.39	\$1.57	\$1.47
Value of farm prod. per \$1 assets	\$0.28	\$0.29	\$0.44	\$0.42	\$0.37
% return to owned assets	7.6%	7.4%	10.6%	13.9%	8.2%
% return to equity capital	8.1%	7.9%	13.5%	19.2%	8.1%
Debt-to-asset ratio	0.17	0.19	0.24	0.24	0.23

\* Due to changes in weighting procedures, 2006 values are not directly comparable with those from later 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	\$48,498	\$8,494	\$12,061	\$16,004	\$139,579
Corn	195,437	76,680	129,496	189,848	364,293
Soybeans	89,929	36,714	70,802	94,276	152,894
Other feed	7,854	3,696	3,367	6,777	15,985
Supplies, prepaid expenses	101,935	45,030	59,493	107,112	184,174
Total short term assets	\$443,654	\$170,614	\$275,219	\$414,017	\$856,925
Breeding livestock	13,501	8,277	10,542	12,651	21,449
Machinery, equipment	245,673	86,827	141,002	241,147	480,670
Total intermediate assets	\$259,174	\$95,104	\$151,544	\$253,798	\$502,119
Land and improvements	830,453	456,091	527,766	873,268	1,380,892
Total assets	\$1,533,281	\$721,809	\$954,529	\$1,541,083	\$2,739,936
<b>Farm Liabilities</b>					
Operating notes, accounts payable	\$97,717	\$30,465	\$51,527	\$73,980	\$215,828
Intermediate and long term due	4,739	1,059	751	4,038	11,745
FSA marketing loans	4,101	1,708	1,709	3,093	8,956
Total short term debt	\$106,557	\$33,232	\$53,987	\$81,111	\$236,529
Intermediate term debts	46,407	18,823	22,370	34,402	100,202
Long term debts	142,104	42,852	71,039	125,840	303,546
Total liabilities	\$295,069	\$94,907	\$147,396	\$241,353	\$640,277
<b>Farm Net Worth</b>					
Net worth change from last year	110,032	43,500	55,685	99,677	222,493
Working capital	\$337,097	\$137,382	\$221,232	\$332,906	\$620,396
Current asset-to-debt ratio	4.69	5.13	5.10	5.10	3.62
Working capital per dollar of gross revenue	0.70	0.77	0.78	0.74	0.52
Total debt-to-asset ratio	0.17	0.13	0.15	0.16	0.23
Total crop acres farmed	600	258	409	601	1,073
Months of labor used	15	9	12	13	23
Farm net worth per acre farmed	\$2,142	\$2,430	\$1,973	\$2,163	\$1,957

## 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	\$128,920	\$8,743	\$22,488	\$35,210	\$397,327
Crop sales	320,644	117,399	200,901	321,007	606,554
Other cash income	52,571	25,803	28,567	42,634	103,886
<b>Total cash income</b>	<b>\$502,135</b>	<b>\$151,945</b>	<b>\$251,956</b>	<b>\$398,851</b>	<b>\$1,107,767</b>
<b>Expenses</b>					
Machinery and equipment repairs	\$18,159	\$7,144	\$12,216	\$18,334	\$33,150
Fuel and oil	14,790	5,484	8,458	12,881	30,002
Machine hire	9,107	4,710	6,200	8,473	16,022
Auto and truck expense	5,470	2,147	3,928	5,234	10,048
Utilities	5,860	2,655	4,119	5,038	10,923
Labor hired	8,223	1,514	1,565	4,684	22,363
Livestock expense	9,635	625	1,912	3,214	29,098
Crop expense	113,285	43,583	68,610	110,095	216,483
Miscellaneous	8,944	3,044	3,791	6,321	20,502
Total cash operating expense	\$193,473	\$70,906	\$110,799	\$174,274	\$388,591
Cash rent	56,980	16,369	27,550	46,714	126,148
Property taxes	6,278	4,458	4,136	6,625	9,310
Insurance	12,561	5,523	8,050	10,978	23,981
Building repairs	6,018	2,475	4,139	5,863	10,984
Interest	16,905	4,908	8,663	14,606	36,439
Total cash fixed expense	\$98,741	\$33,733	\$52,538	\$84,786	\$206,862
Feed purchased	34,686	1,988	5,027	7,291	109,708
Livestock purchased	46,593	2,439	5,189	9,141	149,207
<b>Total cash expenses</b>	<b>\$373,493</b>	<b>\$109,066</b>	<b>\$173,553</b>	<b>\$275,492</b>	<b>\$854,368</b>
<b>Cash net farm income</b>	<b>\$128,642</b>	<b>\$42,879</b>	<b>\$78,403</b>	<b>\$123,359</b>	<b>\$253,399</b>
Loans received minus loans repaid	10,198	3,643	-3,493	20,093	18,430
<b>Net farm cash flow</b>	<b>\$138,840</b>	<b>\$46,522</b>	<b>\$74,910</b>	<b>\$143,452</b>	<b>\$271,829</b>
Nonfarm income	23,686	32,034	20,161	21,920	19,217
<b>Net cash available</b>	<b>\$162,526</b>	<b>\$78,556</b>	<b>\$95,071</b>	<b>\$165,372</b>	<b>\$291,046</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 \$55,188 for the smallest farms to \$264,954 for the largest. Return to management, after subtracting a return to unpaid labor and equity capital invested, ranged from \$14,978 for the smallest size group to \$169,864 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	\$502,135	\$151,945	\$251,956	\$398,851	\$1,107,767
Accrued income and food from farm	63,433	26,615	34,756	49,149	131,479
Change in crop and livestock inventories	-14,073	-7	-2,701	-451	-46,836
<b>Total accrual income (gross revenue)</b>	<b>\$551,495</b>	<b>\$178,553</b>	<b>\$284,011</b>	<b>\$447,549</b>	<b>\$1,192,410</b>
Total cash expenses	373,493	109,066	173,553	275,492	854,368
Depreciation	37,011	14,299	19,221	35,724	73,088
<b>Total accrual expenses</b>	<b>\$410,504</b>	<b>\$123,365</b>	<b>\$192,774</b>	<b>\$311,216</b>	<b>\$927,456</b>
<b>Accrual net farm income</b>	<b>\$140,991</b>	<b>\$55,188</b>	<b>\$91,237</b>	<b>\$136,333</b>	<b>\$264,954</b>
Charge for unpaid labor	28,002	21,528	27,553	29,232	33,796
Charge for equity capital (4%)	36,334	18,682	23,965	37,934	61,294
<b>Return to management</b>	<b>\$76,655</b>	<b>\$14,978</b>	<b>\$39,719</b>	<b>\$69,167</b>	<b>\$169,864</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 80 percent of the total value produced. On average, 32 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	\$99,022	\$9,480	\$24,480	\$24,621	\$299,324
Feed fed	71,240	5,504	19,761	15,814	216,666
Livestock production minus feed cost	27,782	3,976	4,719	8,807	82,658
Value of crop production	371,089	132,359	222,971	354,304	725,779
Miscellaneous income	28,768	13,336	15,935	22,080	58,411
Crop inventory and marketing gain	31,362	20,895	25,002	34,819	43,493
<b>Value of farm production</b>	<b>\$459,001</b>	<b>\$170,566</b>	<b>\$268,627</b>	<b>\$420,010</b>	<b>\$910,341</b>
<b>Allocation of gross revenue</b>					
Operating expense	61%	58%	58%	58%	69%
Interest expense	3%	3%	3%	3%	3%
Depreciation expense	7%	8%	7%	8%	6%
Net farm income	29%	31%	32%	30%	22%
	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 8.1 percent, while the return on owned assets averaged 7.6 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	600	258	409	601	1,073
Crop value per acre	\$584	\$513	\$545	\$590	\$676
Crop acres per person	467	344	409	555	560
Machinery cost per crop acre	\$118	\$119	\$126	\$118	\$111
Machinery investment per crop acre	\$338	\$343	\$323	\$337	\$345
<b>Livestock</b>					
Livestock returns per \$100 feed fed	\$149	\$172	\$124	\$156	\$138
<b>Financial</b>					
Value of farm production per person	\$397,576	\$271,510	\$290,567	\$416,177	\$583,160
Value of farm production per \$1 expense	\$1.52	\$1.55	\$1.56	\$1.52	\$1.46
Value of farm production per \$1 assets	\$0.28	\$0.24	\$0.28	\$0.27	\$0.33
% return to owned assets	7.6%	5.3%	7.6%	7.9%	9.8%
% return to equity capital	8.1%	5.4%	7.9%	8.2%	11.0%
Operating profit margin ratio	27%	23%	27%	29%	29%
Average interest rate on debt	5.7%	5.2%	5.9%	6.1%	5.7%

## High, Middle, and Low Profit Farms

Profits vary greatly among farms. In Table 7, farms were ranked by return to management and sorted into three groups. The top third group had more acres in crop production, but slightly higher production costs per bushel than the middle group. The low third group had more livestock production, and a lower debt-to-asset ratio.

**Table 7. Comparison of High and Low Profit Farms, Ranked by Return to Management**

	High Third	Middle Third	Low Third	Your Farm
<b>Farm Income</b>				
Value of livestock production	\$281,351	\$70,646	(\$303,898)	
Feed fed	181,038	43,304	(310,100)	
Livestock production less feed	100,313	27,342	6,202	
Value of crop production	738,905	401,993	348,305	
Miscellaneous income	65,321	28,244	21,032	
Crop inventory gain or loss	102,920	21,466	(16,317)	
Value of farm production	\$1,007,458	\$479,045	\$359,223	
Operating expenses	\$386,612	\$204,929	\$190,463	
Fixed expenses	260,047	131,822	116,745	
Accrual net farm income	\$360,799	\$142,294	\$52,015	
Operator and family labor charge	\$34,599	\$28,392	\$27,747	
Charge for equity capital	61,076	34,515	40,435	
Return to management	\$265,124	\$79,387	(\$16,167)	
<b>Crops</b>				
Acres in crops	1,123	659	531	
Crop value per acre	\$658	\$618	\$656	
Crop acres per person	586	592	455	
Corn yield, bu. per acre	181	181	160	
Average price received for corn	\$3.99	\$4.10	\$3.83	
Total economic cost per bu. for corn	\$3.63	\$3.49	\$4.73	
Machinery cost per crop acre	\$106	\$110	\$137	
Machinery investment per crop acre	\$325	\$328	\$369	
<b>Livestock</b>				
Livestock returns/\$100 feed fed	\$155	\$163	\$98	
<b>Value of farm product - Sources (%)</b>				
Crops	74%	72%	97%	
Livestock	10%	10%	2%	
Miscellaneous income	6%	6%	6%	
Crop inventory gain or loss	10%	12%	-5%	
<b>Financial</b>				
Value of farm production per person	\$650,657	\$427,190	\$321,479	
Value of farm prod. per \$1 expense	\$1.68	\$1.55	\$1.27	
Value of farm prod. per \$1 assets	0.36	0.35	0.23	
% return to owned assets	13.0%	11.8%	2.5%	
% return to equity	15.4%	12.8%	1.8%	
Operating profit margin ratio	0.36	0.40	0.11	
Debt-to-asset ratio	0.24	0.24	0.15	
<b>Allocation of Value of Gross Revenue</b>				
Operating expense	63%	59%	77%	
Interest expense	3%	3%	4%	
Depreciation expense	6%	5%	8%	
Net farm income	28%	33%	11%	

## Crop Production

Details of crop production income and expenses per acre are summarized in Table 8. 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 three percent opportunity cost charge for the farm net worth capital, a depreciation charge, and a charge for operator and family labor.

**Table 8. Crop Production**

	All Corn	Soybeans	Hay	Small Grain
Acres, operator share	514	242	27	11
Yield, bushels or tons per acre	174	51	4.7	58
Selling price per bushel or ton	\$3.69	\$9.70	\$123.03	\$2.54
Crop value per acre	\$685	\$506	\$485	\$148
<b>Crop Expenses</b>				
Seed per acre	\$94.37	\$46.51	\$21.81	\$29.91
Fertilizer and lime	112.24	22.78	21.44	6.24
Herbicide	27.61	23.96	1.58	0.12
Insecticide	3.04	3.47	2.93	0.00
Drying and storage	10.79	1.49	0.11	0.43
Machinery, fuel, repairs, machine hire	75.27	68.28	62.18	34.15
Utilities	8.23	7.96	9.00	3.10
Insurance	20.53	20.21	11.15	6.77
Hired labor	11.08	5.91	9.83	2.79
Interest	26.58	21.53	16.08	9.45
Cash rent	107.55	82.36	47.54	67.03
Property taxes and building repairs	17.02	19.46	22.75	8.23
Other crop expenses	20.32	13.69	12.04	9.35
Total cash crop expenses	\$534.64	\$337.61	\$238.43	\$177.56
Machinery depreciation	\$45.24	\$40.00	\$30.58	\$17.88
Building depreciation	14.95	13.34	7.92	5.18
Charge for equity capital	58.75	55.04	48.64	13.44
Unpaid labor value	39.17	54.18	54.75	17.00
Total economic cost per acre	\$692.75	\$500.17	\$380.33	\$231.06
Total economic cost per bushel or ton	\$4.10	\$9.76	\$87.38	\$5.89
Total cash flow needed per bushel or ton	\$3.03	\$6.58	\$55.17	\$2.87



## Trends

Table 9 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 2010 of \$149 was the highest since 2006.

The average corn yield of 174 was the lowest since 2007, but still above the average for the past decade. The value of farm production per dollar of expense was the second highest during this period. Crop value per acre was the highest recorded in the past ten years, due to very favorable selling prices. The percent return to owned assets was slightly above the ten-year average.

**Table 9. 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
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%
2010	149	174	1.52	584	7.6%
10-year average	\$159	168	\$1.37	\$428	7.0%

### Percent Return to Owned Assets

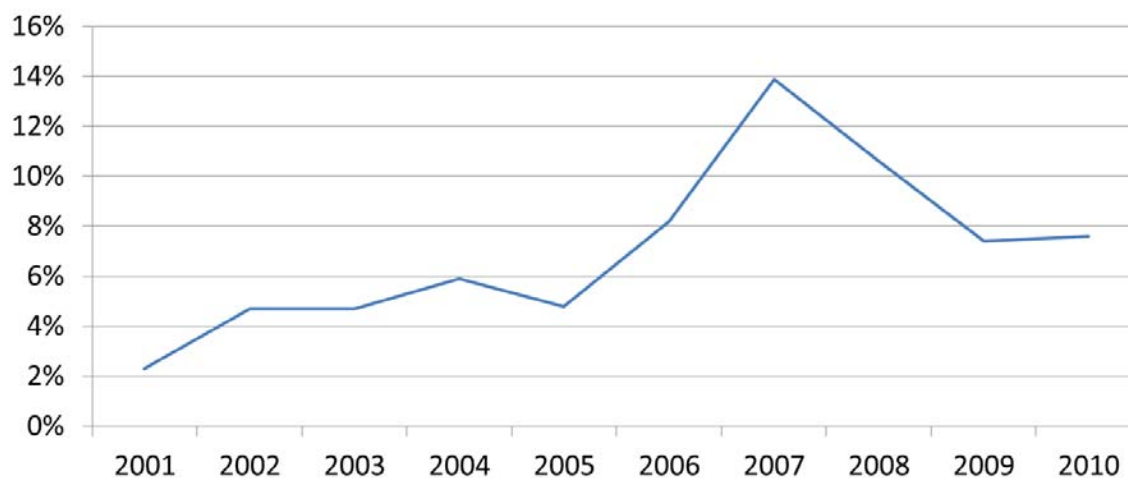


Table 10 summarizes resources, production, income, expenses and efficiency for farms specializing in farrow-to-finish hog, beef feeding, cash grain, dairy and beef raising. These data were not corrected for farm size, so are not comparable to the data in Tables 1 to 9.

**Table 10. 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	17	56	16
Current assets	\$594,359	\$882,874	\$588,317	\$450,174	\$498,883
Machinery	335,723	420,068	329,732	330,320	292,326
Breeding stock	28,537	20,924	16,154	214,378	41,724
Land and buildings	1,095,257	1,146,751	1,028,523	952,684	965,577
Total farm assets	\$2,053,876	\$2,470,617	\$1,962,726	\$1,947,556	\$1,798,510
Total farm liabilities	388,498	761,461	410,510	496,394	350,242
Farm net worth	\$1,665,378	\$1,709,156	\$1,552,216	\$1,451,162	\$1,448,268
<b>Production</b>					
Total crop acres	—	—	771	—	—
Average sow units	72	—	—	—	—
Cows milked	—	—	—	85	—
Gross revenue	\$835,263	\$1,282,308	\$705,699	\$896,610	\$596,680
<b>Sources of Farm Production</b>					
Total livestock increase	\$272,560	\$357,181	\$159,708	N/A	\$125,809
Less feed fed to livestock	172,736	246,179	115,022	N/A	83,533
Livestock increase over feed fed	\$99,824	\$111,002	\$44,686	\$256,064	\$42,276
Crop production	494,427	632,681	496,942	378,397	427,884
Miscellaneous	35,388	59,460	38,255	37,067	27,071
Crop inventory gain or loss	29,269	55,164	36,040	11,718	22,544
Value of farm production	\$658,908	\$858,307	\$615,923	\$683,246	\$519,775
<b>Expenses</b>					
Operating	\$296,873	\$388,882	\$260,965	\$410,557	\$224,990
Fixed	169,365	231,982	169,696	140,224	143,038
<b>Financial Returns</b>					
Net farm income, accrual	\$192,670	\$237,443	\$185,262	\$132,465	\$151,747
Charge for operator, family labor	34,907	32,861	30,268	44,531	32,849
Charge for equity capital	48,290	50,799	45,401	44,310	42,282
Return to management	\$109,473	\$153,783	\$109,593	\$43,624	\$76,616
<b>Efficiency</b>					
Machinery and power cost/crop acre	\$104	\$111	\$117	\$116	\$113
Livestock increase/\$100 feed fed	158	145	139	N/A	151
Value of farm prod. per person	368,908	491,732	466,658	207,869	407,912
Value of farm prod. per \$1 expense	1.43	1.44	1.50	1.34	1.46
Value of farm prod. per \$1 assets	0.32	0.35	0.31	0.35	0.29
Return on owned assets	8.8%	10.0%	9.1%	6.1%	7.6%
Return on equity	9.5%	12.0%	10.0%	6.1%	8.2%
<b>Financial Ratios</b>					
Debt-to-asset ratio	0.19	0.31	0.21	0.26	0.20
Current ratio	4.30	2.81	3.94	3.96	4.51
Working capital	\$456,075	\$568,542	\$438,886	\$336,392	\$388,185

## Costs and Returns of Specialized Farms

Table 11 summarizes the average accrual net farm incomes over the past ten years for farms specializing in farrow-to-finish hog production, beef feeding, cash grain, dairy, and beef raising. These data are not adjusted for farm size, so the results are not comparable to data shown in the previous tables. Beef feeding farms were the most profitable farm type in 2010, but all farm types 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. Beef feeding farms had the highest return to capital in 2010 with an average of 10.0 percent, followed by cash grain farms with a return of 9.1 percent. All farms had a return to owned assets that was above their 10-year average except dairy.

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

Accrual Net Farm Income					
Year	Farrow to Finish	Beef Feeding	Cash Grain	Dairy	Beef Raising
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
2010	192,670	237,443	185,262	132,465	151,747
10-year average	129,543	119,603	102,975	119,400	81,568

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

Percent Return to Owned Assets					
Year	Farrow to Finish	Beef Feeding	Cash Grain	Dairy	Beef Raising
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%
2009	8.8%	10.0%	9.1%	6.1%	7.6%
10-year average	8.4%	8.2%	8.7%	9.5%	6.7%

**... and justice for all**

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