

2004 NATIONAL FFA FARM BUSINESS MANAGEMENT CAREER DEVELOPMENT EVENT

Resource Information

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Moore Farm Business

Wayne and Joanna Moore are like many farmers today, engulfed in change. Formerly the main crop on the Moore farm business was tobacco. For nearly three decades, tobacco “paid the bills” and all else was simply treated as “costs of tobacco production”. Today, that is not the case. Since the historic high in basic flue-cured tobacco quota in 1997, flue-cured tobacco quota (the amount that tobacco farmers may sell in the market) has fallen to nearly 47 percent of the 1997 quota (see 1997 income statement on **page R5 of the resource information**). This reduction in quota has caught many tobacco farmers in a financial squeeze and the Moore farm business is no exception (a note at the bottom of **page R3 of the resource information** provides some background information on quota). Fixed costs per pound of tobacco produced have escalated and squeezed profits for the Moore farm business.

Wayne, however, has always had a positive attitude and began to look to diversify his farm in the mid 1990s as he sensed the winds of change. Starting small, Wayne began to experiment with fruit crops. As Wayne gained more technical knowledge he expanded these crops as the tobacco acreage declined. These crops can, if properly managed, produce returns similar to tobacco, but the learning curve can be steep. Wayne now grows strawberries and cantaloupe and the labor requirements closely match the former “cash king crop” – tobacco. Wayne hires many migrant workers in the spring and fall of the year as planting, care, and harvest of these crops is labor-intensive and necessary.

Wayne, age 47, and Joanna, age 45, have two children. Joshua, age 22, is sitting out of college as he struggles to find a course of study to his liking. Jennifer, age 20, is pursuing a degree in nursing and will graduate in December 2004 since she has taken summer school to finish early. Neither Joshua nor Jennifer has any interest in returning to the farm. Joshua is currently living in an apartment and working construction, but does help Wayne occasionally. Joanna is employed as a vice-president of operations in a small local bank. She earns \$42,000 per year (after taxes), plus benefits, which has provided the Moore’s with a comfortable lifestyle. Joanna plans to continue working at the bank until retiring at age 63.

In 2002, the Moore farm business was affected by a drought that covered much of the region. Despite having a positive attitude, the combination of continuing quota reductions and the drought caused the Moore farm to have a substantial loss which was a new experience for Wayne. Following the drought, 2003 had a cool wet spring which caused the strawberry and cantaloupe crops to yield less than anticipated, but still much higher than the previous year. In order to diversify his farming operation, Wayne is experimenting with non-breeding livestock to use some of his wheat pasture. Wayne watched stocker steer cattle prices soar this summer due to the growing demand for meat in certain “high-protein, low-carb” diets. Toward the end of 2003, feeder cattle in the area were selling for between \$1.04 and \$1.16 per pound. He plans to rent more land for pasture in order to facilitate the new enterprise. He does not expect this to yield great returns and is only using it to cover fixed costs. In 2004, he does not plan to sell any of the livestock.

Wayne hired a consultant to help him review his production costs. The consultant’s report indicated that repairs, chemical and fertilizer expenses seemed to be significantly higher than industry averages. Wayne has begun aggressively to monitor and control these costs. Labor is also of concern, but tobacco, strawberries and cantaloupe are very labor-intensive. To prevent another drought from crippling his cash flow, Wayne is investigating the purchase and installation of underground irrigation with drip tape.

The Moore farm business is at a crossroad. Though small in acreage, it has the potential to generate a large income. But much needed capital improvements and replacement of

machinery need to be made as the tobacco equipment cannot be used in other crops. Development pressures from the nearby urban area have increased land prices by 500% over the past ten years. Land sells in a range of \$5,000 to \$20,000 per acre in small tracts of 3 to 10 acres in size. Wayne fears that his rented land may soon be “growing houses”.

The acres used for the 2004 cash flow projection are as follows:

CROP	ACRES
Tobacco, owned	6
Tobacco, cash quota rent	40
Wheat, owned	18
Wheat, cash rent	38
Fescue Pasture, cash rent*	30
Strawberries	10
Cantaloupe	33
TOTAL ACRES	175

*Lease on livestock pasture land will not be taken out until the feeder calves are bought, or November 2004. The first rent payment and other cash livestock costs, however, will not be paid until March 2005. Also note that fescue pasture will be fertilized free of charge from neighbor's hog waste, therefore there are no costs associated with renting the land for fescue pasture other than the rent charge itself.

Note: Background Information on Quota:

In the 1930's, the US Department of Agriculture instituted a quota program for agricultural commodities. Tobacco was one of these to survive until today. Quota is the right to access the market and sell a specified volume of production annually. Tobacco quota is typically referred to in pounds. Each year by December 15, the Secretary of Agriculture sets the quota for the following production year for tobacco. The Moore farm business has endured reductions in quota as shown in the income statements with 1997 being a historical reference point. 1997 was the highest quota year in the past 25 years. Since 1997, the tobacco industry has changed significantly. Tobacco quota can be either owned or rented. When rented, payment is generally made on a per pound basis with the right to grow on the landlord's land; and market the tobacco produced by the farmer. The Moore farm business historically has owned some but rented most of its tobacco quota.

SPECIAL NOTE to FFA members, advisors, and coaches

During compilation of the resource information for the 2004 FFA Farm Business Management Career Development Event, there was pending federal legislation for a tobacco buyout. The management implications of this legislation would be significant for this case farm problem. At the time this material was prepared, it was not known whether the legislation passed or was defeated. Successful preparation for and completion of this Career Development Event in Louisville can be done regardless of the outcome of this legislation or detailed knowledge of the legislation and the quota program.

Balance Sheets

2000 - 2003

Moore farm business

	<u>12/31/00</u>	<u>12/31/01</u>	<u>12/31/02</u>	<u>12/31/03</u>
Assets				
<u>Current Assets</u>				
Cash in Farm Account	\$75,850	\$63,587	\$5,246	\$18,250
Farm Accounts Receivable	0	0	0	0
Stored Crops	0	0	0	0
Growing Crops	5,500	5,500	5,500	5,500
Other Current Assets	0	0	0	0
Total Current Assets	81,350	69,087	10,746	23,750
<u>Non Current Assets</u>				
Machinery & Equipment	385,624	365,298	402,603	398,245
Agricultural Land 67 Acres	172,500	172,500	172,500	172,500
Total Non-Current Assets	558,124	537,798	575,103	570,745
Total Farm Assets	\$639,474	\$606,885	\$585,849	\$594,495
Liabilities				
<u>Current Liabilities</u>				
Short Term Notes Payable	\$15,682	\$5,698	\$85,694	\$32,654
Accounts Payable	26,351	15,682	48,250	27,682
Portion of Machinery and Equipment Debt	31,512	32,768	65,025	52,071
Portion of Land Debt Due	2,268	2,785	3,370	3,985
Accrued Liabilities (taxes, rent)	0	0	5,000	2,000
Accrued Interest	0	0	3,375	0
Total Current Liability	75,813	56,933	210,714	118,392
<u>Non-Current Liabilities</u>				
Non-Current Liabilities Due after one year	123,665	92,153	132,368	148,561
Land Payment Due after One Year	66,355	64,087	61,302	57,932
Total Non-Current Liabilities	\$190,020	\$156,240	\$193,670	\$206,493
Total Farm Liabilities	\$265,833	\$213,173	\$404,384	\$324,885
Net Worth (Equity)	\$373,641	\$393,712	\$181,465	\$269,610

	<u>2000- 2001</u>	<u>2001- 2002</u>	<u>2002- 2003</u>
Average Assets	\$623,180	\$596,367	\$590,172
Average Liabilities	\$239,503	\$308,779	\$364,634
Average Equity	\$383,677	\$287,589	\$225,538

Income Statements

1997, 2001-2003

Moore farm business

Calendar Years >>	1997	2001	2002	2003
Revenue				
Wheat	\$5,573	\$9,443	\$6,241	\$10,036
Crop Insurance	63,753	15,260	42,635	32,450
Rye	2,618	0	0	0
Tobacco	472,003	239,615	254,064	232,290
Cantaloupe	0	95,600	62,458	115,236
Strawberries	102,287	118,350	105,624	138,750
Patronage Dividend	5,874	5,769	6,123	5,875
Farm Service Agency Payments	258	10,250	526	345
Miscellaneous Farm Income	5,271	6,231	4,985	7,142
Crop Inventory Change	0	0	0	0
Total Revenue	\$657,637	\$500,518	\$482,656	\$542,124
Expenses				
Cash Operating Expenses				
Chemicals	\$64,385	\$52,360	\$67,890	\$62,756
Conservation	0	0	0	1,825
Feed	0	0	0	0
Fertilizer & Lime	60,750	42,578	53,405	48,952
Freight/Trucking	0	0	1,625	436
Gas,Fuel,Oil	26,381	18,364	21,325	22,356
Insurance	16,065	15,734	16,250	17,504
Crop Insurance	3,609	3,951	4,275	5,136
Labor Hired	159,219	135,264	128,654	134,682
Machine Hire	1,146	600	2,468	1,465
Cash Rent	111,014	85,650	92,650	93,785
Repairs-Mach	53,339	54,890	58,364	53,698
Repairs-Bldg	0	0	9,250	1,257
Seeds/Plants	9,831	13,568	18,650	17,968
Storage	16,607	8,240	7,564	7,328
Supplies	0	0	598	325
Taxes	300	425	432	431
Utilities-Farm Share	11,603	9,635	9,865	10,235
Vet & Medicine	0	0	0	0
Marketing	0	0	560	1,260
CCC Payback	0	0	0	0
Miscellaneous Farm Expenses	7,887	3,854	5,236	6,137
Inventory Adjustments				
Accounts Payable	-2,614	-10,669	32,568	-20,568
Change in Accrued Taxes	0	0	5,000	-3,000
Other Accrued Expenses	0	0	5,000	-3,000
Depreciation	24,400	27,560	29,560	38,261
Total Operating Expenses	\$563,922	\$462,004	\$571,189	\$499,229
Cash Interest Paid	26,823	17,961	14,812	26,082
Change in Interest Payable	0	0	-3,375	0
Total Interest Expense	\$26,823	\$17,961	\$11,437	\$26,082
Total Expenses	\$590,745	\$479,965	\$582,626	\$525,311
Net Farm Income From Operations	\$66,892	\$20,553	-\$99,970	\$16,813

2004 Projected Cash Flow

Moore farm business

ITEM	UNITS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Operating Receipts														
WHEAT	56	0	0	0	0	0	9,408	0	0	0	0	0	0	9,408
TOBACCO	46	0	0	0	0	0	0	0	66,645	135,309	0	0	0	201,954
STRAWBERRIES	10	0	0	0	21,850	174,800	21,850	0	0	0	0	0	0	218,500
CANTALOUPE	33	0	0	0	0	0	68,063	68,062	0	0	0	0	0	136,125
OTHER		0	0	0	0	0	0	0	0	0	0	0	0	0
ACCTS RECEIVABLE		0	0	0	0	0	0	0	0	0	0	0	0	0
GOVT PAYMENTS		0	700	0	0	0	0	0	0	0	0	0	0	700
Total Operating Receipts		0	700	0	21,850	174,800	99,321	68,062	66,645	135,309	0	0	0	566,687
Capital Sales														
Total Capital Sales		0	0	0	0	0	0	0	0	0	0	0	0	0
Non-Farm Income														
SPOUSE SALARY		3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	42,000
Total Cash Inflows		3,500	4,200	3,500	25,350	178,300	102,821	71,562	70,145	138,809	3,500	3,500	3,500	608,687
Operating Expenses														
SEED/PLANTS		0	0	9,660	4,019	0	0	0	0	19,350	0	0	0	33,029
FERTILIZER		0	1,790	4,100	1,951	1,133	2,139	0	0	968	0	0	0	12,081
LIME		0	0	410	0	0	0	0	0	773	0	0	0	1,183
HERBICIDE		0	0	3,626	0	332	0	0	0	0	0	0	0	3,958
INSECTICIDE		0	0	996	0	365	2,969	0	0	0	0	0	0	4,330
FUMIGATION/PLASTIC		0	0	37,320	0	0	0	0	0	9,625	0	0	0	46,945
SUCKER CONTROL		0	0	0	0	0	2,783	0	0	0	0	0	0	2,783
COVER CROP/RYE		0	0	0	0	0	0	0	0	747	0	0	0	747
FUNGICIDE		0	0	0	4,793	0	741	247	0	0	0	0	0	5,781
DRIP TAPE		0	0	0	0	0	0	0	0	1,740	0	0	0	1,740
CURING FUEL/BAILING		0	0	0	0	0	0	0	7,818	13,135	0	0	0	20,953
ELECTRICITY/CURING	600	600	600	600	600	600	600	600	1,891	2,537	600	600	600	10,428
MARKET ASSESSMENT		0	0	0	0	0	0	0	0	3,243	0	0	0	3,243
HARVEST/CARTONS		0	0	0	6,650	53,200	23,192	16,541	0	0	0	0	0	99,583
BEE HIVES		0	0	0	700	1,155	0	0	0	0	0	0	0	1,855
MACHINERY/MACH LABOR		0	0	2,364	2,364	2,364	2,364	2,364	0	2,364	0	0	0	14,184
PLASTIC DISPOSAL / ADVERT		0	0	1,267	1,267	1,267	0	0	3,800	0	0	0	0	7,601
FUEL, LUBE, REPAIRS	5,116	5,116	5,116	5,116	5,116	5,116	5,116	5,116	5,116	5,116	5,116	5,116	5,116	61,392
CASH RENT	2,000	0	43,240	0	0	0	0	0	0	0	0	0	0	45,240
LABOR HIRED	0	0	13,707	13,707	13,707	13,707	13,707	13,707	0	13,707	0	0	0	82,242
MISCELLANEOUS COSTS	2,906	2,906	2,514	2,906	2,606	2,606	2,592	2,600	2,599	2,600	2,514	2,606	0	31,949
CROP INSURANCE		0	0	0	0	0	0	0	0	6,210	0	0	0	6,210
TAXES (Real & Personal Property)	431	0	0	0	0	0	0	0	0	0	0	0	0	431
OTHER FARM OPER EXP	4,000	0	0	0	0	0	0	0	0	0	0	0	0	4,000
FARM INSURANCE	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
LIVESTOCK (Purchased for Resale)	0	0	0	0	0	0	0	0	0	0	0	20,885	0	20,885
OVERHEAD EXPENSES	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Operating Expenses		16,553	11,912	126,420	45,573	83,345	57,711	42,667	22,725	83,614	9,816	30,615	9,822	540,772
Capital Purchases and other Expenses														
MACH AND EQUIP		0	0	0	0	0	0	0	0	0	0	0	0	0
BLDGS, FENCES, TILE		0	0	0	0	0	0	0	0	0	0	0	0	0
Payment on Debt														
PRINCIPAL		0	0	0	0	0	0	0	0	0	0	0	56,056	56,056
INTEREST		0	0	0	0	0	0	0	0	0	0	0	18,772	18,772
Non-Farm Expenses														
FAMILY LIVING		4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	48,000
INCOME TAX, ETC.		0	0	8,650	0	0	0	0	0	0	0	0	0	8,650
SAVINGS		0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other Expenses		4,000	4,000	12,650	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	78,828	131,478
Total Cash Outflows		20,553	15,912	139,070	49,573	87,345	61,711	46,667	26,725	87,614	13,816	34,615	88,650	672,250

Summary of Projected Cash Flow

CASH DIFFERENCE	-17,053	-11,712	-135,570	-24,223	90,955	41,110	24,895	43,420	51,195	-10,316	-31,115	-85,150	-63,563	
Beginning Cash Balance	18,250	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	44,988	34,672	3,558		
CASH POSITION	1,198	-8,712	-132,570	-21,223	93,955	44,110	27,895	46,420	54,195	34,672	3,558	-81,592		
Money Borrowed this Period	1,802	11,712	135,570	24,223	0	0	0	0	0	0	0	84,592	257,899	
Operating Loan Information														
INTEREST PAYMENTS	0	0	0	0	2,342	0	0	1,225	59	0	0	0	3,625	
ACCRUED INTEREST	0	172	231	909	1,030	587	381	257	46	0	0	0		
PRINCIPAL PAYMENTS	0	0	0	0	88,613	41,110	24,895	42,195	9,148	0	0	0	205,961	
ACCUMULATED BORROWING	34,456	46,168	181,738	205,961	117,348	76,238	51,343	9,148	0	0	0	84,592		
ENDING CASH BALANCE	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	44,988	34,672	3,558	3,000	3,000	

BEGINNING BANK ACCOUNT BALANCE	18,250	ENDING BANK ACCOUNT BALANCE	3,000
MINIMUM MONTHLY BANK BALANCE	3,000	ENDING ACCRUED INTEREST DUE	0
BEGINNING OPERATING LOAN AMOUNT	32,654	ENDING OPERATING LOAN AMOUNT	84,592
BEGINNING ACCRUED INTEREST DUE	0		
INTEREST RATE ON OPERATING LOAN	6.00%	HIRED LABOR RATE	\$8.00 PER HOUR

Financial Analysis 2002-2003

Moore farm business

Measures of Liquidity, Solvency, Profitability, and Expense Ratios

	<u>2002</u>	<u>2003</u>
Liquidity		
Current Ratio	0.051 :1	0.201 :1
Working Capital	-\$199,968	-\$94,642
Debt Structure	0.521 :1	0.364 :1
Solvency		
Debt to Asset	0.690 :1	0.546 :1
Equity to Asset	0.310 :1	0.454 :1
Debt to Equity	2.228 :1	1.205 :1
Profitability		
Return On Assets (ROA)	-19.88%	2.18%
Return On Equity (ROE)	-45.19%	-5.85%
Cost Of Debt (COD)	3.70%	7.15%
Operational Ratios		
Operating Expense	1.122 :1	0.850 :1
Depreciation Expense	0.061 :1	0.071 :1
Interest Expense	0.024 :1	0.048 :1
Net Farm Income from Operations	-0.207 :1	0.031 :1
Other		
Operating Profit Margin Ratio	-0.246 :1	0.024 :1
Asset Turnover Ratio	0.809 :1	0.919 :1
Return to Labor & Management	-\$112,388	\$19,282

Opportunity Cost of Unpaid Family Labor is **\$30,000**
 Opportunity Cost of Capital is **4%**.

Comparative Land Use Analysis

Moore farm business

	1997	2001	2002	2003	2004*
Tobacco, owned	10	8	10	8	6
Tobacco, cash rent	102.5	45.6	47	44	40
Wheat, owned	29	22	29	22	18
Wheat, cash rent	34	32.4	31	34	38
Improved Pasture	n/a	n/a	n/a	n/a	30
Strawberries	8	8	8	8	10
Cantaloupes	0	29	20	29	33
TOTAL ACRES	183.5	145	145	145	175
<hr/>					
TOTAL RENTED	136.5	78	78	78	108
TOTAL OWNED	47	67	67	67	67

* 2004 acreage numbers are projections

Tobacco, Hand Harvest - owned

Resource Information for the Moore farm business

31-Jan-04

2004 National FFA Farm Business Management Career Development Event

OPERATING INPUTS	UNITS	PRICE	QUANTITY	VALUE	YOUR VALUE
Transplants	1000 Plants/Acre	35.000	6	210.00	
Fumigation	Gallons	11.950	10.5	125.48	
Fertilizer (8-8-24)	Tons	258.000	0.25	64.50	
Sodium Nitrate (16-0-0)	Cwt	12.350	1.76	21.74	
Lime	Tons	27.000	0.33	8.91	
Herbicide & Fungicide	Per Acre	67.820	1	67.82	
Insecticides	Per Acre	47.160	1	47.16	
Sucker Control	Per Acre	60.510	1	60.51	
Cover Crop	Per Acre	12.620	1.2	15.14	
Curing Fuel	Gallons	1.300	250	325.00	
Electricity	Kilowatt Hour	90.000	0.780	70.20	
Crop Insurance	Dollars	135.000	1.000	135.00	
Building Insurance	Dollars	83.200	1.000	83.20	
Selling Charges	Dollars	0.000	2,350.000	0.00	
Market Assessment	Dollars	0.030	2,350.000	70.50	
Baling Supplies	Dollars	8.000	1.000	8.00	
Tractor/Machinery	Per Acre	66.210	1.000	66.21	
Labor	Hours	8.000	188.500	1,508.00	
Interest on Operating Capital	Dollars	6.00%	641.010	38.46	
TOTAL OPERATING COSTS				2,925.83	
FIXED COSTS		AMOUNT	VALUE		YOUR VALUE
Machinery/Tractor					
Interest at 7.150%		1.00	105.91		
Depr, Taxes, Insurance					
Barns					
Interest at 7.150%		1.00	132.58		
Depr, Taxes, Insurance		0.00	0.00		
Equipment					
Interest at 7.150%		0.00	0.00		
Depr, Taxes, Insurance		0.00	0.00		
Land					
Interest at 7.150%		0.00	0.00		
Taxes		0.00	0.00		
TOTAL FIXED COSTS				238.49	
PRODUCTION	UNITS	PRICE	QUANTITY	VALUE	YOUR VALUE
Tobacco	Pounds	1.86	2,350.00	4,371.00	
Net Govt Payment	Per Acre	0.00	0.00	0.00	
TOTAL RECEIPTS				4,371.00	
TOTAL RECEIPTS				4,371.00	
TOTAL OPERATING COSTS				2,925.83	
RETURNS ABOVE TOTAL OPERATING COSTS				1,445.17	
TOTAL FIXED COSTS				238.49	
NET RETURNS ABOVE ALL SPECIFIED COSTS				1,206.68	

Break-Even (B-E) Analysis			
B-E Yield at \$/lb.	1.86	B-E Price at lbs./acre	2350.00
Above Operating Costs (Lbs.)	1573.02	Above Operating Costs \$	1.25
Above Total Costs (Lbs.)	1701.24	Above Total Costs \$	1.35

RETURNS ABOVE ALL SPECIFIED COSTS						
RISK ANALYSIS		YIELD				
		2,233	2,280	2,350	2,421	2,468
PRICE	\$1.95	\$1,195.76	\$1,287.55	\$1,425.23	\$1,562.92	\$1,654.71
	\$1.92	\$1,112.71	\$1,202.75	\$1,337.81	\$1,472.88	\$1,562.92
	\$1.86	\$988.13	\$1,075.55	\$1,206.68	\$1,337.81	\$1,425.23
	\$1.80	\$863.56	\$948.36	\$1,075.55	\$1,202.75	\$1,287.55
	\$1.77	\$780.51	\$863.56	\$988.13	\$1,112.71	\$1,195.76

Tobacco, Hand Harvest - cash quota rent

Resource Information for the Moore farm business

31-Jan-04

2004 National FFA Farm Business Management Career Development Event

OPERATING INPUTS	UNITS	PRICE	QUANTITY	VALUE	YOUR VALUE
Transplants	1000 Plants/Acre	35.000	6	210.00	
Fumigation	Gallons	11.950	10.5	125.48	
Fertilizer (8-8-24)	Tons	258.000	0.25	64.50	
Sodium Nitrate (16-0-0)	Cwt	12.350	1.76	21.74	
Lime	Tons	27.000	0.33	8.91	
Herbicide & Fungicide	Per Acre	67.820	1	67.82	
Insecticides	Per Acre	47.160	1	47.16	
Sucker Control	Per Acre	60.510	1	60.51	
Cover Crop	Per Acre	12.620	1.2	15.14	
Curing Fuel	Gallons	1.300	250	325.00	
Electricity	Kilowatt Hour	90.000	0.780	70.20	
Crop Insurance	Dollars	135.000	1.000	135.00	
Building Insurance	Dollars	83.200	1.000	83.20	
Quota Rent	Dollars	0.400	2,350.000	940.00	
Market Assessment	Dollars	0.030	2,350.000	70.50	
Baling Supplies	Dollars	8.000	1.000	8.00	
Tractor/Machinery	Per Acre	66.210	1.000	66.21	
Labor	Hours	8.000	188.500	1,508.00	
Interest on Operating Capital	Dollars	6.00%	641.010	38.46	
TOTAL OPERATING COSTS				3,865.83	
FIXED COSTS		AMOUNT	VALUE		YOUR VALUE
Machinery/Tractor					
Interest at 7.150%		1.00	105.91		
Depr, Taxes, Insurance					
Barns					
Interest at 7.150%		1.00	132.58		
Depr, Taxes, Insurance		0.00	0.00		
Equipment					
Interest at 7.150%		0.00	0.00		
Depr, Taxes, Insurance		0.00	0.00		
Land					
Interest at 7.150%		0.00	0.00		
Taxes		0.00	0.00		
TOTAL FIXED COSTS				238.49	
PRODUCTION	UNITS	PRICE	QUANTITY	VALUE	YOUR VALUE
Tobacco	Pounds	1.86	2,350.00	4,371.00	
Net Govt Payment	Per Acre	0.00	0.00	0.00	
TOTAL RECEIPTS				4,371.00	
TOTAL RECEIPTS				4,371.00	
TOTAL OPERATING COSTS				3,865.83	
RETURNS ABOVE TOTAL OPERATING COSTS				505.17	
TOTAL FIXED COSTS				238.49	
RETURNS ABOVE ALL SPECIFIED COSTS				266.68	

Cash Rent \$0.40 per lbs

Break-Even (B-E) Analysis			
B-E Yield at \$/lb.	1.86	B-E Price at lbs./acre	2350.00
Above Operating Costs (Lbs.)	2078.40	Above Operating Costs \$	1.65
Above Total Costs (Lbs.)	2206.62	Above Total Costs \$	1.75

RETURNS ABOVE ALL SPECIFIED COSTS						
RISK ANALYSIS		YIELD				
		2,233	2,280	2,350	2,421	2,468
PRICE	\$1.95	\$255.76	\$347.55	\$485.23	\$622.92	\$714.71
	\$1.92	\$172.71	\$262.75	\$397.81	\$532.88	\$622.92
	\$1.86	\$48.13	\$135.55	\$266.68	\$397.81	\$485.23
	\$1.80	(\$76.44)	\$8.36	\$135.55	\$262.75	\$347.55
	\$1.77	(\$159.49)	(\$76.44)	\$48.13	\$172.71	\$255.76

Wheat (Piedmont) - owned

Resource Information for the Moore farm business
2004 National FFA Farm Business Management Career Development Event

31-Jan-04

OPERATING INPUTS		UNITS	PRICE	QUANTITY	VALUE	YOUR VALUE
Seed		Bushel	7.500	2.5	18.75	
10-20-20, dry bulk		Cwt	7.640	2	15.28	
Fertilizer Spreading		Cwt	1.000	2	2.00	
30% N Solution		Cwt	5.750	3	17.25	
Lime		Tons	27.000	0.333	8.99	
Herbicide		Per Acre	3.750	1	3.75	
Drying		Per Acre	8.000	0	0.00	
Insecticide		Per Acre	4.980	1	4.98	
Custom Hire		Per Acre	0.000	1	0.00	
Interest on Operating Capital		Dollars	6.000%	46.597	2.80	
Machinery Labor		Hours	8.000	1.550	12.40	
Equipment Labor		Hours	8.000	0.000	0.00	
Irrigation Labor		Hours	8.000	0.000	0.00	
Livestock Labor		Hours	8.000	0.000	0.00	
Other Labor		Hours	8.000	0.000	0.00	
Machinery Fuel, Lube, Repairs		Dollars	23.550	1.000	23.55	
Equipment Fuel, Lube, Repairs		Dollars		0.000	0.00	
Irrigation Fuel, Lube, Repairs		Dollars		0.000	0.00	
TOTAL OPERATING COSTS					109.75	
FIXED COSTS			AMOUNT	VALUE		YOUR VALUE
Machinery						
Interest at 7.150%			190.78	13.64		
Depr, Taxes, Insurance			25.06	25.06		
Irrigation						
Interest at 7.150%			0.00	0.00		
Depr, Taxes, Insurance			0.00	0.00		
Equipment						
Interest at 7.150%			0.00	0.00		
Depr, Taxes, Insurance			0.00	0.00		
Land						
Interest at 7.150%			0.00	0.00		
Taxes			0.00	0.00		
TOTAL FIXED COSTS					38.70	
PRODUCTION		UNITS	PRICE	QUANTITY	VALUE	YOUR VALUE
Wheat		Bushels	3.50	48.00	168.00	
Stocker Steer Gain		Cwt.	30.00	1.00	30.00	
Net Govt Payment		Per Acre	12.50	1.00	12.50	
TOTAL RECEIPTS					210.50	
TOTAL RECEIPTS					210.50	
TOTAL OPERATING COSTS					109.75	
RETURNS ABOVE TOTAL OPERATING COSTS					100.75	
TOTAL FIXED COSTS					38.70	
RETURNS ABOVE ALL SPECIFIED COSTS					71.05	

Break-Even (B-E) Analysis			
B-E Yield at \$/bu.	3.50	B-E Price at bu./acre	48.00
Above Operating Costs (bu.)	27.78	Above Operating Costs \$	2.03
Above Total Costs (bu.)	38.84	Above Total Costs \$	2.83

RETURNS ABOVE ALL SPECIFIED COSTS						
RISK ANALYSIS		YIELD				
		34	41	48	55	62
PRICE	\$4.55	\$16.93	\$49.69	\$82.45	\$115.21	\$147.97
	\$4.03	(\$0.71)	\$28.27	\$57.25	\$86.23	\$115.21
	\$3.50	(\$18.35)	\$6.85	\$32.05	\$57.25	\$82.45
	\$2.98	(\$35.99)	(\$14.57)	\$6.85	\$28.27	\$49.69
	\$2.45	(\$53.63)	(\$35.99)	(\$18.35)	(\$0.71)	\$16.93

Wheat (Piedmont) - cash rent

Resource Information for the Moore farm business

31-Jan-04

2004 National FFA Farm Business Management Career Development Event

OPERATING INPUTS	UNITS	PRICE	QUANTITY	VALUE	YOUR VALUE
Seed	Bushel	7.500	2.5	18.75	
10-20-20, dry bulk	Cwt	7.640	2	15.28	
Fertilizer Spreading	Cwt	1.000	2	2.00	
30% N Solution	Cwt	5.750	3	17.25	
Lime	Tons	27.000	0.333	8.99	
Herbicide	Per Acre	3.750	1	3.75	
Drying	Per Acre	8.000	0	0.00	
Insecticide	Per Acre	4.980	1	4.98	
Custom Hire	Per Acre	0.000	1	0.00	
Interest on Operating Capital	Dollars	6.000%	46.597	2.80	
Machinery Labor	Hours	8.000	1.550	12.40	
Equipment Labor	Hours	8.000	0.000	0.00	
Irrigation Labor	Hours	8.000	0.000	0.00	
Livestock Labor	Hours	8.000	0.000	0.00	
Other Labor	Hours	8.000	0.000	0.00	
Machinery Fuel, Lube, Repairs	Dollars	23.550	1.000	23.55	
Equipment Fuel, Lube, Repairs	Dollars		0.000	0.00	
Irrigation Fuel, Lube, Repairs	Dollars		0.000	0.00	
Rent on Land	Dollars	20.000	1.000	20.00	
TOTAL OPERATING COSTS				129.75	
FIXED COSTS	AMOUNT	VALUE	YOUR VALUE		
Machinery					
Interest at 7.150%	190.78	13.64			
Depr, Taxes, Insurance	25.06	25.06			
Irrigation					
Interest at 7.150%	0.00	0.00			
Depr, Taxes, Insurance	0.00	0.00			
Equipment					
Interest at 7.150%	0.00	0.00			
Depr, Taxes, Insurance	0.00	0.00			
Land					
Interest at 7.150%	0.00	0.00			
Taxes	0.00	0.00			
TOTAL FIXED COSTS				38.70	
PRODUCTION	UNITS	PRICE	QUANTITY	VALUE	YOUR VALUE
Wheat	Bushel	3.50	48.00	168.00	
Stocker Steer Gain	Cwt.	30.00	1.00	30.00	
Net Govt Payment	Per Acre	12.50	1.00	12.50	
TOTAL RECEIPTS				210.50	
TOTAL RECEIPTS				210.50	
TOTAL OPERATING COSTS				129.75	
RETURNS ABOVE TOTAL OPERATING COSTS				80.75	
TOTAL FIXED COSTS				38.70	
RETURNS ABOVE ALL SPECIFIED COSTS				42.05	

Break-Even (B-E) Analysis			
B-E Yield at \$/bu.	3.50	B-E Price at bu./acre	48.00
Above Operating Costs (bu.)	37.07	Above Operating Costs \$	2.70
Above Total Costs (bu.)	48.13	Above Total Costs \$	3.51

RETURNS ABOVE ALL SPECIFIED COSTS						
RISK ANALYSIS		YIELD				
		34	41	48	55	62
PRICE	\$4.55	(\$3.07)	\$29.69	\$62.45	\$95.21	\$127.97
	\$4.03	(\$20.71)	\$8.27	\$37.25	\$66.23	\$95.21
	\$3.50	(\$38.35)	(\$13.15)	\$12.05	\$37.25	\$62.45
	\$2.98	(\$55.99)	(\$34.57)	(\$13.15)	\$8.27	\$29.69
	\$2.45	(\$73.63)	(\$55.99)	(\$38.35)	(\$20.71)	(\$3.07)

Beef Stocker Steers : on wheat/ fescue pasture

Resource Information for the Moore farm business

31-Jan-04

2004 National FFA Farm Business Management Career Development Event

OPERATING INPUTS	UNITS	PRICE	QUANTITY	VALUE	OUR VALUE
Steer Calves	Cwt.	120.000	4.75	570.00	_____
Feed, Corn	Bu.	2.790	28.6	79.79	_____
Feed, Soybean Meal	Pounds	0.100	360	36.00	_____
Salt and Additives	Pounds	0.225	45	10.13	_____
Wheat Pasture	Acre	30.000	1.56	46.80	_____
Veterinary Medicine	Per Stocker	26.580	1	26.58	_____
Livestock Materials	Per Stocker	18.580	1	18.58	_____
Utilities	Per Stocker	0.890	1	0.89	_____
Personal Property Taxes	Per Stocker	1.860	1	1.86	_____
Real Estate Repairs	Per Stocker	0.930	1	0.93	_____
Miscellaneous	Per Stocker	0.890	1	0.89	_____
Insurance	Per Stocker	0.530	1	0.53	_____
Interest on Operating Capital	Dollars	6.000%	135.750	8.15	_____
Machinery & Equipment Labor	Hours	8.000	1.750	14.00	_____
Irrigation and Livestock Labor	Hours	8.000	3.500	28.00	_____
Machinery Fuel, Lube, Repairs	Dollars	23.550	1.000	23.55	_____
Equipment Fuel, Lube, Repairs	Dollars		0.000	0.00	_____
Irrigation Fuel, Lube, Repairs	Dollars		0.000	0.00	_____
Rent on Land	Dollars	16.660	1.000	16.66	_____

TOTAL OPERATING COSTS 883.33

FIXED COSTS	AMOUNT	VALUE	YOUR VALUE
Machinery			
Interest at 7.150%	50.00	3.58	_____
Depr, Taxes, Insurance	10.06	10.06	_____
Livestock			
Interest at 7.150%	0.00	0.00	_____
Depr, Taxes, Insurance	0.00	0.00	_____
Equipment			
Interest at 7.150%	7.56	0.54	_____
Depr, Taxes, Insurance	1.04	1.04	_____
Land			
Interest at 7.150%	0.00	0.00	_____
Taxes	0.00	0.00	_____
TOTAL FIXED COSTS			15.22

PRODUCTION	UNITS	PRICE	QUANTITY	VALUE	OUR VALUE
Stocker Steers	Cwt.	105.00	8.62	905.10	_____
Net Govt Payment	Per Acre	0.00	1.00	0.00	_____
TOTAL RECEIPTS				905.10	_____

TOTAL RECEIPTS	905.10	_____
TOTAL OPERATING COSTS	883.33	_____
RETURNS ABOVE TOTAL OPERATING COSTS	21.77	_____
TOTAL FIXED COSTS	15.22	_____
RETURNS ABOVE ALL SPECIFIED COSTS	6.55	_____

Assuming a 2% Death Loss; Wintered 180 days, 2.25 pound average daily gain

Break-Even (B-E) Analysis			
B-E Weight at \$/Cwt.	105.00	B-E Price at \$/Cwt.	8.62
Above Operating Costs (head)	8.41	Above Operating Costs	\$ 102.47
Above Total Costs (head)	8.56	Above Total Costs	\$ 104.24

RETURNS ABOVE ALL SPECIFIED COSTS						
RISK ANALYSIS		YIELD				
		6	7	9	10	11
PRICE	\$136.50	(\$74.91)	\$101.59	\$278.08	\$454.57	\$631.07
	\$120.75	(\$169.94)	(\$13.81)	\$142.32	\$298.45	\$454.57
	\$105.00	(\$264.98)	(\$129.21)	\$6.55	\$142.32	\$278.08
	\$89.25	(\$360.02)	(\$244.61)	(\$129.21)	(\$13.81)	\$101.59
	\$73.50	(\$455.05)	(\$360.02)	(\$264.98)	(\$169.94)	(\$74.91)

Cantaloupe

Resource Information for the Moore farm business

31-Jan-04

2004 National FFA Farm Business Management Career Development Event

OPERATING INPUTS	UNITS	PRICE	QUANTITY	VALUE	YOUR VALUE
Seed	1000 Seeds/Acre	30.450	4	121.80	
Nitrogen	Cwt	38.250	2.043	78.14	
Phosphorus	Cwt	27.440	0.43	11.80	
Potassium	Cwt	10.240	4.582	46.92	
Boron	Lbs	0.300	1.5	0.45	
Herbicide	Per Acre	10.070	1	10.07	
Fumigation, Plastic	Per Acre	956.000	1	956.00	
Bee Hive Rental	Per Each	35.000	1	35.00	
Custom Harvest/Sort	Per Each	0.080	5500	440.00	
Interest on Operating Capital	Dollars	6.000%	1,307.000	78.42	
Insecticide	Per Acre	2.610	1.000	2.61	
Fungicide	Per Acre	7.490	4.000	29.96	
40 pound carton	Per Each	1.250	450.000	562.50	
Plastic Disposal	Per Acre	100.000	1.000	100.00	
Labor	Hours	8.000	29.000	232.00	
Machinery Fuel, Lube, Repairs	Per Acre	23.070	1.000	23.07	
Equipment Fuel, Lube, Repairs	Dollars		0.000	0.00	
Irrigation Fuel, Lube, Repairs	Dollars		0.000	0.00	

TOTAL OPERATING COSTS 2,728.74

FIXED COSTS	AMOUNT	VALUE	YOUR VALUE
Machinery			
Interest at 7.150%	1.00	30.53	
Depr, Taxes, Insurance	0.00	0.00	
Irrigation			
Interest at 7.150%	0.00	0.00	
Depr, Taxes, Insurance	0.00	0.00	
Equipment			
Interest at 7.150%	0.00	0.00	
Depr, Taxes, Insurance	0.00	0.00	
Land			
Interest at 7.150%	0.00	0.00	
Taxes	0.00	0.00	
TOTAL FIXED COSTS			30.53

PRODUCTION	UNITS	PRICE	QUANTITY	VALUE	YOUR VALUE
Cantaloupe	Per Each	0.75	5,500.00	4,125.00	
Net Govt Payment	Per Acre	0.00	0.00	0.00	
Reimburse for Harvest	Per Acre	0.00	0.00	0.00	
TOTAL RECEIPTS				4,125.00	

TOTAL RECEIPTS	4,125.00
TOTAL OPERATING COSTS	2,728.74
RETURNS ABOVE TOTAL OPERATING COSTS	1,396.26
TOTAL FIXED COSTS	30.53
RETURNS ABOVE ALL SPECIFIED COSTS	1,365.73

Break-Even (B-E) Analysis			
B-E Yield at \$/ea.	0.75	B-E Price at ea./acre	5500.00
Above Operating Costs (ea.)	3638.32	Above Operating Costs \$	0.50
Above Total Costs (ea.)	3679.03	Above Total Costs \$	0.50

RETURNS ABOVE ALL SPECIFIED COSTS						
RISK ANALYSIS		YIELD				
		3,850	4,675	5,500	6,325	7,150
PRICE	\$0.98	\$994.48	\$1,798.85	\$2,603.23	\$3,407.60	\$4,211.98
	\$0.86	\$561.35	\$1,272.91	\$1,984.48	\$2,696.04	\$3,407.60
	\$0.75	\$128.23	\$746.98	\$1,365.73	\$1,984.48	\$2,603.23
	\$0.64	(\$304.90)	\$221.04	\$746.98	\$1,272.91	\$1,798.85
	\$0.53	(\$738.02)	(\$304.90)	\$128.23	\$561.35	\$994.48

Strawberries, Harvest and Market

Resource Information for the Moore farm business

31-Jan-04

2004 National FFA Farm Business Management Career Development Event

OPERATING INPUTS	UNITS	PRICE	QUANTITY	VALUE	YOUR VALUE
Plants	1000 Seeds/Acre	84.000	15	1,260.00	
Preplant Fertilizer	Cwt	13.000	6	78.00	
Postplant Fertilizer	Cwt	20.600	4	82.40	
Lime	Tons	27.000	1	27.00	
Herbicide	Gallon	59.200	0.5	29.60	
Transplant Costs	1000 Seeds/Acre	38.000	15	570.00	
Annual Operating Capital	Dollars	6.000%	5,706.000	342.36	
Ryegrass	Pounds	0.340	15	5.10	
Fumigant	Pounds	2.000	350	700.00	
Plastic Mulch	Roll	75.000	3.5	262.50	
Drip Tape	Foot	0.020	8700	174.00	
Bee Hives	Per Each	35.000	2	70.00	
Fungicide	Pounds	8.470	48	406.56	
Miticides	Gallon	19.750	4	79.00	
Insecticide	Gallon	20.600	1	20.60	
Sulpher	Pounds	0.300	12	3.60	
Boron	Pounds	0.300	0.5	0.15	
Harvest	Per Each	0.250	19000	4,750.00	
Container	Per Each	0.100	19,000.000	1,900.00	
Advertisement	Pounds	0.020	19,000.000	380.00	
Labor	Hours	8.000	71.250	570.00	
Machinery Fuel, Lube, Repairs	Dollars	1.000	38.230	38.23	

TOTAL OPERATING COSTS 11,749.10

FIXED COSTS	AMOUNT	VALUE	YOUR VALUE
Machinery			
Interest at 7.150%	1.00	3,975.00	
Depr, Taxes, Insurance	0.00	0.00	
Irrigation			
Interest at 7.150%	0.00	0.00	
Depr, Taxes, Insurance	0.00	0.00	
Equipment			
Interest at 7.150%	0.00	0.00	
Depr, Taxes, Insurance	0.00	0.00	
Land			
Interest at 7.150%	0.00	0.00	
Taxes	0.00	0.00	
TOTAL FIXED COSTS			3,975.00

PRODUCTION	UNITS	PRICE	QUANTITY	VALUE	YOUR VALUE
Strawberries	Pounds	1.15	19,000.00	21,850.00	
Net Govt Payment	Per Acre	0.00	0.00	0.00	
TOTAL RECEIPTS				21,850.00	

TOTAL RECEIPTS	21,850.00
TOTAL OPERATING COSTS	11,749.10
RETURNS ABOVE TOTAL OPERATING COSTS	10,100.90
TOTAL FIXED COSTS	3,975.00
RETURNS ABOVE ALL SPECIFIED COSTS	6,125.90

Break-Even (B-E) Analysis			
B-E Yield at \$/lb.	1.15	B-E Price at lbs./acre	19000.00
Above Operating Costs (Lbs.)	10216.61	Above Operating Costs \$	0.62
Above Total Costs (Lbs.)	13673.13	Above Total Costs \$	0.83

RETURNS ABOVE ALL SPECIFIED COSTS						
RISK ANALYSIS		YIELD				
		13,300	16,150	19,000	21,850	24,700
PRICE	\$1.50	\$4,159.40	\$8,420.15	\$12,680.90	\$16,941.65	\$21,202.40
	\$1.32	\$1,865.15	\$5,634.28	\$9,403.40	\$13,172.53	\$16,941.65
	\$1.15	(\$429.10)	\$2,848.40	\$6,125.90	\$9,403.40	\$12,680.90
	\$0.98	(\$2,723.35)	\$62.52	\$2,848.40	\$5,634.28	\$8,420.15
	\$0.81	(\$5,017.60)	(\$2,723.35)	(\$429.10)	\$1,865.15	\$4,159.40

Watermelons, 15 Lb. Average Weight, Drip Irrigation

Resource Information for the Moore farm business

31-Jan-04

2004 National FFA Farm Business Management Career Development Event

OPERATING INPUTS	UNITS	PRICE	QUANTITY	VALUE	YOUR VALUE
Transplants	Thousand	50.000	3.6	180.00	
Nitrogen	LBS	0.220	70	15.40	
Phosphorus	LBS	0.280	102.5	28.70	
Potassium	LBS	0.150	102.5	15.38	
Herbicide	ACRE	13.740	1	13.74	
Fungicide	ACRE	62.720	1	62.72	
Insecticide	ACRE	196.890	1	196.89	
Calcium Lime	TONS	20.000	0.5	10.00	
Scouting for Pests	ACRE	10.000	6	60.00	
Pest Control incl. Labor	ACRE	7.200	6	43.20	
Bee Rental	ACRE	25.000	1	25.00	
Black mulch	ACRE	250.000	1	250.00	
Drip Irrigation (tape & labor)	ACRE	150.000	1	150.00	
Marketing & Advertising	ACRE	50.000	1	50.00	
Hand Harvesting	ACRE	450.000	1	450.00	
Packing & Grading	ACRE	135.000	1	135.00	
Cardboard Bins (800 lb)	CARTONS	4.000	65	260.00	
Interest on Operating Capital	Dollars	6.000%	1,092.075	65.52	
Machinery Labor	Hours	8.000	15.000	120.00	
Equipment Labor	Hours	8.000	0.000	0.00	
Irrigation Labor	Hours	8.000	0.000	0.00	
Livestock Labor	Hours	8.000	0.000	0.00	
Other Labor	Hours	8.000	0.000	0.00	
Machinery Fuel, Lube, Repairs	Dollars		54.210	54.21	
TOTAL OPERATING COSTS				2,185.76	
FIXED COSTS		AMOUNT	VALUE		YOUR VALUE
Machinery					
Interest at 7.150%		0.00	0.00		
Depr, Taxes, Insurance		100.20	100.20		
Irrigation					
Interest at 7.150%		0.00	0.00		
Depr, Taxes, Insurance		500.00	500.00		
Land					
Interest at 7.150%		0.00	0.00		
Taxes		0.00	0.00		
TOTAL FIXED COSTS				600.20	
PRODUCTION	UNITS	PRICE	QUANTITY	VALUE	YOUR VALUE
Watermelons	EACH	0.81	5,000.00	4,050.00	
TOTAL RECEIPTS				4,050.00	
TOTAL RECEIPTS				4,050.00	
TOTAL OPERATING COSTS				2,185.76	
RETURNS ABOVE TOTAL OPERATING COSTS				1,864.24	
TOTAL FIXED COSTS				600.20	
RETURNS ABOVE ALL SPECIFIED COSTS				1,264.04	

Break-Even (B-E) Analysis			
B-E Yield at \$/ea.	0.81	B-E Price at ea./acre	5000
Above Operating Costs (ea.)	2698	Above Operating Costs \$	0.44
Above Total Costs (ea.)	3439	Above Total Costs \$	0.56

RETURNS ABOVE ALL SPECIFIED COSTS						
RISK ANALYSIS		YIELD				
		3,500	4,250	5,000	5,750	6,500
PRICE	\$1.05	\$899.54	\$1,689.29	\$2,479.04	\$3,268.79	\$4,058.54
	\$0.93	\$474.29	\$1,172.92	\$1,871.54	\$2,570.17	\$3,268.79
	\$0.81	\$49.04	\$656.54	\$1,264.04	\$1,871.54	\$2,479.04
	\$0.69	(\$376.21)	\$140.17	\$656.54	\$1,172.92	\$1,689.29
	\$0.57	(\$801.46)	(\$376.21)	\$49.04	\$474.29	\$899.54

Family Living

Year	<i>Moore Family Living Expenses</i>			<i>Average Area Family Living</i>
	<u>2002</u>	<u>2003</u>	<u>2004*</u>	<u>2003</u>
Adult Equivalent	3.2	3.3	3.3	3.3
Items				
Food and Meals	6,675	6,750	7,122	7,200
Medical Care, Insurance	4,625	4,600	4,854	4,655
Cash Donations	3,000	3,265	3,445	3,230
Household Supplies	3,500	3,230	3,408	3,000
Clothing	350	1,250	1,319	2,025
Personal Care	2,300	2,750	2,902	2,520
Child Dependent Care	0	0	0	699
Gifts	3,550	850	897	750
Education	9,700	10,475	11,053	6,100
Recreation	3,700	4,925	5197	3,240
Non-Farm Vehicle	1,850	2,125	2242	2,250
Household Repair	1,150	1,630	1720	1,225
Life Insurance Premiums	2,750	2,750	2900	2,050
Miscellaneous Expense	650	890	941	1,000
Totals	\$43,800	\$45,490	\$48,000	\$41,619

* 2004 numbers are projections

FINANCIAL COEFFICIENTS FOR THE TIME VALUE OF MONEY

Note: All factors are based on a discount rate of: **4%**

Years	Amortization Factor	PV of Annuity	PV of Lump Sum	FV of Annuity	FV of Lump Sum
1	1.0400	0.9615	0.9615	1.0000	1.0400
2	0.5302	1.8861	0.9246	2.0400	1.0816
3	0.3603	2.7751	0.8890	3.1216	1.1249
4	0.2755	3.6299	0.8548	4.2465	1.1699
5	0.2246	4.4518	0.8219	5.4163	1.2167
6	0.1908	5.2421	0.7903	6.6330	1.2653
7	0.1666	6.0021	0.7599	7.8983	1.3159
8	0.1485	6.7327	0.7307	9.2142	1.3686
9	0.1345	7.4353	0.7026	10.5828	1.4233
10	0.1233	8.1109	0.6756	12.0061	1.4802
11	0.1141	8.7605	0.6496	13.4864	1.5395
12	0.1066	9.3851	0.6246	15.0258	1.6010
13	0.1001	9.9856	0.6006	16.6268	1.6651
14	0.0947	10.5631	0.5775	18.2919	1.7317
15	0.0899	11.1184	0.5553	20.0236	1.8009
16	0.0858	11.6523	0.5339	21.8245	1.8730
17	0.0822	12.1657	0.5134	23.6975	1.9479
18	0.0790	12.6593	0.4936	25.6454	2.0258
19	0.0761	13.1339	0.4746	27.6712	2.1068
20	0.0736	13.5903	0.4564	29.7781	2.1911
21	0.0713	14.0292	0.4388	31.9692	2.2788
22	0.0692	14.4511	0.4220	34.2480	2.3699
23	0.0673	14.8568	0.4057	36.6179	2.4647
24	0.0656	15.2470	0.3901	39.0826	2.5633
25	0.0640	15.6221	0.3751	41.6459	2.6658
26	0.0626	15.9828	0.3607	44.3117	2.7725
27	0.0612	16.3296	0.3468	47.0842	2.8834
28	0.0600	16.6631	0.3335	49.9676	2.9987
29	0.0589	16.9837	0.3207	52.9663	3.1187
30	0.0578	17.2920	0.3083	56.0849	3.2434

FINANCIAL COEFFICIENTS FOR THE TIME VALUE OF MONEY

Note: All factors are based on a discount rate of: **6%**

Years	Amortization Factor	PV of Annuity	PV of Lump Sum	FV of Annuity	FV of Lump Sum
1	1.0600	0.9434	0.9434	1.0000	1.0600
2	0.5454	1.8334	0.8900	2.0600	1.1236
3	0.3741	2.6730	0.8396	3.1836	1.1910
4	0.2886	3.4651	0.7921	4.3746	1.2625
5	0.2374	4.2124	0.7473	5.6371	1.3382
6	0.2034	4.9173	0.7050	6.9753	1.4185
7	0.1791	5.5824	0.6651	8.3938	1.5036
8	0.1610	6.2098	0.6274	9.8975	1.5938
9	0.1470	6.8017	0.5919	11.4913	1.6895
10	0.1359	7.3601	0.5584	13.1808	1.7908
11	0.1268	7.8869	0.5268	14.9716	1.8983
12	0.1193	8.3838	0.4970	16.8699	2.0122
13	0.1130	8.8527	0.4688	18.8821	2.1329
14	0.1076	9.2950	0.4423	21.0151	2.2609
15	0.1030	9.7122	0.4173	23.2760	2.3966
16	0.0990	10.1059	0.3936	25.6725	2.5404
17	0.0954	10.4773	0.3714	28.2129	2.6928
18	0.0924	10.8276	0.3503	30.9057	2.8543
19	0.0896	11.1581	0.3305	33.7600	3.0256
20	0.0872	11.4699	0.3118	36.7856	3.2071
21	0.0850	11.7641	0.2942	39.9927	3.3996
22	0.0830	12.0416	0.2775	43.3923	3.6035
23	0.0813	12.3034	0.2618	46.9958	3.8197
24	0.0797	12.5504	0.2470	50.8156	4.0489
25	0.0782	12.7834	0.2330	54.8645	4.2919
26	0.0769	13.0032	0.2198	59.1564	4.5494
27	0.0757	13.2105	0.2074	63.7058	4.8223
28	0.0746	13.4062	0.1956	68.5281	5.1117
29	0.0736	13.5907	0.1846	73.6398	5.4184
30	0.0726	13.7648	0.1741	79.0582	5.7435

FINANCIAL COEFFICIENTS FOR THE TIME VALUE OF MONEY

Note: All factors are based on a discount rate of: **7%**

Years	Amortization Factor	PV of Annuity	PV of Lump Sum	FV of Annuity	FV of Lump Sum
1	1.0700	0.9346	0.9346	1.0000	1.0700
2	0.5531	1.8080	0.8734	2.0700	1.1449
3	0.3811	2.6243	0.8163	3.2149	1.2250
4	0.2952	3.3872	0.7629	4.4399	1.3108
5	0.2439	4.1002	0.7130	5.7507	1.4026
6	0.2098	4.7665	0.6663	7.1533	1.5007
7	0.1856	5.3893	0.6227	8.6540	1.6058
8	0.1675	5.9713	0.5820	10.2598	1.7182
9	0.1535	6.5152	0.5439	11.9780	1.8385
10	0.1424	7.0236	0.5083	13.8164	1.9672
11	0.1334	7.4987	0.4751	15.7836	2.1049
12	0.1259	7.9427	0.4440	17.8885	2.2522
13	0.1197	8.3577	0.4150	20.1406	2.4098
14	0.1143	8.7455	0.3878	22.5505	2.5785
15	0.1098	9.1079	0.3624	25.1290	2.7590
16	0.1059	9.4466	0.3387	27.8881	2.9522
17	0.1024	9.7632	0.3166	30.8402	3.1588
18	0.0994	10.0591	0.2959	33.9990	3.3799
19	0.0968	10.3356	0.2765	37.3790	3.6165
20	0.0944	10.5940	0.2584	40.9955	3.8697
21	0.0923	10.8355	0.2415	44.8652	4.1406
22	0.0904	11.0612	0.2257	49.0057	4.4304
23	0.0887	11.2722	0.2109	53.4361	4.7405
24	0.0872	11.4693	0.1971	58.1767	5.0724
25	0.0858	11.6536	0.1842	63.2490	5.4274
26	0.0846	11.8258	0.1722	68.6765	5.8074
27	0.0834	11.9867	0.1609	74.4838	6.2139
28	0.0824	12.1371	0.1504	80.6977	6.6488
29	0.0814	12.2777	0.1406	87.3465	7.1143
30	0.0806	12.4090	0.1314	94.4608	7.6123