

Summary of 2019 FBFM Income and Expense Estimates for Illinois Farms

farmdoc

FBFM



**Dale
Lattz**



**Brad
Zwilling**

2019 FBFM Records Summary

2019 was a very **challenging** year

- Wet spring
- Prevent plant acres
- Higher corn drying costs
- Lower yields
- Second round of MFP payments

2019 FBFM Records Summary

**2019
Net Farm
Income
Drops**

\$137,704 in 2018



48%

**2015 to 2019 average
\$67,544**

\$71,115 in 2019

2019 FBFM Records Summary

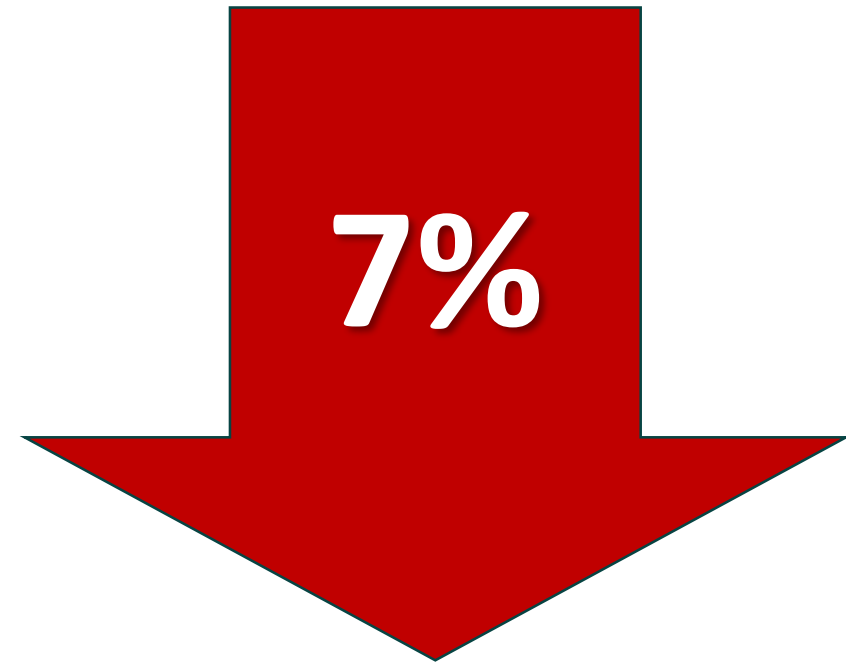
Incomes highest in the
central and east central parts of the state.

Lowest in northern Illinois.

2019 FBFM Records Summary

2018: \$780 per acre

**Average
Crop Returns
Drop \$55**



2019: \$725 per acre

2019 FBFM Records Summary

Average FSA payments per farm were

\$64,115

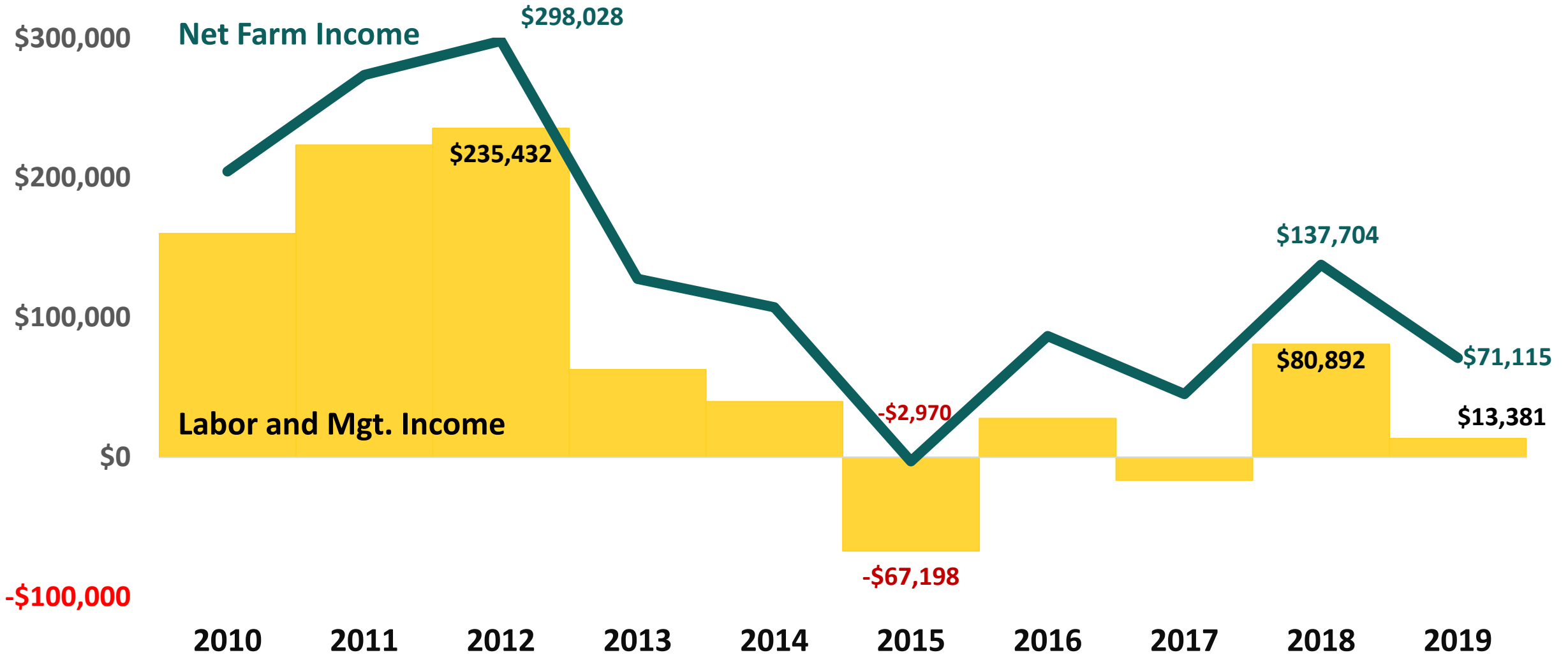
90% of net farm income

FSA payments include

MFP, livestock and CRP payments mainly.



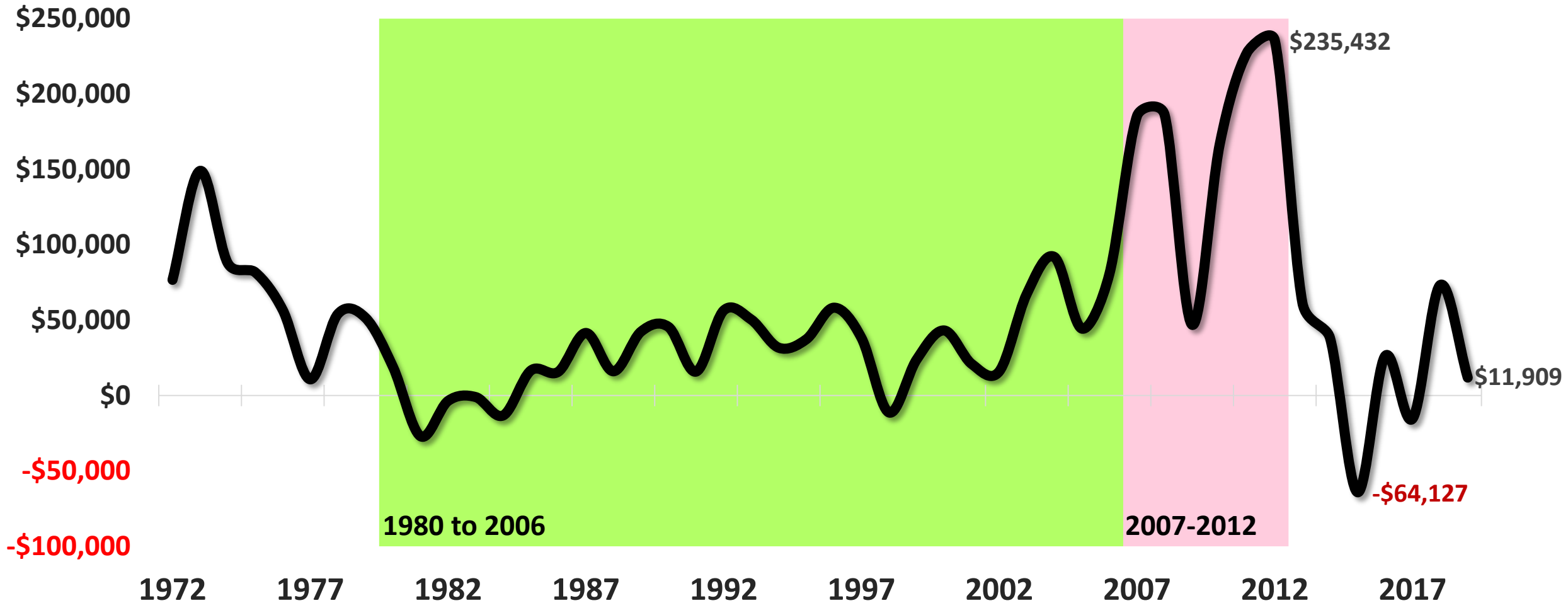
2019 FBFM Records Summary



Average NFI = \$134,895

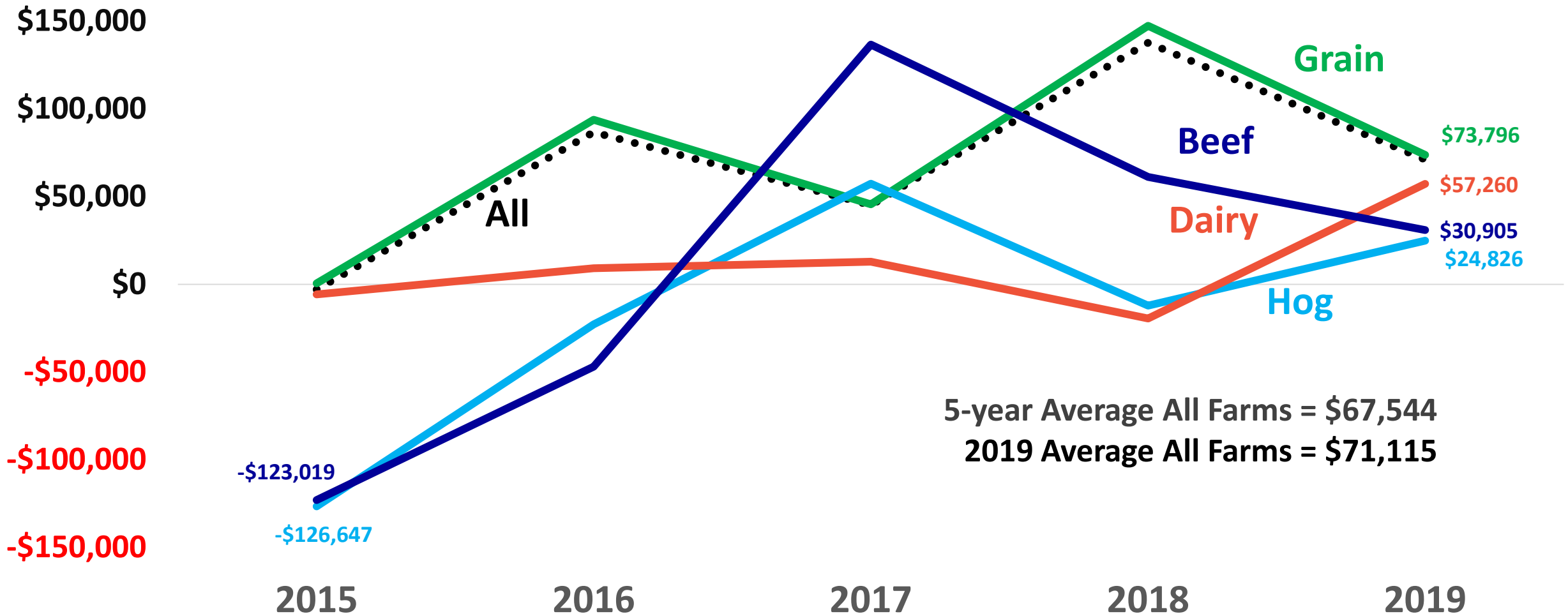
2019 FBFM Records Summary

Operator's Share of Labor and Management Income Adjusted for Inflation



2019 FBFM Records Summary

Operator's Total Net Farm Income



What do you expect average net farm incomes for Illinois grain farms to be for 2020?

- Less than \$0
- \$0 to \$50,000
- \$50,000 to \$100,000
- Greater than \$100,000

2019 FBFM Records Summary

	2015	2016	2017	2018	2019	2018-2019
Corn (Bushel/Acre)	191	215	216	221	194	-12%
Soybeans (Bushel/Acre)	62	65	62	68	59	-13%
Crop Returns	\$679	\$752	\$697	\$790	\$731	-8%
Fertilizer, Pesticides, Seed	263	249	240	237	245	3%
Repairs, Hire, Fuel, etc.	69	68	70	77	78	1%
Total Nonfeed Costs	\$806	\$780	\$778	\$783	\$795	2%
Management Returns	-\$95	\$3	-\$51	\$61	-\$15	-125%
Capital Purchases / TA	66	62	67	105	110	5%
Total Net Farm Income	\$7,519	\$115,176	\$55,307	\$186,445	\$92,953	-50%

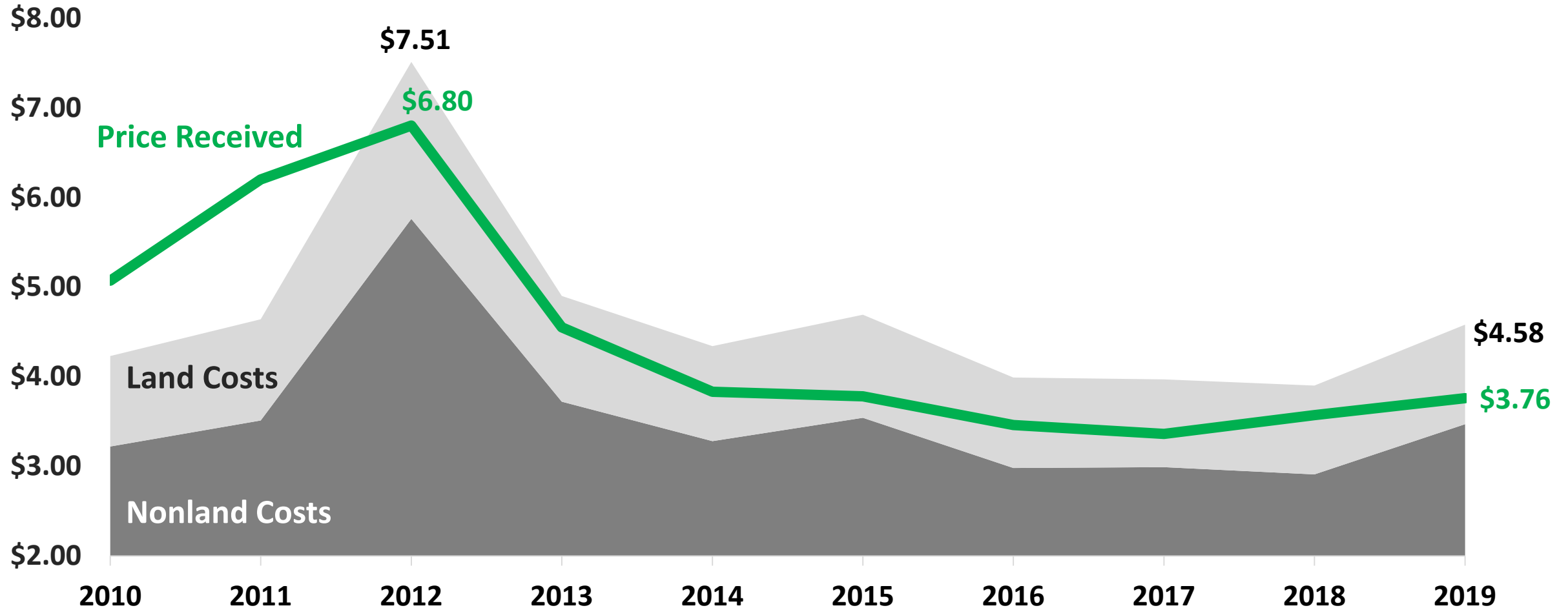
2019 FBFM Records Summary

2019 Per Acre
Economic Cost to
Grow Corn and
Soybeans

	Corn	Soybeans
% Land in Crop	50.5	43.0
Soil Fertility	\$146	\$42
Pesticides	70	44
Seed	112	67
Drying	22	
Machinery Repair, Fuel & Hire	70	61
Total Variable Costs	\$420	\$214
Total Other Costs	\$254	\$220
Total Nonland Costs	\$674	\$434
LAND COSTS	\$216	\$216
TOTAL—ALL COSTS	\$890	\$650
Yield per Acre, Bushel	194	59
Nonland Costs per Bushel	\$3.47	\$7.31
All Costs per Bushel 2019	\$4.58	\$10.96
Average Yield Past 4 Years	212	64
All costs per bushel	\$4.20	\$10.16

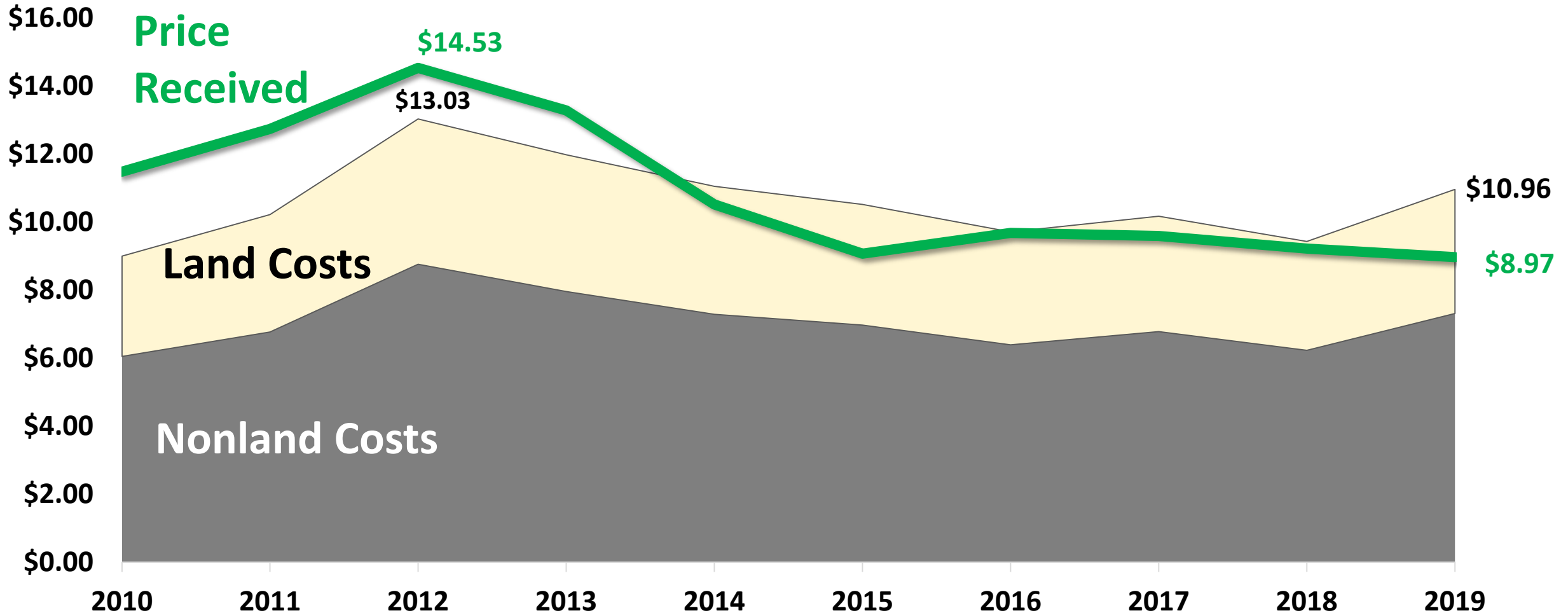
2019 FBFM Records Summary

Cost and Return per Bushel of Corn on Illinois Grain Farms



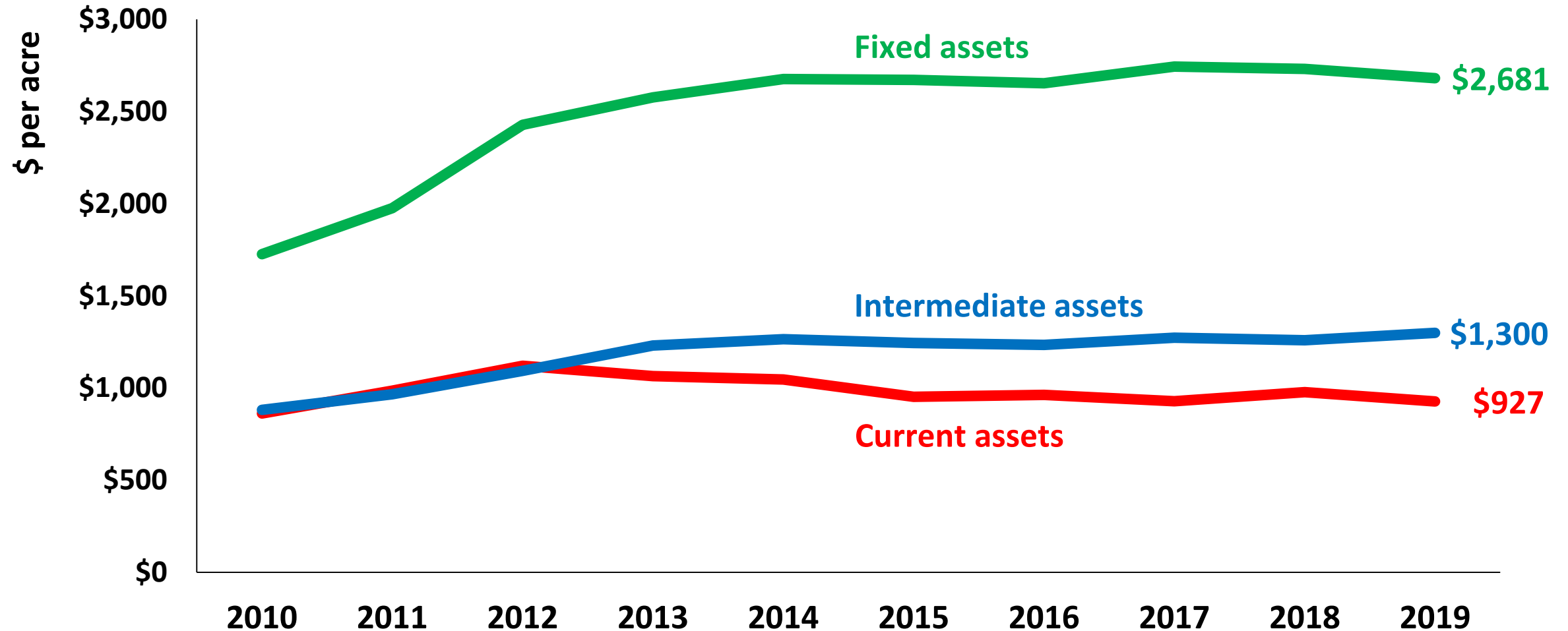
2019 FBFM Records Summary

Cost and Return per Bushel of Soybeans on Illinois Grain Farms



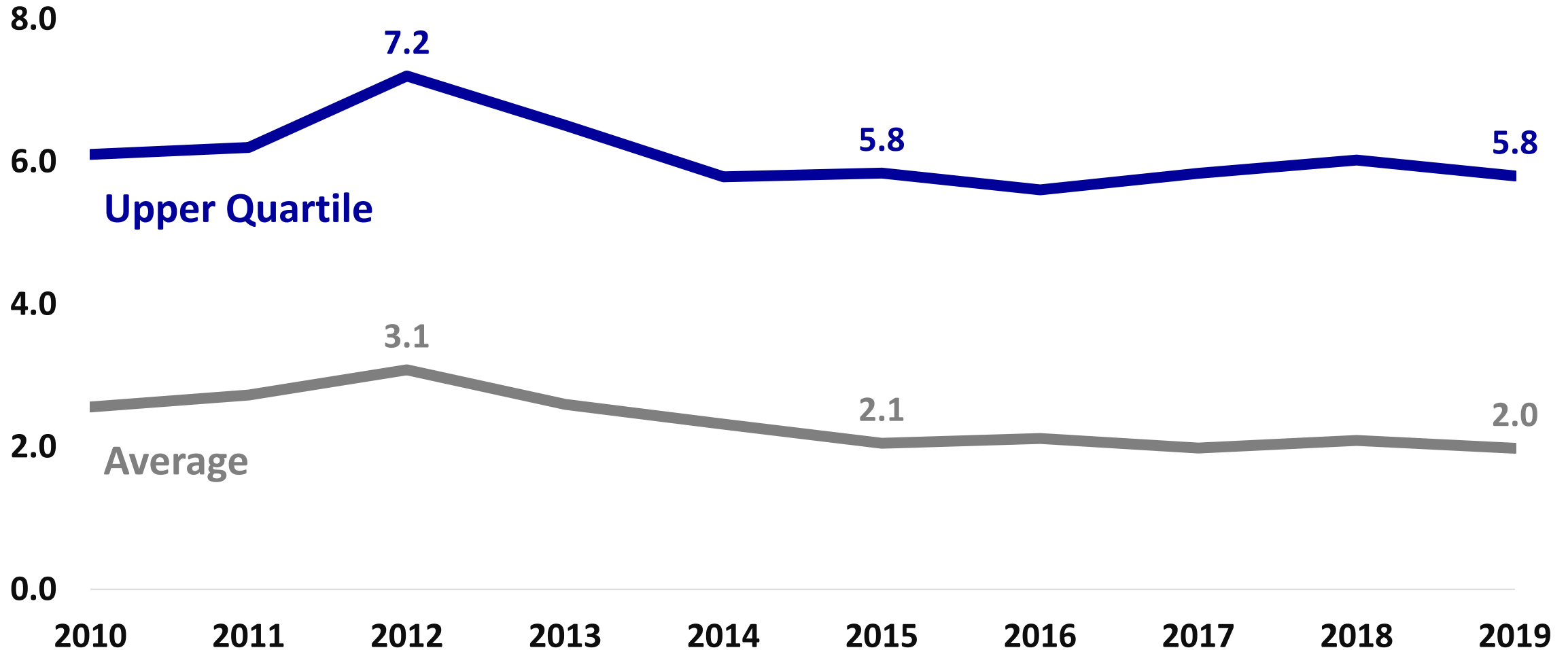
2019 FBFM Records Summary

Types of Assets



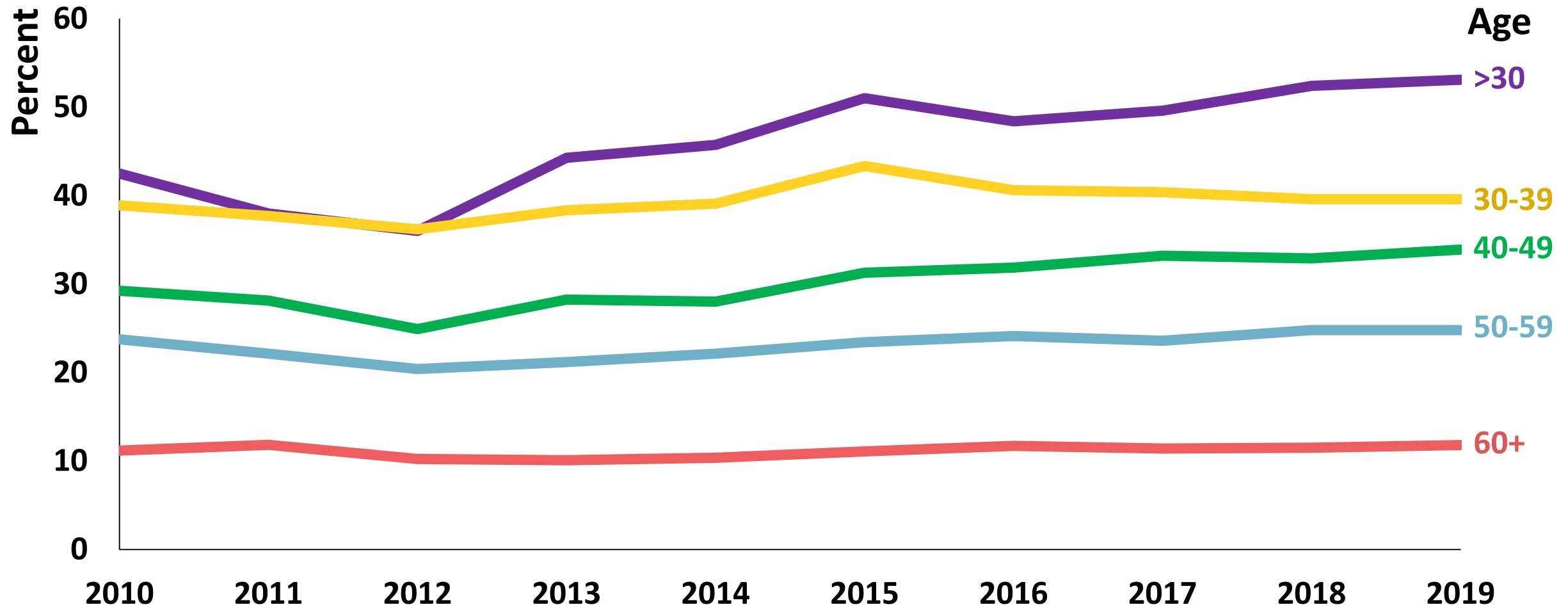
2019 FBFM Records Summary

Current Ratio



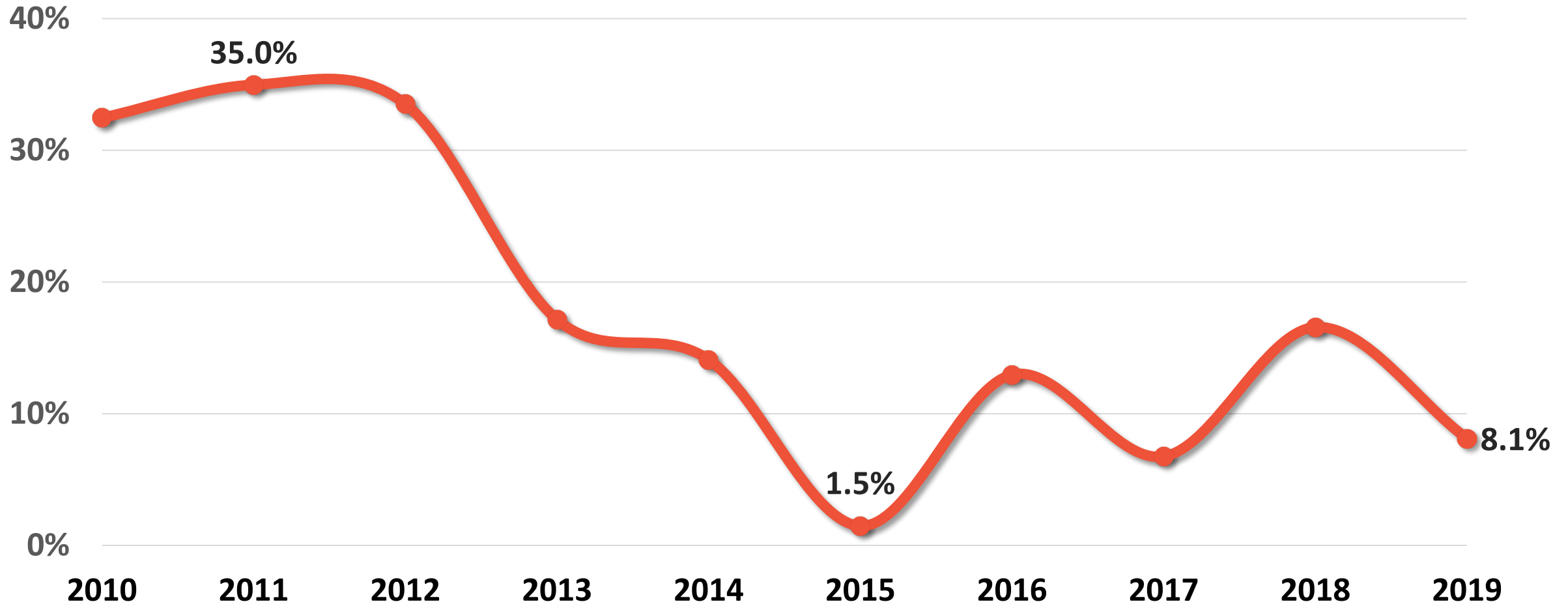
2019 FBFM Records Summary

Debt to Asset Ratio by Age



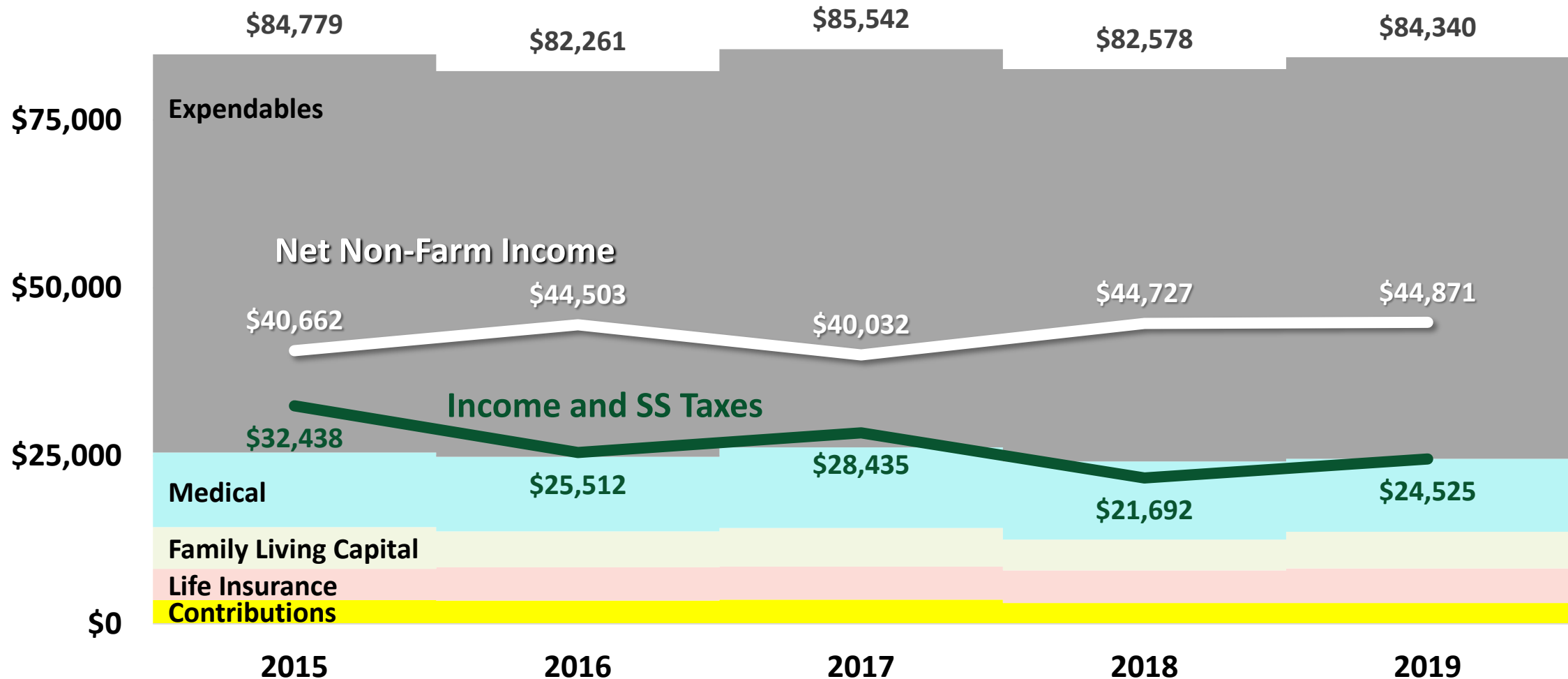
2019 FBFM Records Summary

Farm Operating Income Ratio



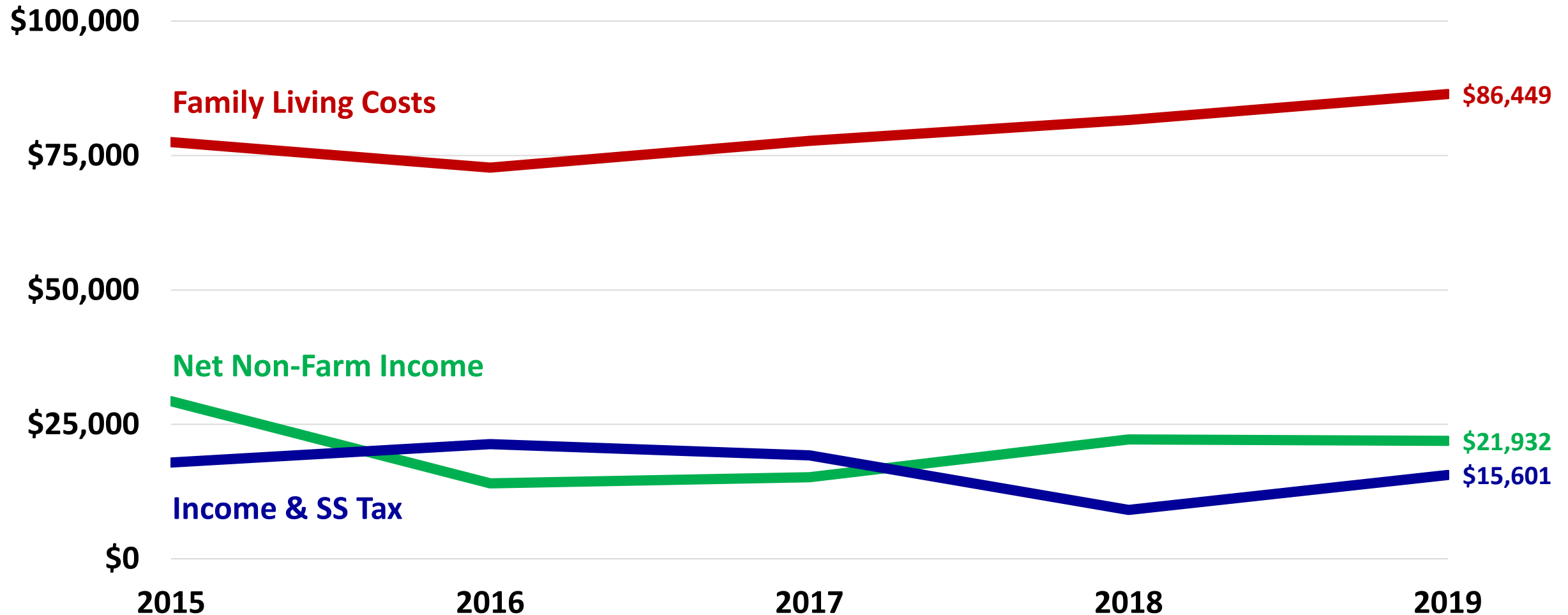
2019 FBFM Records Summary

Family Living Costs



2019 FBFM Records Summary

Differences Between Top Third and Bottom Third for Selected Family Living Items



Summary

- Extended time period of low to moderate farm incomes
- Number of years of good production
- Tariffs
- Ad hoc government farm programs (MFP, CFAP)
- Black Swan event – COVID-19
- What's next??
- Now more than ever, need for good farm records!

Illinois Farm Business Farm Management (FBFM)

- An independent 3rd party
- Aids in Recordkeeping and Farm Financial Management decisions
- Provides comparison and trend data
- Meets one-on-one, 3 to 5 times a year
- 65 plus Field Staff Statewide

Illinois Farm Business Farm Management (FBFM)

Find out more at FBFM.org

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