

ALABAMA FARM ANALYSIS ASSOCIATION SUMMARY REPORT 2006

(2001-2005 Data)

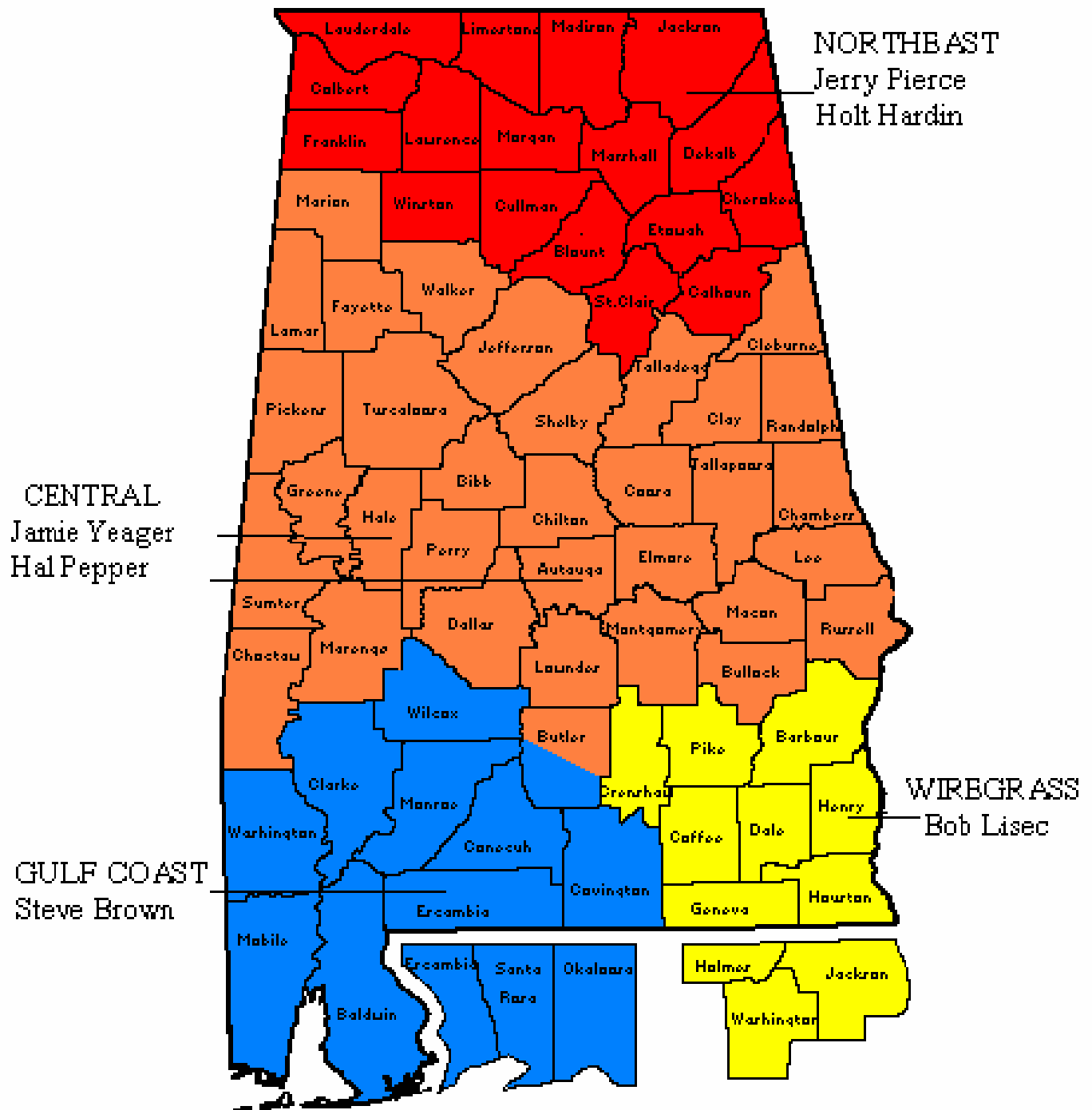


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Alabama Farm Business Management and Financial Analysis Program

Your Experts For Life

The Farm Analysis Program

- Is a cooperative educational service program that assists farmers with improved management decision-making.
- Is available to farmers in all of Alabama's 67 counties, plus 6 counties in the Florida panhandle.
- Provides help in developing business and family records, and offering computer-assisted record processing options (on-farm or mail-in service center).
- Provides financial and production business analysis reports.
- Provides experienced specialist to help interpret analytical reports and offer counsel on management problems and opportunities. As the infrastructure of agriculture changes, the specialist's objectivity is vital.
- Provides assistance with income tax and estate tax planning and management.
- Benefits farmers, lenders, researchers, and public policy makers across the state. The annual Summary Report lists average benchmark data for most major commodities produced in Alabama.
- Provides economic outlook and tax law information as specialists deliver educational materials via meetings, workshops, and news articles.

Better financial management provides improved farm income and greater security for your family. Cooperators receive the following:

1. COMPLETE RECORD OF THE FARM BUSINESS

Each farmer maintains a complete production and financial record of the farm business. Receipts, expenses, inventories, and capital accounts, along with crop and livestock production records, provide information for the analytical reports. At the end of the accounting period, totals are transferred into a computer program that summarizes, analyzes, and prints the reports.

2. DETAILED BUSINESS REPORTS

- INCOME STATEMENT shows farm profitability and the amount of money available for family living and new investments. The income statement answers the question, "How much money did the farm make?"
- SOURCES AND USES REPORT shows how funds were used for operating expenses, capital purchases, family living needs, and taxes. It answers, "Where did all the money go?"
- STATEMENT OF CASH FLOW reveals the sources of cash flow – operating, investing, and financing activities.
- BALANCE SHEET provides a list of assets and liabilities, and measures the net worth of the business.

- COMPARATIVE ANALYSIS compares returns and cost structures of the farm and enterprises with similar farms.
- FINANCIAL TREND ANALYSIS lists measures of liquidity, solvency, profitability, repayment capacity, and financial efficiency, over the past five years.
- ENTERPRISE REPORTS are provided as requested and needed by the cooperator.

3. COUNSEL WITH A SPECIALIST

An experienced farm analysis specialist edits the record information and supervises the preparation of all reports. The specialist meets regularly with each cooperator to help interpret analysis reports and counsel on financial management problems and opportunities. Present cooperators say that the opportunity to discuss management decisions with a specialist who understands their situations and spends time working with commercial farmers is of tremendous value to them. Each cooperator's information remains confidential and is not shared with anyone without permission.

4. NEWSLETTERS AND PUBLICATIONS

Specialists prepare and distribute, in cooperation with the Alabama Cooperative Extension System and the Department of Agricultural Economics and Rural Sociology of Auburn University, newsletters offering timely management tips, latest information on state and federal tax regulations, and useful farm planning information.

5. YEAR-ROUND SUPPORT

JANUARY. The specialist meets with the farmer and checks his or her records to see that they are complete. The records of all cooperators are then summarized. Assistance is provided for accurate completion of required forms, such as 1099s, W2 statements, and other quarterly and annual employer reports.

FEBRUARY - MARCH. Financial reports of the year's business are returned to each cooperator: sources and uses of funds summary, beginning and end-of-year net worth statement, end-of-year balance sheet, business analysis sheet, income statement/profit-loss statement, and farm enterprise reports. Information required to file income tax is also provided: Schedule F worksheet, Detailed Depreciation Schedule, Form 4797 work sheet, and Form 4562 summary.

APRIL - MAY- JUNE. Each cooperator meets individually with the specialist (either in the office or on the farm) to discuss the financial and business analysis reports and to review major management decisions.

JULY - AUGUST - SEPTEMBER. The specialist schedules a visit to each cooperating farm. In addition to editing the record-keeping activities, the visit provides an opportunity to inspect progress and to continue planning for next year's business operation.

OCTOBER - NOVEMBER - DECEMBER. Tax planning assistance is provided. Current management problems and opportunities including tax law changes are also reviewed.

6. LOCAL ASSOCIATION MEMBERSHIP

Alabama has four Farm Analysis Associations, organized as not-for-profit corporations that co-sponsor the program with the Alabama Cooperative Extension System and in cooperation with the Department of Agricultural Economics and Rural Sociology at Auburn University. These local associations are directed by boards of directors that are elected by and from farmers participating in the association's activities. These boards provide input into the activities and policies of each

association and set membership fees for participation. This money is used to pay the direct costs each association incurs and to make annual grants to the Alabama Cooperative Extension System. The grants from the local associations defray a portion of the cost incurred by the Alabama Cooperative Extension System as it delivers this intensive one-on-one program to farmers in the state.

7. STATE ASSOCIATION REPRESENTATION

The Alabama Farm Analysis Association is a separate not-for-profit corporation, made up of representatives from each of the four local associations. The major purpose of the state association is to facilitate communication among the four local associations concerning future needs and directions to be explored.

Why Cooperators Like This Program

About 95 percent of the cooperators in this program maintain their enrollment from year to year. Here are some of the reasons:

"YOU LEARN MORE ABOUT YOUR BUSINESS. The comparative analysis report provides a comprehensive review of your total business. You learn about its strong points and how you can use them to retain profits in your business."

"YOU GAIN CONFIDENCE in making and implementing better financial management decisions."

"YOU ENJOY BETTER LIVING. By studying your analysis reports, you can organize your business with a better chance of attaining your business and family goals."

8. WHAT DOES ALL THIS COST?

The exact cost to an individual farmer depends on the size of the farm, the volume of livestock produced, and the special services requested. Each cooperator is advised to enroll for more than one year to receive the maximum benefits of participation.

FOR MORE INFORMATION:

For further information, contact one of the following Extension specialists, or the county Extension agent that is located nearest your place of business.

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DEFINITION OF TERMS

Tillable Acres - capable of sustained crop production, whether planted to crops or not.

Operator Acres - portion of tillable acres from which the farmer gets production after subtracting the landlord's share. If the landlord receives a one-fifth share on 100 acres, the Operator Acres used is the farmer's portion--80 acres.

Crop Returns - total cash sales of hay, grain, seed, and feed; plus the value of farm-raised seed and pasture used, the value of feed fed to livestock, government program payments received and accrued, and the change in inventory value of crop, feed, and seed; less the value of feed and grain purchased.

Value of Feed Fed - purchased hay, feed, and grain, plus the value of raised crops fed on farm, plus the cash cost of producing pasture grazing.

Pasture Cost - assigned value of grazing consumed by livestock. Prior to 2004, this was assigned a value of \$.22 per day per animal unit. Beginning in 2004, pasture cost was changed to be the cash outlay for fertilizer, seed, and chemicals on pasture consumed by livestock.

Livestock Returns Above Feed - total receipts from sales of market and breeding livestock as well as livestock products; plus change in inventory value of all livestock; less the value of feed fed.

Gross Farm Returns - represents the value of farm production for the year, whether sold, used on farm, or kept in inventory. The cost of feed and livestock purchased is considered cost of goods sold and is subtracted from gross receipts.

Labor Paid - the cost of wages, benefits, and payroll taxes.

Livestock Supplies and Services - cost of veterinary services, animal health, and supplies, such as ear tags, used in livestock production.

Total Non-Feed Cost - total cash and accrued expenses and farm-raised inputs directly attributable to the year's production. Feed and livestock purchases are not included but are deducted from gross receipts.

Return Above Operating Expenses - Gross Farm Returns minus Total Non-Feed Cost. It is net income remaining after the year's accrued and cash expenses are subtracted from the value of the year's total production.

Capital Account Adjustment - capital gain or loss on sale of buildings and equipment.

Net Farm Income - Gross Farm Returns, less Total Non-Feed Cost and Depreciation, plus or minus Capital Account Adjustment. It is Profit for the year from the farm and represents the return to the operator(s) for unpaid labor, management, equity capital, and leasing cost used in the farm.

Labor Unpaid - value placed on labor contributed to the farm without compensation to the farm operator(s) and family. It is the opportunity cost of the operator(s) physical labor -- what could have been earned had they been employed on another farm. See the Value Tables for the rates used for unpaid labor.

Interest on Equity Capital - return assumed to be paid on capital invested in the farm. It is the opportunity cost of the operators' investment -- what could have been earned if the capital had been invested elsewhere. See the Value Tables for rates used to calculate opportunity cost of equity capital.

Total Farm Management Returns - Net Farm Income less Unpaid Labor, Interest on Equity Capital, and Leasing Cost. A measure of Profitability, it represents the part of Net Farm Income that remains as payment to the operator(s) for managing the farm. Net Farm Income (profit) is reduced by the opportunity cost of investment in the farm and physical labor to arrive at the economic reward to the farmer(s) for choices made and decisions implemented in the farming operation.

Operator Share Management Returns - Total Farm Management Returns divided by the number of months of unpaid operator labor and multiplied by 12. It reflects returns to management per operator.

Depreciation - the method of depreciation used was Economic Depreciation. Economic Depreciation is Alternative MACRS Depreciation, where cost of the asset is recovered by the straight-line method. No salvage value is considered, and Section 179 Expensing is not used.

VALUES FOR ON-FARM-PRODUCED FEEDS FED

	2001	2002	2003	2004	2005
Corn (\$/bu)	2.13	2.29	2.38	2.47	2.92
Soybeans (\$/bu)	4.36	4.84	6.01	6.61	5.77
Wheat (\$/bu)	2.43	2.88	2.95	3.02	2.92
Oats (\$/bu)	2.00	2.00	2.00	2.00	2.00
Grain Sorghum (\$/bu)	2.02	2.24	2.29	2.36	1.89
Pasture Charge (\$/day)	.22	.22	.22	*	*
Milk Per Gallon (\$/gal)	1.10	1.10	1.10	1.10	1.10

The above table lists default values for crops raised on the farm and fed during the same year. Values of feed crops are the average prices received by Alabama farmers.

*Prior to 2004, pasture charge was assigned a value of \$.22 per day. Beginning in 2004, pasture charge is the actual cost of seed, fertilizer, and chemicals assigned to pasture.

VALUES FOR UNPAID LABOR AND INTEREST RATES

	2001	2002	2003	2004	2005
Unpaid Labor Per Month 208 hours per month	\$1,400	\$1,400	\$1,400	\$1,500	\$1,667
Land Interest	4.00%	4.00%	4.00%	4.00%	4.00%
Non-Land Interest	8.50%	7.00%	7.00%	7.50%	7.50%

6/2/1980	1980	25
8/27/1979	1979	26
5/30/1975	1975	30
8/1/1973	1973	32
9/8/1973	1973	32
1/1/1971	1971	34
5/26/1970	1970	35
2/27/1970	1970	35
3/1/1970	1970	35
5/10/1970	1970	35
5/10/1970	1970	35
1/1/1970	1970	35
7/9/1969	1969	36
1/12/1969	1969	36
4/1/1967	1967	38
8/21/1967	1967	38
5/30/1967	1967	38
8/21/1967	1967	38
6/1/1966	1966	39
10/2/1966	1966	39
2/17/1965	1965	40
6/1/1965	1965	40
8/6/1964	1964	41
1/25/1964	1964	41
#####	1964	41
7/5/1963	1963	42
6/10/1963	1963	42
11/6/1963	1963	42
8/2/1963	1963	42
#####	1962	43
6/15/1962	1962	43
#####	1962	43
2/16/1961	1961	44
1/1/1961	1961	44
9/9/1961	1961	44
9/9/1961	1961	44
6/6/1960	1960	45
6/1/1959	1959	46
5/2/1959	1959	46
1/16/1958	1958	47
12/9/1958	1958	47
3/1/1957	1957	48
5/5/1957	1957	48
6/1/1956	1956	49
10/2/1955	1955	50
7/14/1955	1955	50
#####	1955	50
7/1/1954	1954	51
8/15/1954	1954	51
1/1/1954	1954	51
6/19/1953	1953	52
5/5/1953	1953	52

30 Age 65 and Older

47 Age 55 to 64

24 Age 45 to 54

36 Age 20 to 44

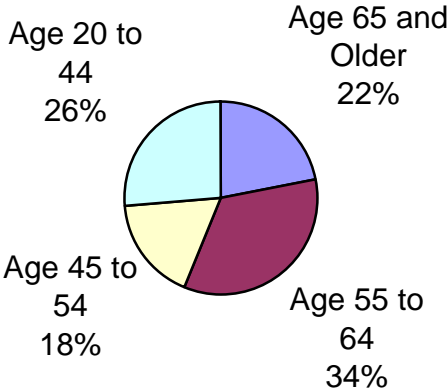
PROFILE OF COOPERATORS BY AGE

56 Median Age

1/12/1952	1952	53
4/7/1952	1952	53
9/25/1952	1952	53
#####	1952	53
12/8/1951	1951	54
6/9/1951	1951	54
7/11/1951	1951	54
7/19/1951	1951	54
5/24/1950	1950	55
6/1/1950	1950	55
7/11/1950	1950	55
6/1/1950	1950	55
1/1/1950	1950	55
8/5/1950	1950	55
5/16/1949	1949	56
6/1/1949	1949	56
6/17/1949	1949	56
#####	1948	57
#####	1948	57
2/27/1948	1948	57
9/4/1948	1948	57
6/1/1947	1947	58
4/1/2047	1947	58
1/1/1947	1947	58
1/17/1947	1947	58
10/2/1946	1946	59
5/6/1946	1946	59
5/1/2046	1946	59
6/18/1946	1946	59
5/1/1946	1946	59
7/20/1946	1946	59
8/17/1946	1946	59
5/1/1946	1946	59
8/1/1946	1946	59
6/15/1945	1945	60
5/26/1945	1945	60
5/2/1945	1945	60
6/1/2045	1945	60
7/20/1944	1944	61
7/30/1944	1944	61
7/13/1944	1944	61
6/6/1944	1944	61
7/21/1943	1943	62
8/11/1943	1943	62
2/7/1943	1943	62
10/1/1943	1943	62
7/10/1943	1943	62
#####	1942	63
2/16/1942	1942	63
8/1/1942	1942	63
7/28/1942	1942	63
9/1/1941	1941	64

6/1/1941	1941	64
6/1/1941	1941	64
#####	1941	64
8/15/1940	1940	65
1/1/1940	1940	65
1/1/1940	1940	65
6/1/1940	1940	65
10/5/1940	1940	65
9/29/1939	1939	66
6/1/1938	1938	67
1/7/1938	1938	67
5/5/1938	1938	67
4/14/1938	1938	67
1/5/1937	1937	68
1/1/1937	1937	68
4/2/1937	1937	68
4/23/1937	1937	68
7/23/1935	1935	70
11/2/1935	1935	70
5/25/1935	1935	70
9/15/1935	1935	70
1/14/1933	1933	72
#####	1932	73
10/1/1931	1931	74
6/2/1931	1931	74
5/5/2031	1931	74
2/23/1929	1929	76
#####	1927	78
10/1/1926	1926	79
5/24/1922	1922	83
9/19/1922	1922	83
7/29/1921	1921	84
6/20/1919	1919	86

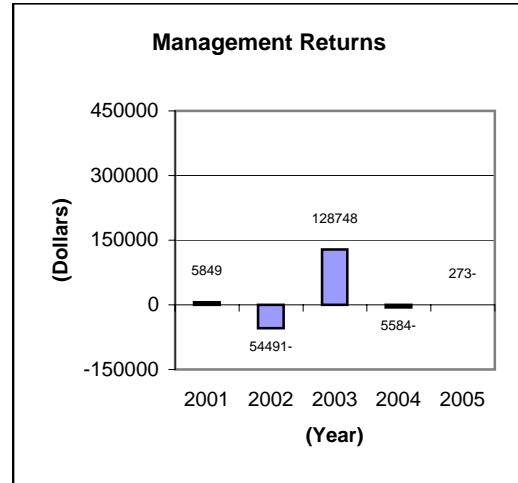
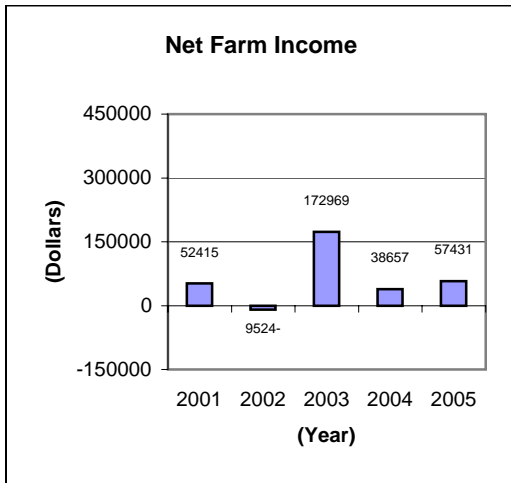
PROFILE OF COOPERATORS BY AGE



Average age of cooperator in Alabama Farm Analysis Associations is 56.
The range is 25 to 86.

CENTRAL ALABAMA COTTON

OPERATOR'S SHARE PER FARM



Cotton yields have suffered because of poor weather conditions most of the past five years. 2001 was a dry year, and in 2002, rainy weather during harvest reduced yields. 2003 was a good year with adequate rainfall at planting and throughout the growing and harvest season. Prospects were good for an excellent crop in 2004 and harvest had just begun when Hurricane Ivan hit the Gulf Coast and proceeded up the Alabama River. The storm reduced yields 30 percent or more. In 2005 the 5 tropical systems that affected central Alabama brought more destructive wind than rainfall during the growing season. The yield of 681 pounds was just slightly above the 5 year average.

Prices improved from 52 cents per pound in 2004 to 56 cents in 2005, and this enabled crop returns to increase \$65.21 per acre from 2004. Government payments increased because of disaster funds issued in 2005 that reimbursed producers for cleanup costs due to Hurricane Ivan in 2004.

Fuel and oil costs increased 62 percent, and cash rent almost doubled. Fertilizer and seed costs also increased. Net Farm Income was \$38.10 per acre and Management Returns were -\$0.18 per acre. Central Alabama cotton farms have averaged less than 650 pounds since 1997. If cotton is to remain a viable enterprise for these farms, yields must increase under the current cost and price structure.

CENTRAL ALABAMA COTTON

	2001	2002	2003	2004	2005
Number of Farms	8	7	9	9	9
Average Total Acres	1,326	1,476	1,369	1,326	1,643
Average Tillable Acres	1,140	1,262	1,141	1,199	1,507
Average Operator Acres	1,140	1,262	1,141	1,199	1,507
	Per Operator Acre	Per Operator Acre	Per Operator Acre	Per Operator Acre	Per Operator Acre
Farm Returns					
Crop Returns	358.52	279.76	484.10	354.99	420.20
Livestock Return Above Feed	20.13	26.17	26.82	14.06	15.90
Custom Work	1.82	12.74	0.05	11.56	15.76
Other Farm Receipts	10.08	20.47	30.44	12.08	20.25
Gross Farm Receipts	390.55	339.14	541.41	392.69	472.11
Farm Costs					
Soil Fertility	60.11	44.57	59.02	54.77	62.32
Pesticides	74.14	87.18	88.98	81.13	83.46
Seed	16.00	13.08	16.65	18.74	28.79
Crop Total	150.25	144.83	164.65	154.64	174.57
Utilities	4.86	5.67	5.11	4.33	4.67
Machinery Repairs	30.45	28.78	36.78	40.43	42.68
Machine Hire/Lease	23.21	19.64	28.54	34.08	37.93
Fuel & Oil	13.47	12.47	16.30	18.31	29.72
Auto Farm-Share	0.33	0.15	0.18	0.53	1.25
Power & Equipment Total	72.32	66.71	86.91	97.68	116.25
Drying	0.00	0.00	0.00	0.14	0.04
Storage	0.14	0.11	0.26	0.14	0.00
Building Repair	1.89	4.41	3.55	4.36	2.33
Building Total	2.03	4.52	3.81	4.64	2.37
Labor Paid	26.55	30.39	19.17	17.42	21.08
Livestock Supplies & Services	3.58	10.89	6.68	2.68	0.81
Interest Paid	20.99	17.48	21.30	16.83	19.31
Insurance	14.68	13.26	16.99	17.00	18.13
Miscellaneous	5.84	4.43	4.27	6.15	6.29
Other Cost Total	71.64	76.45	68.41	60.08	65.62
Taxes	1.02	1.05	1.19	0.98	1.14
Cash Rent	17.58	19.36	25.51	23.41	45.27
Land Total	18.60	20.41	26.70	24.39	46.41
Total Non-Feed Cost	314.84	312.92	350.48	341.43	405.22
Return Above Operating Expenses	75.71	26.22	190.93	51.26	66.89
Machinery Depreciation	29.74	31.70	26.43	24.63	28.10
Building Depreciation	0.70	0.59	0.53	0.46	1.20
Capital Account Adjustment	0.70	-1.47	7.70	6.09	0.51
Leasing Cost	0.00	0.00	0.00	0.00	0.00
Net Farm Income	45.97	-7.54	171.67	32.26	38.10
Labor Unpaid	13.52	10.78	15.54	12.03	10.01
Interest On Equity Capital	27.32	24.87	23.21	24.88	28.27
Total Farm Management Returns	5.13	-43.19	132.92	-4.65	-0.18
Operator Share Management Returns	5.13	-43.19	132.92	-4.65	-0.18
Crop Yields					
Corn (bu/acre)	102	168	92		
Cotton (lb/acre)	666	494	781	650	681
Peanuts (lb/acre)					2476
Wheat (bu/acre)	34	48			

6/2/1980	1980	25
8/27/1979	1979	26
5/30/1975	1975	30
8/1/1973	1973	32
9/8/1973	1973	32
1/1/1971	1971	34
5/26/1970	1970	35
2/27/1970	1970	35
3/1/1970	1970	35
5/10/1970	1970	35
5/10/1970	1970	35
1/1/1970	1970	35
7/9/1969	1969	36
1/12/1969	1969	36
4/1/1967	1967	38
8/21/1967	1967	38
5/30/1967	1967	38
8/21/1967	1967	38
6/1/1966	1966	39
10/2/1966	1966	39
2/17/1965	1965	40
6/1/1965	1965	40
8/6/1964	1964	41
1/25/1964	1964	41
#####	1964	41
7/5/1963	1963	42
6/10/1963	1963	42
11/6/1963	1963	42
8/2/1963	1963	42
#####	1962	43
6/15/1962	1962	43
#####	1962	43
2/16/1961	1961	44
1/1/1961	1961	44
9/9/1961	1961	44
9/9/1961	1961	44
6/6/1960	1960	45
6/1/1959	1959	46
5/2/1959	1959	46
1/16/1958	1958	47
12/9/1958	1958	47
3/1/1957	1957	48
5/5/1957	1957	48
6/1/1956	1956	49
10/2/1955	1955	50
7/14/1955	1955	50
#####	1955	50
7/1/1954	1954	51
8/15/1954	1954	51
1/1/1954	1954	51
6/19/1953	1953	52
5/5/1953	1953	52

30 Age 65 and Older

47 Age 55 to 64

24 Age 45 to 54

36 Age 20 to 44

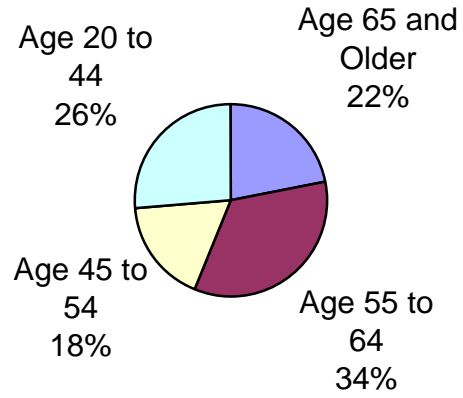
PROFILE OF COOPERATORS BY AGE

56 Median Age

1/12/1952	1952	53
4/7/1952	1952	53
9/25/1952	1952	53
#####	1952	53
12/8/1951	1951	54
6/9/1951	1951	54
7/11/1951	1951	54
7/19/1951	1951	54
5/24/1950	1950	55
6/1/1950	1950	55
7/11/1950	1950	55
6/1/1950	1950	55
1/1/1950	1950	55
8/5/1950	1950	55
5/16/1949	1949	56
6/1/1949	1949	56
6/17/1949	1949	56
#####	1948	57
#####	1948	57
2/27/1948	1948	57
9/4/1948	1948	57
6/1/1947	1947	58
4/1/2047	1947	58
1/1/1947	1947	58
1/17/1947	1947	58
10/2/1946	1946	59
5/6/1946	1946	59
5/1/2046	1946	59
6/18/1946	1946	59
5/1/1946	1946	59
7/20/1946	1946	59
8/17/1946	1946	59
5/1/1946	1946	59
8/1/1946	1946	59
6/15/1945	1945	60
5/26/1945	1945	60
5/2/1945	1945	60
6/1/2045	1945	60
7/20/1944	1944	61
7/30/1944	1944	61
7/13/1944	1944	61
6/6/1944	1944	61
7/21/1943	1943	62
8/11/1943	1943	62
2/7/1943	1943	62
10/1/1943	1943	62
7/10/1943	1943	62
#####	1942	63
2/16/1942	1942	63
8/1/1942	1942	63
7/28/1942	1942	63
9/1/1941	1941	64

6/1/1941	1941	64
6/1/1941	1941	64
#####	1941	64
8/15/1940	1940	65
1/1/1940	1940	65
1/1/1940	1940	65
6/1/1940	1940	65
10/5/1940	1940	65
9/29/1939	1939	66
6/1/1938	1938	67
1/7/1938	1938	67
5/5/1938	1938	67
4/14/1938	1938	67
1/5/1937	1937	68
1/1/1937	1937	68
4/2/1937	1937	68
4/23/1937	1937	68
7/23/1935	1935	70
11/2/1935	1935	70
5/25/1935	1935	70
9/15/1935	1935	70
1/14/1933	1933	72
#####	1932	73
10/1/1931	1931	74
6/2/1931	1931	74
5/5/2031	1931	74
2/23/1929	1929	76
#####	1927	78
10/1/1926	1926	79
5/24/1922	1922	83
9/19/1922	1922	83
7/29/1921	1921	84
6/20/1919	1919	86

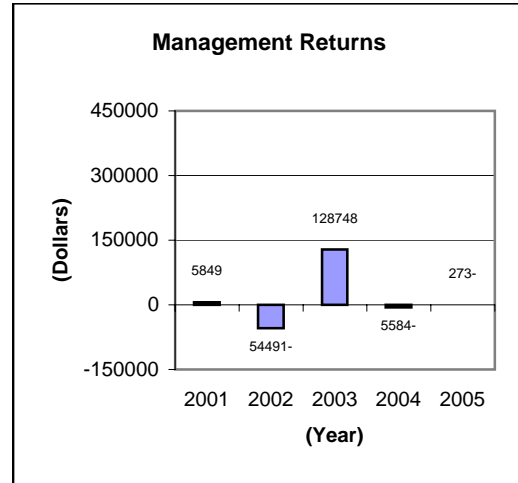
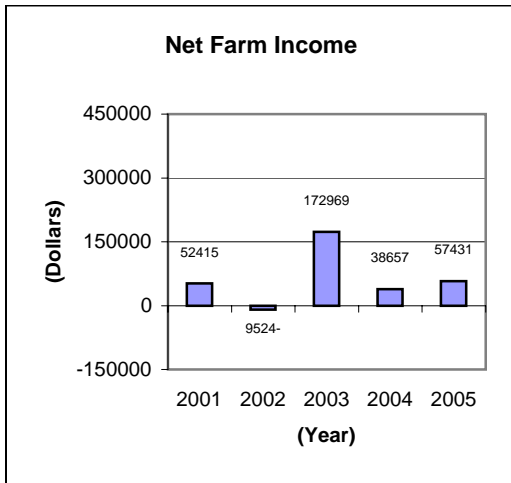
PROFILE OF COOPERATORS BY AGE



Average age of cooperator in Alabama Farm Analysis Associations is 56.
The range is 25 to 86.

CENTRAL ALABAMA COTTON

OPERATOR'S SHARE PER FARM



Cotton yields have suffered because of poor weather conditions most of the past five years. 2001 was a dry year, and in 2002, rainy weather during harvest reduced yields. 2003 was a good year with adequate rainfall at planting and throughout the growing and harvest season. Prospects were good for an excellent crop in 2004 and harvest had just begun when Hurricane Ivan hit the Gulf Coast and proceeded up the Alabama River. The storm reduced yields 30 percent or more. In 2005 the 5 tropical systems that affected central Alabama brought more destructive wind than rainfall during the growing season. The yield of 681 pounds was just slightly above the 5 year average.

Prices improved from 52 cents per pound in 2004 to 56 cents in 2005, and this enabled crop returns to increase \$65.21 per acre from 2004. Government payments increased because of disaster funds issued in 2005 that reimbursed producers for cleanup costs due to Hurricane Ivan in 2004.

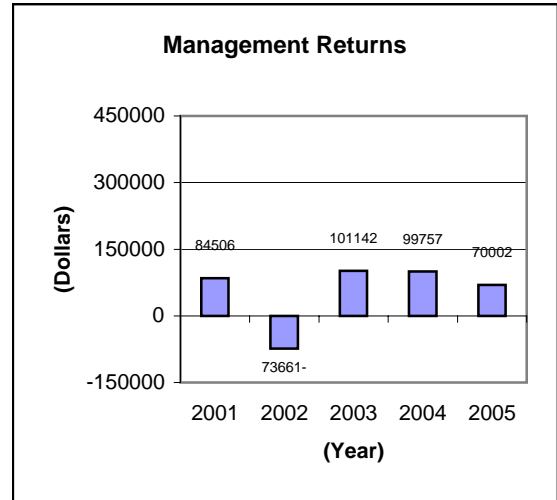
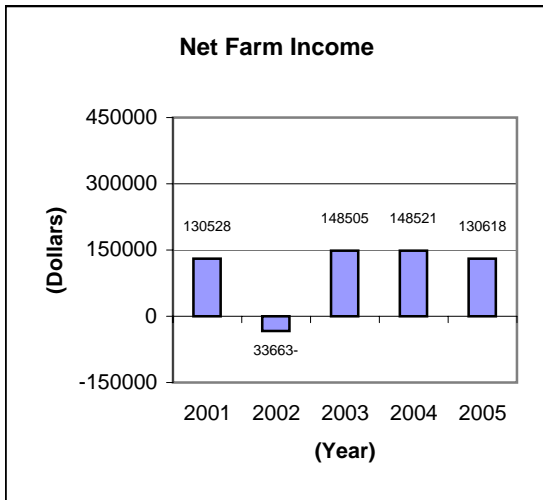
Fuel and oil costs increased 62 percent, and cash rent almost doubled. Fertilizer and seed costs also increased. Net Farm Income was \$38.10 per acre and Management Returns were -\$0.18 per acre. Central Alabama cotton farms have averaged less than 650 pounds since 1997. If cotton is to remain a viable enterprise for these farms, yields must increase under the current cost and price structure.

CENTRAL ALABAMA COTTON

	2001	2002	2003	2004	2005
Number of Farms	8	7	9	9	9
Average Total Acres	1,326	1,476	1,369	1,326	1,643
Average Tillable Acres	1,140	1,262	1,141	1,199	1,507
Average Operator Acres	1,140	1,262	1,141	1,199	1,507
	Per Operator Acre	Per Operator Acre	Per Operator Acre	Per Operator Acre	Per Operator Acre
Farm Returns					
Crop Returns	358.52	279.76	484.10	354.99	420.20
Livestock Return Above Feed	20.13	26.17	26.82	14.06	15.90
Custom Work	1.82	12.74	0.05	11.56	15.76
Other Farm Receipts	10.08	20.47	30.44	12.08	20.25
Gross Farm Receipts	390.55	339.14	541.41	392.69	472.11
Farm Costs					
Soil Fertility	60.11	44.57	59.02	54.77	62.32
Pesticides	74.14	87.18	88.98	81.13	83.46
Seed	16.00	13.08	16.65	18.74	28.79
Crop Total	150.25	144.83	164.65	154.64	174.57
Utilities	4.86	5.67	5.11	4.33	4.67
Machinery Repairs	30.45	28.78	36.78	40.43	42.68
Machine Hire/Lease	23.21	19.64	28.54	34.08	37.93
Fuel & Oil	13.47	12.47	16.30	18.31	29.72
Auto Farm-Share	0.33	0.15	0.18	0.53	1.25
Power & Equipment Total	72.32	66.71	86.91	97.68	116.25
Drying	0.00	0.00	0.00	0.14	0.04
Storage	0.14	0.11	0.26	0.14	0.00
Building Repair	1.89	4.41	3.55	4.36	2.33
Building Total	2.03	4.52	3.81	4.64	2.37
Labor Paid	26.55	30.39	19.17	17.42	21.08
Livestock Supplies & Services	3.58	10.89	6.68	2.68	0.81
Interest Paid	20.99	17.48	21.30	16.83	19.31
Insurance	14.68	13.26	16.99	17.00	18.13
Miscellaneous	5.84	4.43	4.27	6.15	6.29
Other Cost Total	71.64	76.45	68.41	60.08	65.62
Taxes	1.02	1.05	1.19	0.98	1.14
Cash Rent	17.58	19.36	25.51	23.41	45.27
Land Total	18.60	20.41	26.70	24.39	46.41
Total Non-Feed Cost	314.84	312.92	350.48	341.43	405.22
Return Above Operating Expenses	75.71	26.22	190.93	51.26	66.89
Machinery Depreciation	29.74	31.70	26.43	24.63	28.10
Building Depreciation	0.70	0.59	0.53	0.46	1.20
Capital Account Adjustment	0.70	-1.47	7.70	6.09	0.51
Leasing Cost	0.00	0.00	0.00	0.00	0.00
Net Farm Income	45.97	-7.54	171.67	32.26	38.10
Labor Unpaid	13.52	10.78	15.54	12.03	10.01
Interest On Equity Capital	27.32	24.87	23.21	24.88	28.27
Total Farm Management Returns	5.13	-43.19	132.92	-4.65	-0.18
Operator Share Management Returns	5.13	-43.19	132.92	-4.65	-0.18
Crop Yields					
Corn (bu/acre)	102	168	92		
Cotton (lb/acre)	666	494	781	650	681
Peanuts (lb/acre)					2476
Wheat (bu/acre)	34	48			

NORTH ALABAMA COTTON

OPERATOR'S SHARE PER FARM



The North Alabama Cotton sort consists of cotton farms in the northeast corner of Alabama. Farm size and yields are comparable to other regions of the state.

Cotton production increased in this area at the beginning of the decade. Good weather and an excellent fall in 2001 resulted in average yields just under two bales per acre in 2001. Cotton planting was down in 2002. A good crop in September deteriorated to poor during continued rains from October through December as growers statewide abandoned more than double the ten-year average abandoned acreage. 2003 saw especially heavy spring rainfall that resulted in prevented plantings in many counties, but what was harvested nearly rivaled the 1985 state record. 2004 and 2005 resulted in outstanding cotton yields in North Alabama, exceeding 2 bales per acre, in spite of threats from very active hurricane seasons.

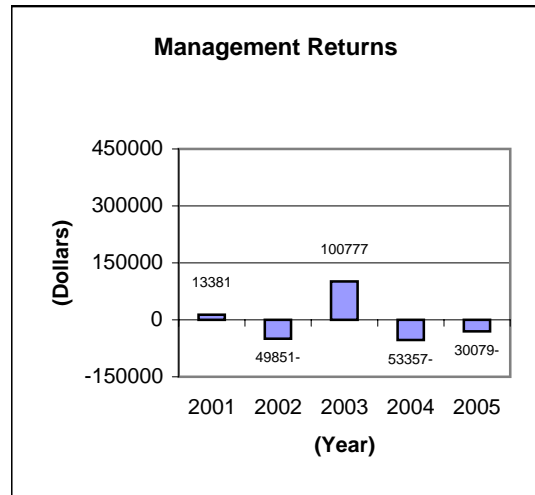
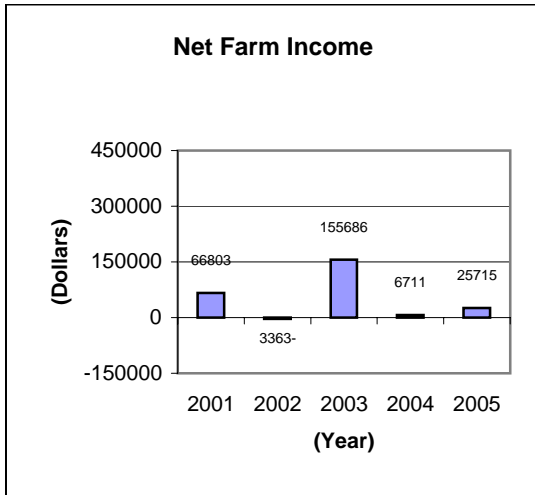
Average cotton prices below world prices triggered record Loan Deficiency Payments in 2001. Program payments fell in 2002 as the new farm program began to be implemented while cotton prices remained low. Government payments have risen each year since as world prices for cotton remain low.

Net Farm Income for 2005 was \$87.67 per operator acre. Management Returns were \$46.99 for the year. This represents a 29% decrease in Net Farm Income and a 43% decrease in Management Returns from the past year. Major factors for this decline are the 30% increase in chemical and fertilizer costs and the 36% jump in rent. Net Farm Income for the five-year period averaged \$105,108. Management Returns averaged \$56,561.

NORTH ALABAMA COTTON

	2001	2002	2003	2004	2005
Number of Farms	6	7	7	7	7
Average Total Acres	1,304	1,681	1,700	1,473	1,804
Average Tillable Acres	1,171	1,390	1,401	1,201	1,490
Average Operator Acres	1,171	1,390	1,401	1,201	1,490
	Per Operator Acre	Per Operator Acre	Per Operator Acre	Per Operator Acre	Per Operator Acre
Farm returns					
Crop Returns	398.99	288.11	391.82	435.05	449.99
Livestock Return Above Feed	69.51	32.69	39.15	42.80	39.32
Custom Work	3.99	2.96	5.10	6.26	1.01
Other Farm Receipts	7.72	9.06	1.73	5.44	7.33
Gross Farm Returns	480.21	332.82	437.80	489.55	497.65
Farm Costs					
Soil Fertility	61.68	38.69	39.83	47.34	63.26
Pesticides	70.47	62.54	61.37	51.28	64.95
Seed	33.40	49.54	35.54	34.09	40.83
Crop Total	165.55	150.77	136.74	132.71	169.04
Utilities	11.87	8.37	8.56	10.39	7.77
Machinery Repairs	29.92	27.57	28.60	35.09	40.00
Machine Hire/Lease	14.97	27.89	22.51	41.95	29.68
Fuel & Oil	9.41	10.78	11.09	12.41	16.77
Auto-Farm Share	2.05	1.68	0.37	1.76	1.72
Power & Equipment Total	68.22	76.29	71.13	101.60	95.94
Drying	0.70	2.95	0.00	0.00	1.12
Storage	0.00	0.00	0.42	0.59	0.00
Building Repair	2.29	3.08	1.60	5.53	2.40
Building Total	2.99	6.03	2.02	6.12	3.52
Labor Paid	23.44	27.84	29.22	26.73	29.40
Livestock Supplies & Services	4.99	1.82	2.31	4.22	7.47
Interest Paid	21.97	16.41	12.86	16.13	18.36
Insurance	12.56	12.41	12.73	13.65	11.74
Miscellaneous	2.58	3.23	3.76	3.04	2.69
Other Cost Total	65.54	61.71	60.88	63.77	69.66
Taxes	1.00	1.33	1.57	1.30	1.98
Cash Rent	31.20	29.01	28.08	27.78	37.81
Land Total	32.20	30.34	29.65	29.08	39.79
Total Non-Feed Cost	334.50	325.14	300.42	333.28	377.95
Return Above Operating Expenses	145.71	7.68	137.38	156.27	119.70
Machinery Depreciation	34.33	29.31	31.11	33.77	31.68
Building Depreciation	5.28	3.51	2.98	3.37	3.14
Capital Account Adjustment	5.40	0.92	3.46	4.49	2.92
Leasing Cost	0.00	0.00	0.00	0.00	0.13
Net Farm Income	111.50	-24.22	106.75	123.62	87.67
Labor Unpaid	15.87	13.18	13.05	18.61	17.40
Interest on Equity Capital	23.44	15.58	20.76	21.99	23.28
Total Farm Management Returns	72.19	-52.98	72.94	83.02	46.99
Operator Share Management Returns	72.19	-52.98	72.94	83.02	46.99
Crop Yields					
Corn (bu/acre)	131	110		124	131
Cotton (lb/acre)	966	832	917	1009	944
Double Crop Soybeans (bu/acre)	34	23			
Soybeans (bu/acre)	43	20	29		
Wheat (bu/acre)	39	49			

SOUTHEAST ALABAMA PEANUT/COTTON OPERATOR'S SHARE PER FARM



The Southeast Alabama Peanut/Cotton data reflect the typical row crop planting in the Wiregrass area of southeast Alabama and north Florida. The majority is dryland with twin row peanuts and conservation tillage. Most operations also have a cow-calf enterprise.

The 2005 growing season saw adequate moisture with too much moisture in some peanut fields. The good harvest weather produced up to three bales of cotton in a few fields with an average of 708 pounds for cotton and 3,079 pounds for peanuts.

Several farms dropped peanuts for 2005 resulting in only thirteen farms being included in the average. The good yields for peanuts and cotton plus continued high cattle prices resulted in Gross Farm Returns of \$579.32 per Operator Acre--up 31% from 2004. Non-Feed Costs per acre was \$493.00; this was an increase of 31% from 2004. The largest increases were in fuel (+64%), fertilizer (+37%), chemicals (+29%), and interest (+87%).

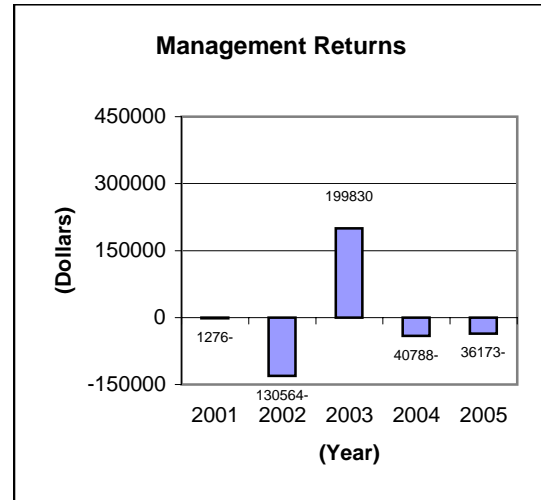
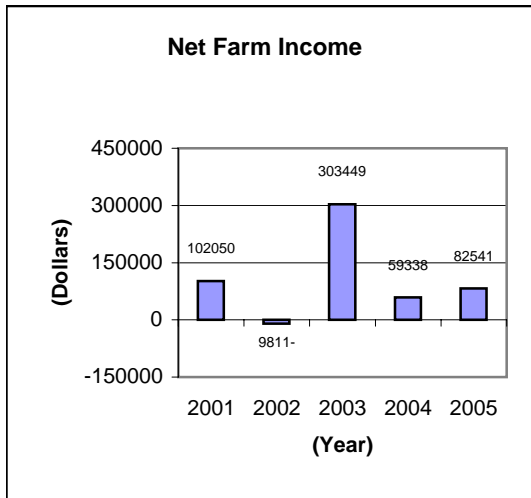
It has taken two to three years for many producers to get used to the 2002 Farm Bill (no peanut quota) and they will soon have to deal with the provisions of the 2007 Farm Bill. It appears that change is the only constant for the future.

SOUTHEAST ALABAMA PEANUT/COTTON

	2001	2002	2003	2004	2005
Number of Farms	15	16	15	17	13
Average Total Acres	1,322	1,326	1,298	1,318	1,376
Average Tillable Acres	1,015	1,033	1,024	1,022	988
Average Operator Acres	1,015	1,033	1,024	1,022	988
	Per Operator Acre	Per Operator Acre	Per Operator Acre	Per Operator Acre	Per Operator Acre
Farm Returns					
Crop Returns	485.18	294.33	343.95	358.85	452.43
Livestock Return Above Feed	34.13	8.91	55.07	40.02	38.44
Custom Work	2.39	5.64	4.26	7.30	15.68
Other Farm Receipts	16.42	12.72	141.66	35.93	72.77
Gross Farm Returns	538.12	321.60	544.94	442.10	579.32
Farm Costs					
Soil Fertility	46.66	32.76	56.07	51.96	71.12
Pesticides	67.42	35.76	63.53	71.74	92.75
Seed	43.50	35.39	33.10	29.77	41.39
Crop Total	157.58	103.91	152.70	153.47	205.26
Utilities	6.10	5.76	5.90	6.60	7.81
Machinery Repairs	51.61	29.78	39.41	40.56	46.93
Machine Hire/Lease	22.13	14.99	16.41	17.49	20.90
Fuel & Oil	18.86	14.72	18.89	20.74	34.11
Auto-Farm Share	0.35	0.31	7.23	6.35	2.60
Power & Equipment Total	99.05	65.56	87.84	91.74	112.35
Drying	1.49	2.01	2.16	2.56	3.01
Storage	0.00	0.00	0.00	0.03	0.00
Building Repair	0.89	0.72	2.02	0.60	1.77
Building Total	2.38	2.73	4.18	3.19	4.78
Labor Paid	35.12	34.93	33.93	38.28	46.14
Livestock Supplies & Services	9.15	9.63	7.43	5.05	9.35
Interest Paid	23.75	18.01	18.78	17.39	32.55
Insurance	25.65	16.18	19.61	21.42	24.00
Miscellaneous	3.80	1.04	6.31	3.41	6.25
Other Cost Total	97.47	79.79	86.06	85.55	118.29
Taxes	1.21	1.47	1.40	1.66	2.00
Cash Rent	70.80	39.31	36.24	38.18	50.32
Land Total	72.01	40.78	37.64	39.84	52.32
Total Non-Feed Cost	428.49	292.77	368.42	373.79	493.00
Return Above Operating Expenses	109.63	28.83	176.52	68.31	86.32
Machinery Depreciation	45.38	38.34	35.10	66.29	67.77
Building Depreciation	0.64	1.60	2.17	1.41	1.12
Capital Account Adjustment	2.95	7.86	17.42	5.98	8.61
Leasing Cost	0.95	0.00	0.00	0.00	0.00
Net Farm Income	65.61	-3.25	156.67	6.59	26.04
Labor Unpaid	21.33	20.16	20.77	20.81	24.40
Interest on Equity Capital	31.10	24.85	32.83	37.98	32.08
Total Farm Management Returns	13.18	-48.26	103.07	-52.20	-30.44
Operator Share Management Returns	13.18	-48.26	103.07	-52.20	-30.44
Crop Yields					
Corn (bu/acre)	105	90	120		
Cotton (lb/acre)	777	473	587	610	708
Peanuts (lb/acre)	2,541	1,819	2,640	2,708	3,079
Soybeans (bu/acre)	20				
Wheat (bu/acre)	37	36	32		47

SOUTHWEST ALABAMA PEANUT/COTTON

OPERATOR'S SHARE PER FARM



The Southwest Alabama Peanut/Cotton sort is comprised of farms whose major source of revenue comes from peanut and cotton production. Peanuts tend to be the more profitable crop year in and year out with few exceptions. Those few exceptions have occurred two of the last four years. In 2002 excess rainfall at harvest prevented the harvest of both peanuts and cotton. In 2005 the Tomato spotted Wilt Virus attacked peanuts and reduced yields drastically. Hurricanes Dennis and Katrina reduced cotton yields to some degree but not like what was experienced from Hurricane Ivan in 2004. For a more detailed view of the profitability makeup of peanuts and cotton in southwest Alabama, refer to the Peanut Enterprise Analysis and Cotton Enterprise Analysis.

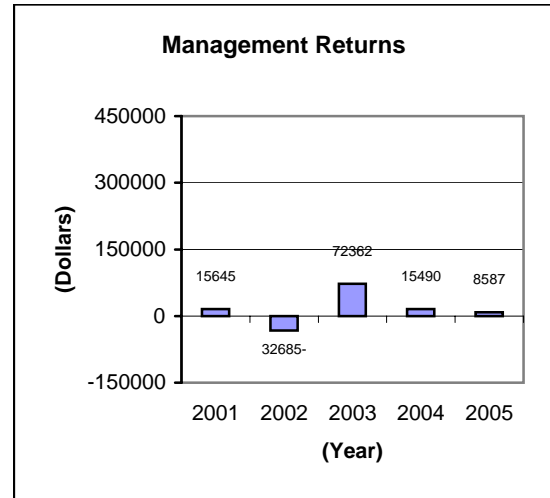
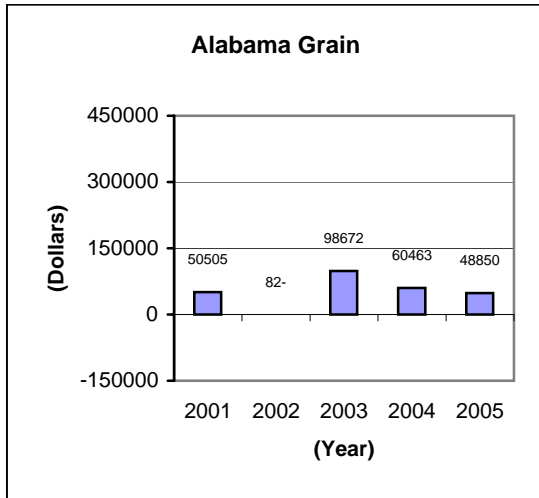
In 2005, Return above Operating Expenses was \$102.82 per acre, Net Farm Income was \$39.84 per acre, and Management Returns were -\$17.44 per acre.

SOUTHWEST ALABAMA PEANUT/COTTON

	2001	2002	2003	2004	2005
Number of Farms	8	8	12	15	14
Average Total Acres	2,708	2,879	2,581	2,332	2,533
Average Tillable Acres	2,382	2,425	2,182	1,926	2,073
Average Operator Acres	2,382	2,425	2,182	1,926	2,073
	Per Operator Acre	Per Operator Acre	Per Operator Acre	Per Operator Acre	Per Operator Acre
Farm Returns					
Crop Returns	572.95	497.18	668.22	553.92	580.35
Livestock Supplies & Services	18.07	5.40	7.28	12.66	12.85
Custom Work	4.09	10.10	16.82	26.39	31.06
Other Farm Receipts	12.05	21.12	48.11	30.84	34.31
Gross Farm Returns	607.16	533.80	740.43	623.81	658.57
Farm Costs					
Soil Fertility	49.78	54.01	49.82	60.31	69.27
Pesticides	133.67	150.25	148.48	148.60	136.08
Seed	69.03	34.26	41.01	40.03	54.36
Crop Total	252.48	238.52	239.31	248.94	259.71
Utilities	3.88	4.18	4.47	4.84	5.18
Machinery Repairs	36.17	32.66	36.55	45.75	52.28
Machine Hire/Lease	11.57	18.98	25.98	36.00	22.59
Fuel & Oil	15.20	13.73	13.82	20.17	26.54
Auto-Farm Share	0.00	0.00	0.00	0.00	0.00
Power & Equipment Total	66.82	69.55	80.82	106.76	106.59
Drying	0.11	6.35	2.78	1.16	3.68
Storage	0.00	0.00	0.00	0.00	0.00
Building Repair	0.20	0.95	0.08	0.12	0.57
Building Total	0.31	7.30	2.86	1.28	4.25
Labor Paid	60.69	60.33	51.54	55.64	51.62
Livestock Supplies & Services	3.05	2.23	2.08	0.86	4.22
Interest Paid	38.05	20.85	27.18	34.09	35.57
Insurance	20.02	21.70	24.97	25.33	26.52
Miscellaneous	4.24	20.13	5.80	4.39	6.85
Other Cost Total	126.05	125.24	111.57	120.31	124.78
Taxes	1.45	0.76	1.32	1.55	1.46
Cash Rent	74.71	45.93	74.55	52.09	58.96
Land Total	76.16	46.69	75.87	53.64	60.42
Total Non-Feed Cost	521.82	487.30	510.43	530.93	555.75
Return Above Operating Expenses	85.34	46.50	230.00	92.88	102.82
Machinery Depreciation	42.92	50.50	51.60	67.08	70.44
Building Depreciation	0.59	0.86	0.96	0.88	0.94
Capital Account Adjustment	1.02	0.81	0.19	5.89	8.40
Leasing Cost	0.00	0.00	0.44	0.00	0.00
Net Farm Income	42.85	-4.05	177.19	30.81	39.84
Labor Unpaid	9.41	9.09	6.31	8.02	12.41
Interest On Equity Capital	33.98	40.71	41.17	43.97	44.87
Total Farm Management Returns	-0.54	-53.85	129.71	-21.18	-17.44
Operator Share Management Returns	-0.54	-53.85	129.71	-21.18	-17.44
Crop Yields					
Corn (bu/acre)	110	110	96		
Cotton (lb/acre)	765	508	819	650	757
Peanuts (lb/acre)	4,043	2,740	3,638	3,443	2,890
Soybeans (bu/acre)					
Wheat (bu/acre)					

ALABAMA GRAIN

OPERATOR'S SHARE PER FARM



The Alabama Grain sort reflects the performance of producers primarily growing corn and soybeans for cash sale. Most of the grain is sold and not fed to livestock. In 2003 yields were up statewide for all of Alabama's major field crops with corn and soybeans setting new records. Average Net Farm Income for the last five years was \$51,682 and Management Returns averaged \$15,880.

In 1999 the season got off to a good start with ample precipitation, but the second half was hot and dry. This resulted in a statewide record corn yield of 103 bushels but a below average soybean yield of 16 bushels. Weather conditions in 2000 were similar but drier. Favorable growing conditions throughout the 2001 crop season resulted in statewide record yields of 107 bushels for corn and 35 bushels for soybeans. A dry summer and unusually wet fall in 2002 drove down soybean and corn yields. Good growing conditions in 2003 enabled farmers to again produce record yields of corn and soybeans and they also received record prices. Government payments decreased to less than half of the previous two years.

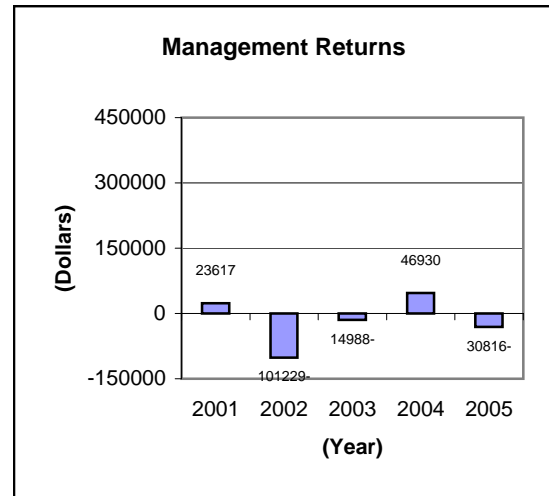
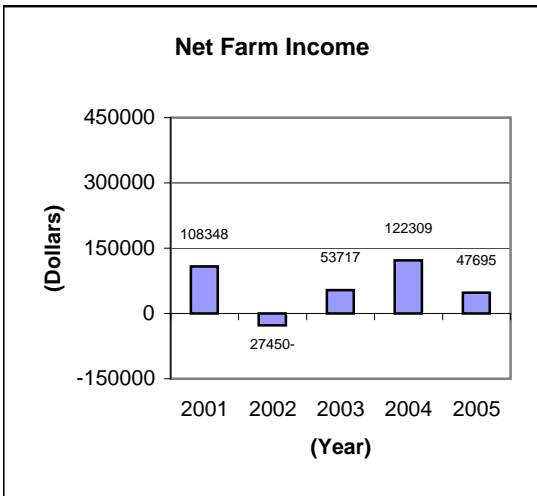
In 2005 Net Farm Income averaged \$95.52 per acre. Management Returns averaged \$70.05 per acre.

ALABAMA GRAIN

	2001	2002	2003	2004	2005
Number of Farms	9	7	6	6	5
Average Total Acres	1,213	1,022	1,122	1,397	1,291
Average Tillable Acres	909	861	1,043	1,325	1,152
Average Operator Acres	909	861	1,033	1,325	1,152
	Per Operator Acre	Per Operator Acre	Per Operator Acre	Per Operator Acre	Per Operator Acre
Farm Returns					
Crop Returns	273.24	199.40	274.66	277.48	297.52
Livestock Return Above Feed	41.79	-0.82	24.25	14.12	14.77
Custom Work	3.03	3.74	0.76	1.50	1.57
Other Farm Receipts	14.90	8.45	13.78	8.30	15.21
Gross Farm Returns	332.96	210.77	313.45	301.40	329.07
Farm Costs					
Soil Fertility	33.42	25.95	41.51	50.24	66.90
Pesticides	25.31	18.28	18.53	22.45	14.59
Seed	20.93	21.42	20.81	23.28	27.34
Crop Total	79.66	65.65	80.85	95.97	108.83
Utilities	12.80	3.32	2.66	2.74	3.18
Machinery Repairs	25.91	21.96	16.36	21.68	19.05
Machine Hire/Lease	9.94	4.13	5.67	4.88	3.13
Fuel & Oil	9.48	7.59	8.23	11.05	16.42
Auto-Farm Share	0.35	0.97	0.46	0.59	0.10
Power & Equipment Total	58.48	37.97	33.38	40.94	41.88
Drying	0.09	3.24	1.92	2.65	1.52
Storage	1.55	0.46	0.35	0.00	0.00
Building Repair	1.31	1.77	0.83	0.68	1.44
Building Total	2.95	5.47	3.10	3.33	2.96
Labor Paid	33.53	22.81	13.77	26.46	24.29
Lvstk Supplies & Services	7.49	5.07	9.40	4.37	3.36
Interest Paid	20.57	13.11	13.20	9.39	20.22
Insurance	11.55	10.43	11.73	13.49	11.52
Miscellaneous	2.17	2.65	2.20	2.66	3.03
Other Cost Total	75.31	54.07	50.30	56.37	62.42
Taxes	1.06	1.01	0.65	0.52	0.71
Cash Rent	30.44	24.88	27.22	31.33	29.91
Land Total	31.50	25.89	27.87	31.85	30.62
Total Non-Feed Cost	247.90	189.05	195.50	228.46	246.71
Return Above Operating Expenses	85.06	21.72	117.95	72.94	82.36
Machinery Depreciation	27.63	26.52	19.22	27.16	39.37
Building Depreciation	3.12	0.39	0.61	1.59	1.67
Capital Account Adjustment	1.25	5.07	-0.23	1.46	1.06
Leasing Cost	0.00	0.00	2.37	0.00	0.00
Net Farm Income	55.56	-0.12	95.52	45.65	42.38
Labor Unpaid	23.15	17.50	15.01	10.04	16.08
Interest on Equity Capital	15.20	20.39	10.46	23.91	18.85
Total Farm Management Returns	17.21	-38.01	70.05	11.70	7.45
Operator Share Management Returns	17.21	-38.01	70.05	11.70	7.45
Crop Yields					
Corn (bu/acre)	109	85	109	131	112
Double Crop Soybeans (bu/acre)	30	23	40	33	
Soybeans (bu/acre)	33	19	34	37	27
Wheat (bu/acre)	46	37	28	54	

ALABAMA DAIRY

OPERATOR'S SHARE PER FARM



Low milk prices and high feed costs, along with consolidations in the milk industry, contributed to a steep decline in the number of Alabama dairy farms through most of the 1990s. By 2002 there were only about 20,000 dairy cows in Alabama. Those dairies remaining in business are generally characterized by low debt loads, adequate labor, and efficient production.

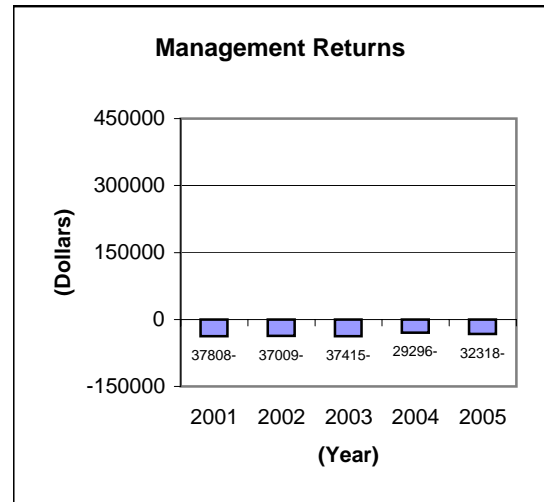
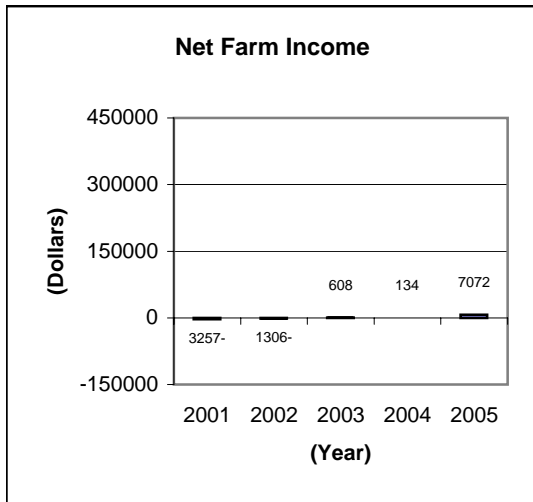
Milk supplies were short at the beginning of 1999, creating a short-term rise in milk prices. Alabama dairies took the opportunity to replace equipment and improve facilities. Falling milk prices and the added depreciation and leasing costs reduced net incomes and resulted in negative Management Returns for 2000. Milk prices moderated in 2001 while feed prices and milk production remained about the same, resulting in a 29% increase in income. Milk prices fell \$3.44 per cwt from 2002 to 2003. The sharp price increase of dairy cows and heifers in 2003 encouraged many Alabama producers to sell out.

In 2005 Net Farm Income averaged \$134.03 per cow. Management Returns averaged -\$179.75 per cow. Management Returns for the past five years averaged -\$105.42 per cow. Positive Management Returns are essential to the long-term viability of farm operations.

ALABAMA DAIRY

	2001	2002	2003	2004	2005
Number of Farms	10	12	10	9	9
Average Total Acres	1,014	953	1,006	1,147	999
Average Tillable Acres	583	611	602	678	649
Average Operator Acres	583	611	590	678	649
Average Number Cows	203	172	187	179	175
	Per Head	Per Head	Per Head	Per Head	Per Head
Farm Returns					
Crop Returns	470.18	385.64	365.78	419.51	520.65
Livestock Return Above Feed	2,079.79	1,466.34	1,536.34	2,220.68	2,001.62
Custom Work	0.31	2.46	18.76	0.33	6.20
Other Farm Receipts	107.80	194.07	104.88	74.66	77.95
Gross Farm Returns	2,658.08	2,048.51	2,025.76	2,715.18	2,606.42
Farm Costs					
Soil Fertility	161.52	101.38	126.80	117.29	128.90
Pesticides	44.78	61.65	29.46	26.84	39.34
Seed	46.47	46.94	72.08	74.30	64.72
Crop Total	252.77	209.97	228.34	218.43	232.96
Utilities	105.61	120.20	112.81	117.64	134.33
Machinery Repairs	286.01	166.22	141.58	173.43	196.77
Machine Hire/Lease	148.63	180.00	124.79	129.41	129.49
Fuel & Oil	71.81	68.87	62.96	88.33	119.29
Auto-Farm Share	0.00	0.68	11.16	36.69	0.00
Power & Equipment Total	612.06	535.97	453.30	545.50	579.89
Drying	0.00	0.00	0.00	0.00	0.00
Storage	0.00	0.00	0.00	0.00	0.00
Building Repair	63.06	47.42	14.37	64.04	31.72
Building Total	63.06	47.42	14.37	64.04	31.72
Labor Paid	467.68	537.14	375.67	406.20	438.43
Livestock Supplies & Services	180.60	243.52	155.45	157.82	263.12
Interest Paid	155.18	133.54	132.02	161.81	210.58
Insurance	48.04	55.19	41.34	54.98	55.55
Miscellaneous	21.92	14.88	24.63	23.73	34.97
Other Cost Total	873.42	984.27	729.11	804.54	1,002.65
Taxes	12.92	18.09	10.74	16.04	15.24
Cash Rent	69.55	82.20	63.43	51.99	49.46
Land Total	82.47	100.29	74.17	68.03	64.70
Total Non-Feed Cost	1,883.78	1,877.92	1,499.29	1,700.54	1,911.91
Return Above Operating Expenses	774.30	170.59	526.47	1,014.64	694.51
Machinery Depreciation	166.50	236.57	175.67	219.50	289.34
Building Depreciation	59.94	96.56	99.14	104.80	98.92
Capital Account Adjustment	1.82	3.25	43.27	-0.68	11.25
Leasing Cost	14.91	0.00	1.78	7.47	45.27
Net Farm Income	534.77	-159.29	293.15	682.19	272.23
Labor Unpaid	92.94	108.52	120.35	128.28	175.46
Interest On Equity Capital	325.27	319.60	247.64	292.15	272.66
Total Farm Management Returns	116.56	-587.41	-74.84	261.76	-175.89
Operator Share Management Returns	116.56	-587.41	-74.84	261.76	-175.89
Crop Yields					
Corn (bu/acre)	99	87	76		
DC Soybeans (bu/acre)					
Hay (tons/acre)	1	1	1	4	
Silage (tons/acre)	11	11	12		
Small Grain Silage (tons/acre)	4	10			
Soybeans (bu/acre)	38	15	34		

ALABAMA COW-CALF OPERATOR'S SHARE PER FARM



The Alabama Cow-Calf sort is made up of farms whose main enterprise is a beef brood herd. Net Farm Income was \$7,072 in 2005; it has been negative or barely positive since 1999. Many producers must supplement their cash flow with off-farm income. Management Returns have consistently been negative because of the large capital investment associated with the cow-calf business.

In 2005 producers received \$107.04 per cwt for their market calves, which was an increase of \$2.50 per cwt from 2004. Producers culled heavier and received a higher price for breeding stock in 2005. This combined with average grazing conditions and hay yields enabled producers to reduce feed costs and improve livestock returns above feed costs.

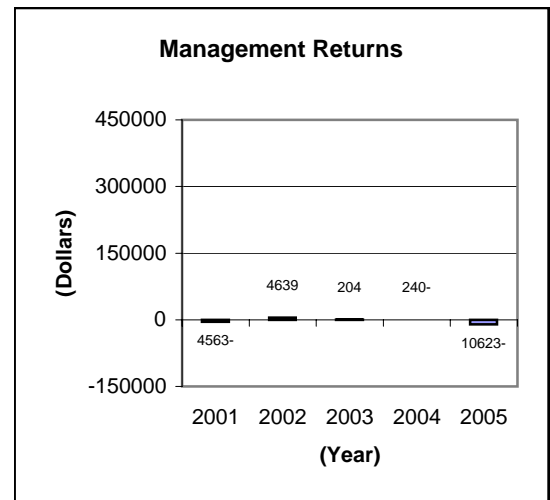
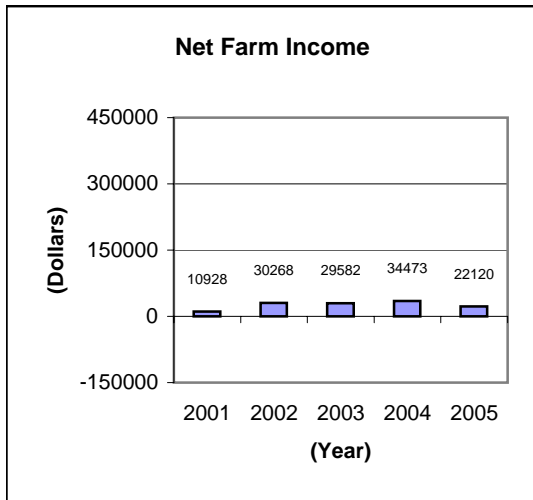
Machinery and building repairs have decreased, but depreciation has increased because of capital purchases the past couple of years. Fuel costs and livestock supplies costs have also increased.

ALABAMA COW-CALF

	2001	2002	2003	2004	2005
Number of Farms	21	21	22	20	22
Average Total Acres	1048	992	926	762	719
Average Tillable Acres	325	420	438	538	565
Average Crop Acres	314	420	438	538	565
Average Number Cows	136	131	145	133	148
	Per Head	Per Head	Per Head	Per Head	Per Head
Farm Returns					
Crop Returns	298.03	287.53	217.04	237.03	249.05
Livestock Return Above Feed	244.34	153.95	210.92	225.10	269.01
Custom Work	124.48	97.97	89.30	40.38	75.93
Other Farm Receipts	109.53	64.98	77.79	49.63	42.51
Gross Farm Returns	776.38	604.43	595.05	552.14	636.50
Farm Costs					
Soil Fertility	91.42	82.77	75.74	89.32	88.25
Pesticides	9.28	13.18	10.33	7.19	10.94
Seed	22.42	15.27	19.43	16.49	19.13
Crop Total	123.12	111.22	105.50	113.00	118.32
Utilities	22.11	22.68	20.51	19.07	20.58
Machinery Repairs	84.27	77.04	80.95	70.93	67.57
Machine Hire/Lease	49.60	50.84	55.34	40.81	48.56
Fuel & Oil	40.26	33.89	37.05	39.55	55.37
Auto-Farm Share	3.30	2.71	7.44	5.86	1.85
Power & Equipment Total	199.54	187.16	201.29	176.22	193.94
Drying	0.00	0.67	1.25	0.45	1.06
Storage	0.00	0.00	0.00	0.00	0.00
Building Repair	39.76	22.01	12.92	23.19	14.09
Building Total	39.76	22.68	14.17	23.64	15.15
Labor Paid	91.16	72.26	54.77	39.88	54.33
Livestock Supplies & Service	39.31	26.94	37.05	25.60	41.63
Interest Paid	83.25	60.89	32.32	32.58	32.28
Insurance	26.99	30.25	23.03	22.72	24.51
Miscellaneous	20.65	18.33	17.53	16.78	14.73
Other Cost Total	261.36	208.67	164.70	137.56	167.48
Taxes	12.49	11.01	10.81	8.40	7.31
Cash Rent	24.03	27.49	30.52	38.86	35.49
Land Total	36.52	38.50	41.33	47.26	42.80
Total Non-Feed Cost	660.30	568.23	526.99	497.68	537.68
Return Above Operating Expenses	116.08	36.20	68.06	54.46	98.82
Machinery Depreciation	84.03	94.32	58.35	63.21	80.66
Building Depreciation	10.58	11.67	7.08	7.41	12.54
Capital Account Adjustment	(4.86)	59.81	1.58	17.16	42.15
Leasing Cost	41.09	0.00	0.00	0.00	0.00
Net Farm Income	-24.48	-9.98	4.21	1.00	47.77
Labor Unpaid	106.88	125.63	112.09	121.95	117.59
Interest on Equity Capital	147.80	147.21	150.96	137.46	148.47
Total Farm Management Returns	-279.16	-282.82	-258.84	-258.41	-218.30
Operator Share Management Returns	-279.16	-282.82	-258.84	-258.41	-218.30
Crop Yields					
Corn (bu/acre)	74	16			
Hay (tons/acre)	2	1	1	2	1
Silage (tons/acre)	17				
Soybeans (bu/acre)	24	5			

ALABAMA POULTRY

OPERATOR'S SHARE NET FARM INCOME



Alabama broiler production ranks third in the nation. The farms represented in the Alabama Poultry sort are primarily broiler operations with some beef cattle to make use of the litter. Most receive some income from custom work.

For 2005, gross income from the broiler operation fell while total non-feed cost held steady. Average Net Farm Income decreased to \$235.41 per 1000 sq. ft. For a typical 40 by 500 ft. broiler house, this translates to Net Farm Income of \$4,708 per house, compared to \$7,475 per house in 2004. Management Returns fell to -\$113.05 per 1000 sq. ft.--the lowest return for this group since 1996.

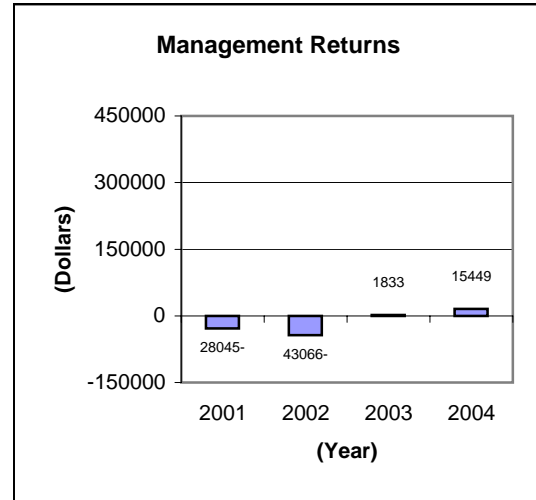
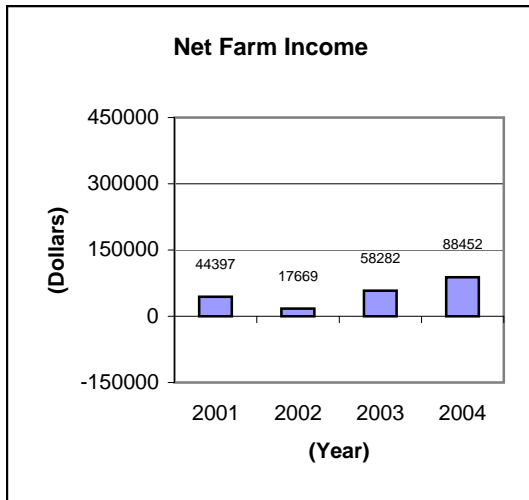
For the five-year period Gross Farm Returns rose 32% on average, while Total Non-feed Costs rose 29%. The most significant increases came in Utilities, Labor Paid, and Livestock Supplies. Utility costs increased 27%. Labor costs rose 28% over the period as poultry farms increased hired labor. Livestock supplies and shavings increased by 50% in five years. Interest paid fell sharply in 2003, as this group of growers retired their original building debt and interest rates have remained low. Note the emerging trend to contract day-to-day operation and management.

The gap between Management Returns and Net Farm Income has been increasing since 2001. The difference was about \$204 per 1000 sq. ft. in 2001. It has grown to \$348 in 2005. Management Returns measure the grower's reward above the opportunity cost of his investment and the value of his labor. Opportunity cost of investment is measured by Interest on Equity Capital. Actual interest paid is deducted from Interest on Equity Capital and is charged against Net Farm Income. The remaining cost of investment is charged against Management Returns. As interest paid goes down, Net Farm Income increases. At the same time, Interest on Equity Capital (what remains), goes up and Management Returns decrease.

ALABAMA POULTRY

	2001	2002	2003	2004	2005
Number of Farms	15	17	19	18	20
Average Total Acres	403	496	367	426	483
Average Tillable Acres	159	241	203	238	289
Average Operator Acres	152	241	203	238	289
Poultry House Capacity (Sq. Ft.)	75,819	100,781	92,541	105,404	93,966
	Per 1,000 Sq. Ft.	Per 1,000 Sq. Ft.	Per 1,000 Sq. Ft.	Per 1,000 Sq. Ft.	Per 1,000 Sq. Ft.
Farm Returns					
Crop Returns	202.99	187.51	183.63	117.96	196.01
Livestock Return Above Feed	1,848.31	1,704.75	2,099.46	2,224.52	2,052.99
Custom Work	81.26	91.47	27.44	92.86	20.89
Other Farm Receipts	125.38	59.74	71.56	122.96	138.99
Gross Farm Returns	2,257.94	2,043.47	2,382.09	2,558.30	2,408.88
Farm Costs					
Crop Total (Seed, Chem, Fert.)	36.16	66.40	57.33	42.89	62.39
Utilities	308.92	290.30	297.97	333.73	380.01
Machinery Repairs	130.21	112.91	127.74	118.19	120.33
Machine Hire/Lease	56.16	53.13	98.85	53.95	115.04
Fuel & Oil	55.15	63.80	63.90	78.21	78.35
Auto-Farm Share	1.85	2.21	6.88	8.81	4.83
Power & Equipment Total	552.29	522.35	595.34	592.89	698.55
Drying	0.00	0.21	0.00	0.00	0.00
Storage	0.00	0.00	0.00	0.00	0.00
Building Repair	27.25	78.32	78.03	61.73	27.53
Building Total	27.25	78.53	78.03	61.73	27.53
Labor Paid	122.11	144.12	189.54	268.74	155.77
Livestock Supplies & Services	103.00	173.44	139.67	176.17	154.03
Interest Paid	458.74	245.72	239.03	231.40	243.87
Insurance	61.70	71.40	72.19	80.22	77.31
Taxes	0.00	0.00	0.00	0.00	0.00
Miscellaneous	22.91	18.27	17.84	23.10	22.08
Other Cost Total	768.46	652.95	658.27	779.62	653.07
Taxes	16.74	12.60	16.87	20.78	16.36
Cash Rent	81.79	39.35	48.17	63.27	81.50
Land Total	98.53	51.95	65.04	84.05	97.87
Total Non-Feed Cost	1,482.69	1,372.18	1,454.01	1,561.19	1,539.41
Return Above Operating Expenses	775.25	671.29	928.08	997.12	869.47
Machinery Depreciation	415.30	254.02	302.51	308.39	313.75
Building Depreciation	202.64	245.26	310.05	330.51	323.96
Capital Account Adjustment	-13.18	128.32	4.14	15.53	3.65
Leasing Cost	0.00	0.00	0.00	0.00	0.00
Net Farm Income	144.13	300.33	319.66	373.74	235.41
Labor Unpaid	193.51	148.39	172.86	174.20	175.33
Interest On Equity Capital	10.80	105.91	144.60	202.14	173.13
Total Farm Management Returns	-60.18	46.03	2.20	-2.60	-113.05
Operator Share Management Returns	-60.18	46.03	2.20	-2.60	-113.05

ALABAMA LIVESTOCK OPERATOR'S SHARE PER FARM



Prior to 2002 this group was primarily mixed livestock operations with an emphasis on feeding farm raised feed. It changed to consist primarily of cattle feeding operations. About half raise their own feed. As a group they produced about two and one half times as many pounds of beef as the average cow-calf operation.

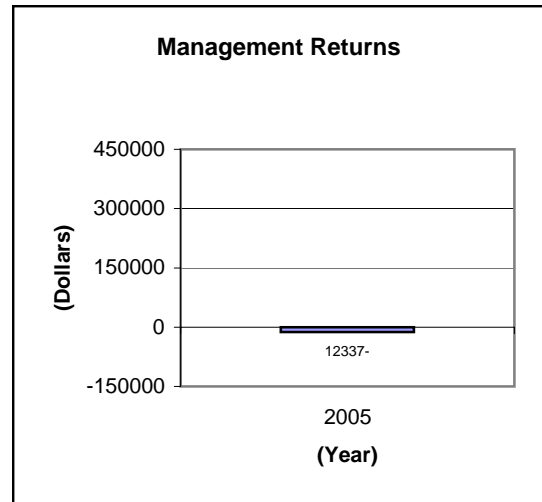
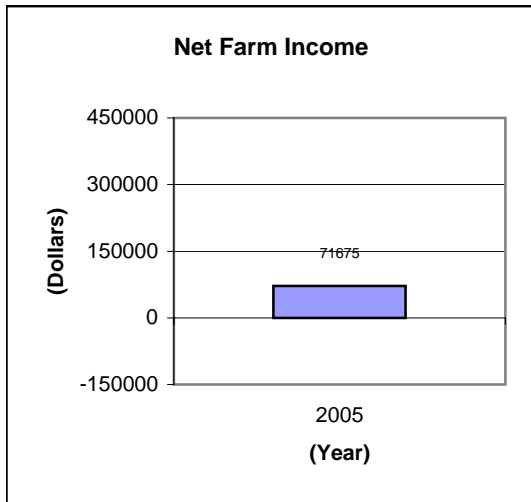
For 2004, Net Farm Income was \$105.63 per acre and Management Returns were \$12.59 per acre. Farm Income averaged \$55,665 from 2002-2004, increasing each year as cattle prices increased. Returns to Management averaged -\$7,749 for the same three years, but was a stable positive number for 2003 and 2004. There was insufficient data for 2005.

ALABAMA LIVESTOCK

	2001	2002	2003	2004	2005
Number of Farms	7	7	7	6	0
Average Total Acres	1,031	869	1,007	910	0
Average Tillable Acres	290	684	675	785	0
Average Operator Acres	290	684	675	785	0
	Per Operator Acre	Per Operator Acre	Per Operator Acre	Per Operator Acre	Per Operator Acre
Farm Returns					
Crop Returns	399.66	159.30	225.67	212.52	0.00
Livestock Return Above Feed	322.72	130.62	153.02	134.52	0.00
Custom Work	23.77	0.29	8.15	11.70	0.00
Other Farm Receipts	40.66	15.30	6.87	7.33	0.00
Gross Farm Returns	786.81	305.51	393.71	366.07	0.00
Farm Costs					
Soil Fertility	78.64	27.80	26.81	46.18	0.00
Pesticides	20.29	17.70	18.66	27.53	0.00
Seed	20.39	10.63	17.02	3.08	0.00
Crop Total	119.32	56.13	62.49	76.79	0.00
Utilities	41.16	15.66	16.40	4.87	0.00
Machinery Repairs	57.79	28.20	26.34	28.99	0.00
Machine Hire/Lease	18.97	15.10	21.85	17.51	0.00
Fuel & Oil	29.69	11.54	11.71	16.48	0.00
Auto-Farm Share	2.87	0.87	0.12	0.05	0.00
Power & Equipment Total	150.48	71.37	76.42	67.90	0.00
Drying	0.00	0.43	0.25	0.00	0.00
Storage	0.78	0.16	0.46	0.26	0.00
Building Repair	21.79	4.96	8.99	8.01	0.00
Building Total	22.57	5.55	9.70	8.27	0.00
Labor Paid	98.23	32.27	33.32	30.06	0.00
Livestock Supplies & Services	52.68	24.07	21.15	17.05	0.00
Interest Paid	31.26	12.29	12.57	10.30	0.00
Insurance	21.33	9.30	9.92	8.41	0.00
Miscellaneous	14.88	3.28	3.37	3.70	0.00
Other Cost Total	218.38	81.21	80.33	69.52	0.00
Taxes	15.44	2.09	2.21	1.78	0.00
Cash Rent	30.04	26.38	22.84	24.46	0.00
Land Total	45.48	28.47	25.05	26.24	0.00
Total Non-Feed Cost	556.23	242.73	253.99	248.72	0.00
Return Above Operating Expenses	230.58	62.78	139.72	117.35	0.00
Machinery Depreciation	58.06	29.54	31.74	9.98	0.00
Building Depreciation	15.61	7.23	7.50	1.93	0.00
Capital Account Adjustment	-1.30	-0.15	-0.02	0.19	0.00
Leasing Cost	3.29	0.00	2.11	0.00	0.00
Net Farm Income	152.32	25.86	98.35	105.63	0.00
Labor Unpaid	88.14	34.55	30.21	31.32	0.00
Interest On Equity Capital	161.66	54.31	53.38	61.72	0.00
Total Farm Management Returns	-97.48	-63.00	14.76	12.59	0.00
Operator Share Management Returns	-97.48	-63.00	14.76	12.59	0.00
Crop Yields					
Corn (bu/acre)	133	101			
Corn Silage (tons/acre)	17	13	12		
Hay (tons/acre)	2	1	1	1	
Hay Silage (tons/acre)		5	7		
Double Crop Soybeans (bu/acre)	25	20			
Soybeans (bu/acre)	31	21			
Wheat (bu/acre)	41	45			

WEST ALABAMA CATFISH

OPERATOR'S SHARE PER FARM



Most of the catfish produced in Alabama is produced in the Blackbelt area which is one of the poorest areas of the state. The catfish industry provides many jobs for the people of this area, and has made it possible for most of the farmers to remain on the farm full time.

Catfish is the primary source of income for these farmers; however, most of them also have some beef cattle. The catfish in this sort are raised in ponds ranging in size from 8 to 15 acres each, and are fed a high protein diet. These fish are fed to an optimal weight of 1 to 2 pounds each and are then sold to a processor. The catfish industry in Alabama is not vertically integrated like the poultry industry in Alabama. It has some characteristics of vertical integration, but most of the producers are independent.

This is the first year that a catfish sort has been available for this Summary Report, so a comparison from year to year cannot be made. The Net Farm Income for 2005 was \$390.81 per water acre. Management Returns were -\$67.27 per water acre due to the capital intensive nature of this enterprise.

WEST ALABAMA CATFISH

	2005
Number of Farms	5
Average Total Acres	960
Average Water Acres	183.4
	Per Water Acre
Farm Returns	
Crop Returns	65.02
Livestock Return Above Feed	2,143.97
Custom Work	0.15
Other Farm Receipts	78.52
Gross Farm Returns	2,287.66
Farm Costs	
Soil Fertility	55.80
Pesticides	77.30
Seed	7.92
Crop Total	141.02
Utilities	185.10
Machinery Repairs	194.79
Machine Hire/Lease	141.53
Fuel & Oil	128.60
Auto-Farm Share	0.00
Power & Equipment Total	650.02
Drying	0.00
Storage	0.00
Building/Pond Repair	133.81
Building Total	133.81
Labor Paid	366.41
Livestock Supplies & Services	6.38
Interest Paid	251.96
Insurance	37.13
Miscellaneous	65.12
Other Cost Total	727.00
Taxes	13.50
Cash Rent	62.06
Land Total	75.57
Total Non-Feed Cost	1,727.42
Return Above Operating Expenses	560.24
Machinery Depreciation	172.69
Building/Pond Depreciation	46.63
Capital Account Adjustment	49.89
Leasing Cost	0.00
Net Farm Income	390.81
Labor Unpaid	70.88
Interest On Equity Capital	387.20
Total Farm Management Returns	-67.27
Operator Share Management Returns	-67.27

COTTON ENTERPRISE ANALYSIS

GULF COAST FARM ANALYSIS ASSOCIATION FARMS

The Cotton Enterprise Analysis is a detailed analysis of cotton production in southwest Alabama. Cotton production in southwest Alabama suffered losses four out of the last five years. Three of those four years were weather related. In 2002 excess rainfall at harvest prevented harvest. In 2004 Hurricane Ivan destroyed cotton that was ready to be harvested. In 2005 Hurricanes Dennis and Katrina beat down yields again. With these lower cotton yields, profit from cotton production came from government payments or crop insurance. Unfortunately, even with the government payments and crop insurance, producers experienced losses three out of five years.

Government payments (program payments, loan deficiency payments, and disaster payments) have been a major factor in the profitability of cotton production. Government payments have contributed from \$76.14 to \$136.84 per acre in the last five years. Crop insurance payments have contributed from \$.95 to \$94.65 per acre. Without the assistance from government payments and crop insurance proceeds during the last five years many of the farmers in southwest Alabama would be out of business.

A five-year average in the table shows the importance of these payments by revealing the average breakeven price and the price received with and without government payments and crop insurance. The average breakeven price for the five years was 68 cents per pound of cotton. The average price received without government payments was 53 cents per pound and the average price received with government payments and crop insurance was 72 cents per pound.

COTTON ENTERPRISE ANALYSIS

GULF COAST FARM ANALYSIS ASSOCIATION FARMS

	2001	2002*	2003	2004**	2005***	5-YR AVG
Number of Farms in Average	14	14	17	15	14	
Planted Cotton Acres	1,368	1,363	1,166	1,189	1,222	1,262
Yield (lb/acre)	781	426	818	665	771	692
	AVERAGE/ ACRE	AVERAGE/ ACRE	AVERAGE/ ACRE	AVERAGE/ ACRE	AVERAGE/ ACRE	AVERAGE/ ACRE
Farm Returns						
Crop Sales	152.62	106.31	214.89	162.51	173.07	161.88
Inventory Value	186.50	87.04	290.78	201.17	242.87	201.67
Total Gross	339.12	193.35	505.67	363.68	415.94	363.55
Operating Expenses						
Fertilizer	53.21	56.05	54.48	74.51	91.95	66.04
Pesticides	139.88	150.55	147.90	155.51	119.74	142.72
Seed	24.64	22.80	26.44	32.80	52.63	31.86
Utilities	3.98	4.02	4.90	4.72	4.69	4.46
Machinery Repairs	35.33	31.94	35.57	42.65	43.26	37.75
Machine Hire	8.26	15.92	16.46	17.79	20.91	15.87
Fuel & Oil	14.63	11.63	15.25	20.23	27.19	17.79
Interest	41.33	26.66	29.45	30.41	29.96	31.56
Hired Labor	39.51	41.45	43.58	47.92	53.64	45.22
Building Repair	0.19	0.09	0.05	0.11	0.49	0.19
Insurance	23.35	23.29	26.28	28.06	27.44	25.68
Taxes	1.03	1.00	1.23	2.00	0.76	1.20
Miscellaneous.	3.41	5.15	5.04	3.64	4.28	4.30
Cash Rent	46.73	51.63	48.17	48.79	49.96	49.06
Total Operating Expenses	435.48	442.18	454.80	509.14	526.90	473.70
Profit or Loss	-96.36	-248.83	50.87	-145.46	-110.96	-110.15
Government Payments	122.27	136.84	81.85	96.89	76.14	102.80
Crop Insurance	18.44	94.65	1.06	36.94	0.95	30.41
Profit or Loss With Government Payments & Crop Insurance	44.35	-17.34	133.78	-11.63	-33.87	23.06
Breakeven Price/lb. Cotton (Expenses/Pounds Cotton)	0.56	1.04	0.56	0.77	0.68	0.68
Average Cash Price Received Without Government. Payments & Crop Insurance	0.43	0.45	0.62	0.55	0.54	0.53
Average Price Received With Government Payments & Crop Insurance	0.61	1.00	0.72	0.75	0.64	0.72

* - 2002 losses attributed to excess rainfall

** - 2004 losses attributed to Hurricane Ivan

*** - 2005 losses attributed to Hurricanes Dennis and Katrina

PEANUT ENTERPRISE ANALYSIS

GULF COAST FARM ANALYSIS ASSOCIATION FARMS

The Peanut Enterprise Analysis is a detailed analysis of peanut production in southwest Alabama. Peanut acreage has been on the increase in southwest Alabama since 1998 with more farmers switching to peanuts as an alternative to corn, soybeans, and cotton.

In 2005 the Tomato Spotted Wilt Virus attacked peanuts in southwest Alabama and reduced yields and quality. Crop returns without crop insurance and government assistance were -\$36.24 per acre in 2005 and \$10.30 per acre after crop insurance and government were added. The five-year average breakeven price per pound of peanuts was 16 cents. The average price received without government payments and crop insurance was 19 cents per pound and the average price received with government payments and crop insurance was 21 cents per pound.

Quota purchases were separated out from other expenses and were amortized based on the number of years remaining in the current government program. For example, 1998 quota purchases were amortized for five years, 1999 purchases for four years, etc. Since the peanut quota program was terminated in 2002 and farmers did not receive any benefit from the quota in 2002, no amortization of peanut quota purchases was used in 2002 and later years. Also, as a result of the termination of peanut quotas, rental rates declined to reflect the rental of land only and not the rental of both land and quota.

PEANUT ENTERPRISE ANALYSIS GULF COAST FARM ANALYSIS ASSOCIATION FARMS

	2001	2002	2003	2004	2005	5-YR AVG
Number of Farms In Average	8	7	14	14	13	664
Planted Peanut Acres	603	603	600	731	784	664
Yield (lb/acre)	4,043	2,852	3,574	3,452	3,018	3,388
	AVERAGE/ ACRE	AVERAGE/ ACRE	AVERAGE/ ACRE	AVERAGE/ ACRE	AVERAGE/ ACRE	AVERAGE/ ACRE
Farm Returns						
Crop Sales	450.26	50.48	207.31	142.29	90.48	188.16
Inventory Value	449.53	418.02	441.68	513.53	415.58	447.67
Total Gross	899.79	468.50	648.99	655.82	506.06	635.83
Operator Expenses						
Fertilizer	24.18	25.50	24.35	32.10	35.34	28.29
Pesticides	179.93	180.33	170.73	161.72	174.19	173.38
Seed	76.50	70.94	58.54	57.74	59.16	64.58
Drying & Storage	0.24	25.98	9.14	3.28	10.48	9.82
Utilities	3.84	4.02	4.31	4.91	5.46	4.51
Machinery Repairs	37.93	33.62	44.09	50.03	52.40	43.61
Machine Hire	14.13	11.47	22.98	10.79	15.71	15.02
Fuel & Oil	15.33	14.00	16.76	20.95	27.46	18.90
Interest	37.10	20.70	25.95	33.27	28.51	29.11
Hired Labor	62.73	67.76	55.57	51.50	47.92	57.10
Building Repair	0.08	0.00	0.42	0.07	0.77	0.27
Insurance	12.78	15.83	23.72	20.91	22.66	19.18
Taxes	1.45	0.85	1.53	1.33	1.59	1.35
Miscellaneous	2.83	4.47	5.06	4.52	6.81	4.74
Cash Rent	175.43	46.58	48.85	54.53	53.84	75.85
Total Operating Expenses	644.48	522.05	512.00	507.65	542.30	545.70
Profit or Loss	255.31	-53.55	136.99	148.17	-36.24	90.14
* Amortized Quota Purchases	107.99	0.00	0.00	0.00	0.00	21.60
Profit/Loss After Quota	147.32	-53.55	136.99	148.17	-36.24	68.54
Government :Payments	36.61	149.41	44.86	31.55	20.99	56.68
Crop Insurance	0.23	13.02	2.12	1.61	25.55	8.51
Profit or Loss Including Goernment Payments & Crop Insurance	184.16	108.88	183.97	181.33	10.30	133.73
Breakeven Price/lb. Peanut (Expenses/Pounds Peanuts)	0.16	0.18	0.14	0.15	0.18	0.16
Average Cash Price Received Without Government Payments & Crop Insurance	0.22	0.16	0.18	0.19	0.17	0.19
Average Price Received With Government Payment & Crop Insurance	0.23	0.22	0.19	0.20	0.18	0.21

* - Quota purchases are amortized based on the number of years remaining in the current government program. For example, 1998 quota purchases were amortized for five years, 1999 purchases for four years, etc.

ALABAMA POULTRY ENTERPRISE ANALYSIS

The top section of this report summarizes the standard physical production measures reported by the industry's integrators. These are the standards of performance by which individual broiler operations are measured and paid. Cost per Pound is the farmer's operating cost to achieve that physical performance. Cost per Pound has been fairly constant for the last five years, except for 2004 when labor and utility costs increased. While utilities and interest both increased in 2005, the increase was offset by a reduction in hired labor and machinery repair costs. The sharp reduction in Percent of Pounds Condemned since 2001 resulted from integrators' emphasis on improving genetics and health programs.

The middle section is a detailed enterprise analysis. It reveals the average costs and returns for these broiler operations as dollar totals and per pound of bird sold. Gross income per pound has increased seven percent from 2002 to 2005. Utilities and interest expense have traditionally been the two biggest cash costs for growers. Utilities costs rose 12 percent in 2004. Historically low interest rates and a general slowdown in new broiler construction kept interest costs down for most of this period. Recent increases in interest rates and capital improvements resulted in higher interest costs in 2005. Other significant costs include livestock supplies, such as shavings and labor. Labor costs doubled from 2001 through 2004; this reflects a trend toward more broiler houses per farm. Cash rent expense represents payments from one generation to another where the original owner/operator has retired.

Depreciation is not a cash cost, but represents a portion of the original cash outlay. The typical cost of building and equipping new broiler houses runs over \$180,000 per house. Upgrades of existing houses to add tunnel ventilation cost about \$30,000 per house. Tunnel ventilated houses are now being upgraded to include solid wall and blackout curtains. Houses are typically financed for 15 years.

In 2005 the average farm in this group realized Total Operating Income of \$37,490 from about five 40-by-500 foot houses. For a broiler operation with four houses this would be the equivalent Total Operating Income of about \$29,609, an increase of \$11,452 from 2004.

ALABAMA POULTRY ENTERPRISE ANALYSIS

The image shows three vertically stacked tables, each with a grid structure. The top table is a single row with approximately 10 columns. The middle table has a header row followed by several rows of data, with a shaded area on the left side. The bottom table is a larger grid with multiple rows and columns, also featuring a shaded area on the left side. The text within the tables is too small to be legible.

WEST ALABAMA CATFISH ENTERPRISE ANALYSIS

This analysis is a detailed analysis of catfish production in the Blackbelt area of Alabama. In 2000-2002 catfish producers were hurt by low prices, but since then the prices paid for catfish have steadily improved to a current high of \$.77 per pound. This increase in prices has allowed producers to pay off debts incurred during the years of low prices and to perform some much needed repairs and upgrades to their ponds and equipment. The reason for this increase in price is that the supply of catfish is very tight, particularly because of decreased water acreage in production in Mississippi and Alabama.

This analysis shows the averages for several production parameters such as production per water acre, feed fed, and feed conversion. The farms in this analysis generated net operating income of \$273.93 per water acre.

WEST ALABAMA CATFISH ENTERPRISE ANALYSIS

Year	2005
Number of Farms	5
Total Acres	959.8
Water Acres	183.4
Number of Ponds	14.6
	Average/ water acre
Farm Returns	
Value of Fish Production	\$3,516.22
Other Receipts	\$32.89
Total Gross Returns	\$3,549.11
Operating Expenses	
Value of Feed Fed	\$1,593.24
Labor	\$319.14
Utilities	\$176.96
Chemicals	\$69.92
Machine Hire	\$125.33
Machine Repairs	\$176.68
Interest	\$239.12
Fuel	\$116.45
Insurance	\$32.11
Taxes	\$9.06
Cash Rent	\$35.64
Miscellaneous	\$55.65
Pond/Bldg. Repair	\$126.13
Total Operating Expense	\$3,075.43
Income Above Op Expense	\$473.68
Machinery Depreciation	\$154.91
Pond/Building Depreciation	\$44.84
Net Operating Income	\$273.93
Production Efficiency	
Feed Fed (lbs)	14,076
Price Feed Fed (\$/ton)	\$244
Pounds Stocked	486
Feed conversion (lbs feed fed/lbs fish produced)	2.20
Pounds Fish Harvested	6,935
Price Received (per lb. fish sold)	\$0.67
Fish Produced (Pounds)	6,024
Breakeven Price/lb. Fish Produced (Expenses/Pounds Fish Produced)	\$0.54

BEEF COW ANALYSIS REPORT 2005

ALABAMA FARM ANALYSIS ASSOCIATIONS

ITEM	LOWER 1/3		AVERAGE		UPPER 1/3	
	AVG PER COW	AVG PER COW HERD	AVG PER COW	AVG PER COW HERD	AVG PER COW	AVG PER COW HERD
Number of Farms/Number of Cows	7	115.9	22	148.0	7	222.0
Pounds of Beef Produced	466	53,994	552	81,744	620	137,647
Total Returns	399	46,280	528	78,240	583	129,475
Value of Grain & Roughage Fed	351	40,614	240	35,575	130	28,955
Value of Supplement Fed	36	4,129	38	5,648	43	9,495
Value of Feed Fed	386	44,743	278	41,223	173	38,450
Returns Above Feed Costs	13	1,537	250	37,017	410	91,025
Return Per \$100 Feed Fed		135		225		349
Pounds of Feed Fed						
Grain	542	62,810	388	57,453	88	19,643
Supplement	355	41,180	359	53,195	502	111,540
Other Miscellaneous Feed	1,816	210,352	2,761	408,762	966	214,454
Total Pounds of Concentrates	2,713	314,342	3,508	519,410	1,557	345,637
Hay & Roughage	4,642	537,783	3,511	519,740	3,040	674,977
Corn Silage	-	-	-	-	-	-
Other Silage	-	-	-	-	-	-
Total Pounds All Feed Fed	7,355	852,125	7,019	1,039,150	4,597	1,020,614
Pasture Cost	99	11,435	57	8,456	39	8,631
Hay Equivalent ²	3.51	406	2.44	361	1.99	441
	LOWER 1/3		AVERAGE		UPPER 1/3	
Cost/Cwt of Supplement	11.29		12.59		9.92	
Cost/Cwt of Concentrates	8.02		9.29		9.84	
Pasture Days/Animal Unit	69		50		33	
Average Number of Cows in Herd	115.9		148.0		222.0	
Number of Calves Born	96		128		199	
Calving % ³	83		87		90	
Number Sold - Market	110		112		153	
Weight per Market Animal Sold	562		556		629	
Price Rec'd/Cwt - Market	103.54		107.04		104.80	
Average Purchase Price/Head - Market	-		-		-	
Number Sold - Breeding	19		20		23	
% Cull Rate - Breeding	16.6		13.3		10.3	
Weight per Breeding Animal Sold	1,197		1,010		1,115	
Price Rec'd/Cwt - Breeding	58.88		62.71		62.85	
Death Loss - Total Pounds	2,937		3,558		5,413	
Death Loss - % Pounds Produced	5.4		4.4		3.9	
Market Number	3		4		6	
Market Survival Rate % ⁴	94.4		91.3		96.3	
Breeding Number	2		3		4	
Breeding Survival Rate % ⁴	95.3		81.1		96.0	
Net Farm Income	-365.18		47.77		316.62	

¹Pasture Cost - Fertilizer, chemical, & seed cost for pasture.

²Hay Equivalent - Dry matter value of roughages in tons: corn silage at 33%, other silage at 45%, and pasture cost at 24 lbs./dollar.

³Calving % - Number of calves born in year divided by number of cows on farm.

⁴Survival Rate % - Cattle present at beginning of year that were sold, consumed, or still on hand at year end.

DAIRY HERD ANALYSIS REPORT 2005

ALABAMA FARM ANALYSIS ASSOCIATIONS

	LOWER 1/2		AVERAGE		UPPER 1/2	
	AVG PER CWT M.E.	AVG PER COW	AVG PER CWT M.E.	AVG PER COW	AVG PER CWT M.E.	AVG PER COW
Number of Farms/Cows	4	190.0	9	175.2	4	185.3
Pounds of Milk Produced (Milk Equivalent) *	3,928,704	20,677	3,217,228	18,363	2,981,968	16,093
Pounds of Beef Produced	54,448	287	69,438	396	90,678	489
Milk Equivalent (M.E.)	40,666	214	34,560	197	33,506	181
Value of Milk Sales	13.09	2,801	13.82	2,727	14.71	2,660
Value of Beef Produced	0.44	93	1.07	211	1.82	329
Patronage Returns	0.24	51	0.14	29	0.04	6
Total Returns	13.76	2,945	15.04	2,966	16.57	2,996
Value of Grain & Roughage Fed	4.01	859	3.95	779	3.98	720
Value of Supplement Fed	3.18	680	3.16	624	3.00	542
Value of Feed Fed	7.19	1,539	7.11	1,402	6.98	1,262
Returns Above Feed Costs	6.57	1,406	7.93	1,564	9.59	1,733
Return Per \$100 Feed Fed	178		224		274	
Total Pounds of Feed Fed						
Grain	18	3,851	24	4,693	33	5,958
Supplement	23	4,864	28	5,565	32	5,844
Total Concentrates	41	8,715	52	10,258	65	11,802
Hay & Roughage	24	5,066	23	4,454	23	4,202
Corn Silage	0	0	38	7,511	72	13,017
Other Silage	18	3,890	30	5,822	46	8,396
Pasture Cost†	0.44	95	1	69	0.25	45
Hay Equivalent	0.03	5.6	0.03	6.1	0.04	6.7
	LOWER 1/3		AVERAGE		UPPER 1/3	
Cost/Cwt of Supplement	13.94		11.19		9.28	
Pasture Days/Animal Unit	95		49		25	
Number of Cows	190.0		175.2		185.3	
Cows Dry %	9.9		12.2		14.8	
Animal Units in Herd	190		246		331	
Number of Calves Born	105		115		144	
Calving %	55		65		77	
Pounds of Fluid Milk Per Cow	20,677		18,363		16,093	
Butterfat %	3.61		3.57		3.61	
Pounds of Butterfat Per Cow	735		663		598	
Price Received Per Cwt. Milk	13.54		14.85		16.53	
Price Received Per Cwt. Beef Mkt.	73.50		88.35		101.31	
Average Purchase Price/Animal - Breeding	1,798		1,532		1,428	
% Cull Rate - Breeding	23.8		23.6		23.2	
Weight/Breeding Animal Sold	1,328		1,294		1,251	
Price Recd/Cwt - Breeding	45.87		51.31		57.51	
Death Loss - Total Pounds	3,863		11,592		19,388	
Death Loss - % Pounds Produced	7.1		16.7		21.4	
Market Number	5		28		58	
Breeding Number	3		9		16	
Breeding Survival Rate %	99.2		97.1		95.4	
Net Farm Income		-207		272		757

* Milk Equivalent is the value of fluid milk produced **plus** the value of beef produced expressed in terms of milk price.

Beef produced is divided by the average price received per cwt. of milk.

† Pasture Cost is cost of fertilizer, chemical, and seed applied to pasture.

ALABAMA DAIRY SUMMARY

Year	Bottom Producers		Average		Top Producers	
	Number of Cows	Net Farm Income / Cow	Number of Cows	Net Farm Income / Cow	Number of Cows	Net Farm Income / Cow
2005	190	(\$207.10)	175.2	\$272.23	185.3	\$756.89
2004	112.5	\$59.17	179.3	\$682.19	273.0	\$916.38
2003	159.4	(\$99.00)	187	\$293.14	257.5	\$462.00
2002	229.6	(\$410.00)	172	(\$159.29)	200.3	\$150.00
2001	158.7	\$158.00	203	\$537.77	259.4	\$767.00
2000	182.2	(\$131.00)	218	\$285.27	295.5	\$489.00
1999	102.2	\$278.00	209	\$579.19	176.6	\$865.00

Year	Bottom Producers		Average		Top Producers	
	Price Received Per CWT Milk	Production Per Cow	Price Received Per CWT Milk	Production Per Cow	Price Received Per CWT Milk	Production Per Cow
2005	\$13.54	20,677	\$14.85	18,363	\$16.53	16,093
2004	\$14.44	12,843	\$14.04	19,048	\$13.81	21,780
2003	\$12.23	14,012	\$11.83	16,547	\$11.64	18,117
2002	\$13.94	12,731	\$14.00	14,064	\$14.05	15,593
2001	\$16.59	15,783	\$16.38	17,626	\$16.28	18,753
2000	\$15.02	17,905	\$13.49	19,024	\$12.63	19,715
1999	\$16.57	10,956	\$14.96	17,726	\$14.61	20,485

Data Source: Individual Alabama dairy farms participating in the Alabama Cooperative Extension System's Farm Analysis and Financial Management Program.

GOVERNMENT PAYMENTS

	2001	2002	2003	2004	2005
Number of All Farms	110	111	112	110	109
COTTON					
NET FARM INCOME (NFI)	87,280	-58,495	158,457	79,675	88,859
GOVERNMENT PAYMENTS	96,541	66,586	96,686	81,308	114,800
NFI WITHOUT GOVERNMENT PAYMENTS	-9,261	-125,081	61,771	-1,633	-25,941
GRAIN					
NET FARM INCOME (NFI)	41,837	-82	89,988	60,463	48,850
GOVERNMENT PAYMENTS	44,418	15,497	23,129	36,824	46,584
NFI WITHOUT GOVERNMENT PAYMENTS	-2,581	-15,579	66,859	23,640	2,267
PEANUTS/COTTON					
NET FARM INCOME (NFI)	66,803	-3,363	221,358	45,792	50,100
GOVERNMENT PAYMENTS	100,038	57,250	157,443	106,285	179,927
NFI WITHOUT GOVERNMENT PAYMENTS	-33,235	-60,613	63,915	-60,493	-129,828
DAIRY					
NET FARM INCOME (NFI)	108,348	-27,450	53,717	122,309	47,695
GOVERNMENT PAYMENTS	37,623	33,626	32,582	15,512	12,708
NFI WITHOUT GOVERNMENT PAYMENTS	70,725	-61,076	21,135	106,797	34,987
COW-CALF					
NET FARM INCOME (NFI)	-3,257	-1,306	608	134	7,072
GOVERNMENT PAYMENTS	18,760	10,545	11,914	6,578	9,052
NFI WITHOUT GOVERNMENT PAYMENTS	-22,017	-11,851	-11,306	-6,444	-1,980
ALL FARMS					
NET FARM INCOME (NFI)	44,185	-9,003	104,177	53,144	44,133
GOVERNMENT PAYMENTS	69,658	59,231	60,971	48,069	72,840
NFI WITHOUT GOVERNMENT PAYMENTS	-25,473	-68,234	43,206	5,075	-28,707

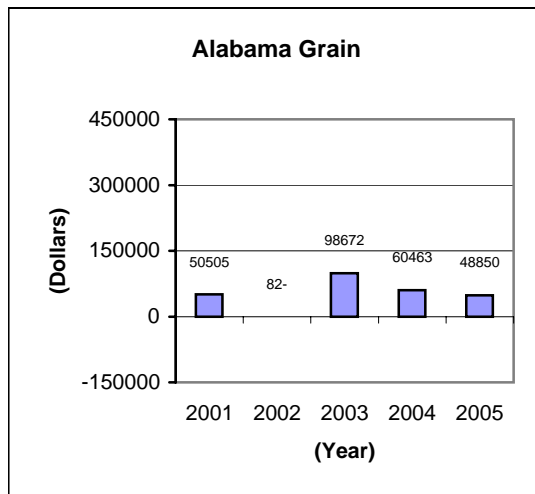
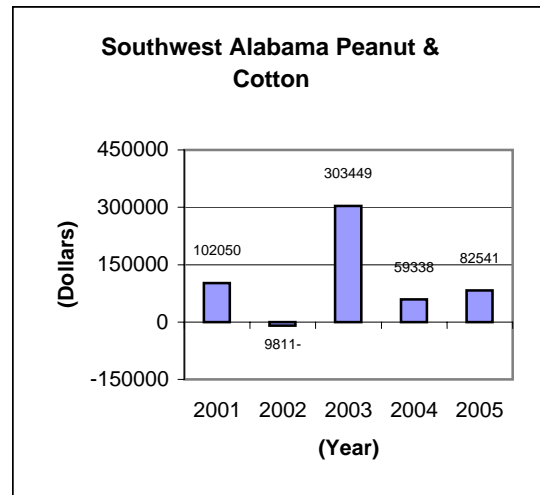
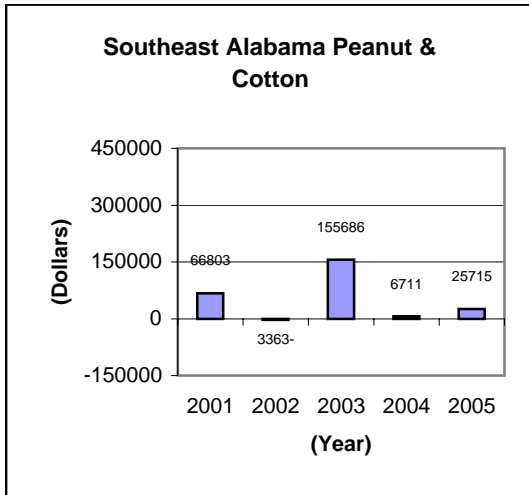
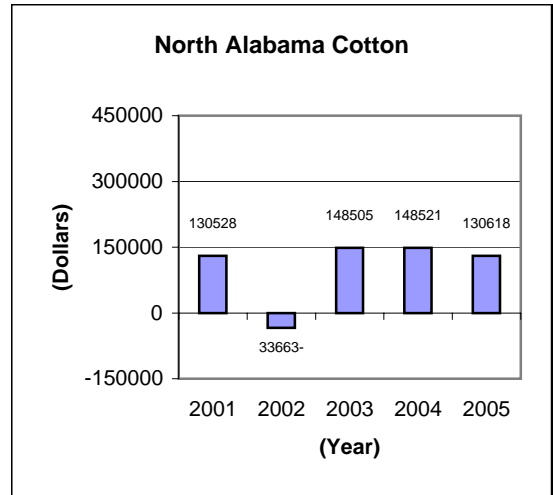
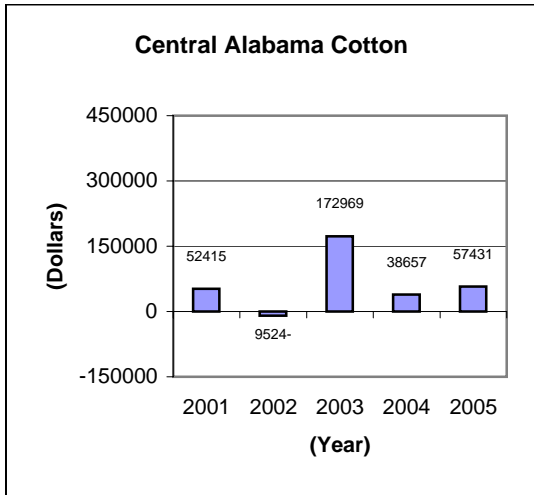
This table illustrates the importance of government payments to the farm's bottom line. Government payments are subtracted from Net Farm Income to find what profit is derived from production and marketing. Government payments to cow-calf and dairy farmers include direct crop subsidies as well as livestock program payments. Payments to cotton, grain, and peanut farms consist of crop subsidies and disaster payments only.

The current farm program implemented in 2002 has gradually lowered payments to all farms. However, rowcrop farmers received large disaster payments in 2003 and 2005 for prior year's crops. For 2005 it was disaster payments from the 2004 hurricane season.

Government payments have been the difference between profit and loss for most of this period from the farmer's perspective. Without government payments, remaining net farm income would have been negative for most years. Only in 2003-2004 was profit from farming greater than direct government payments.

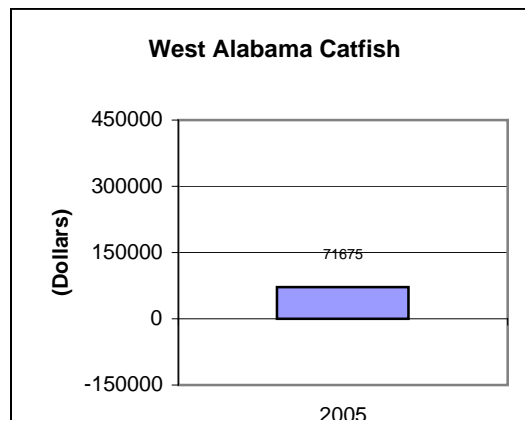
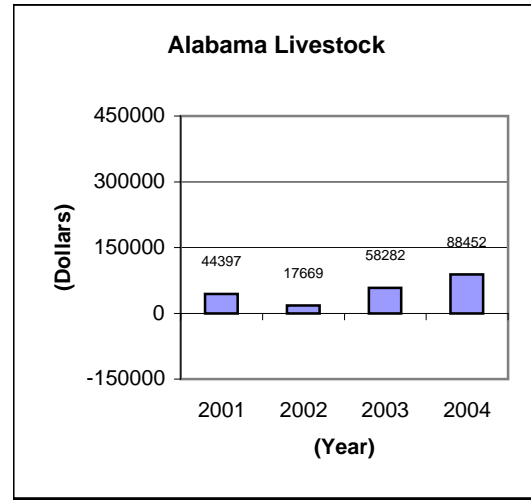
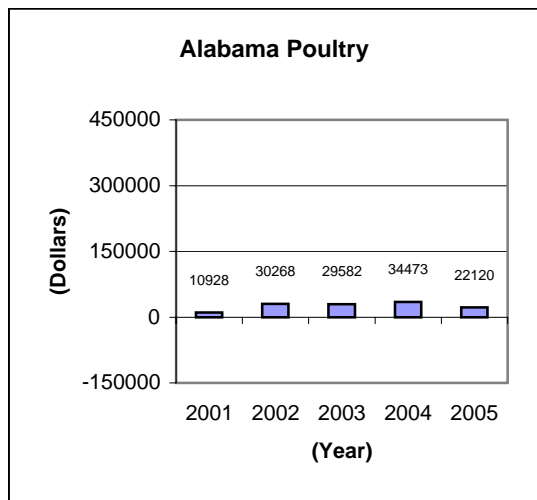
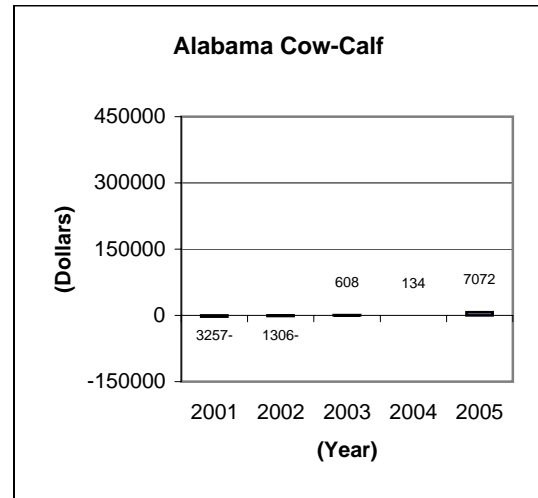
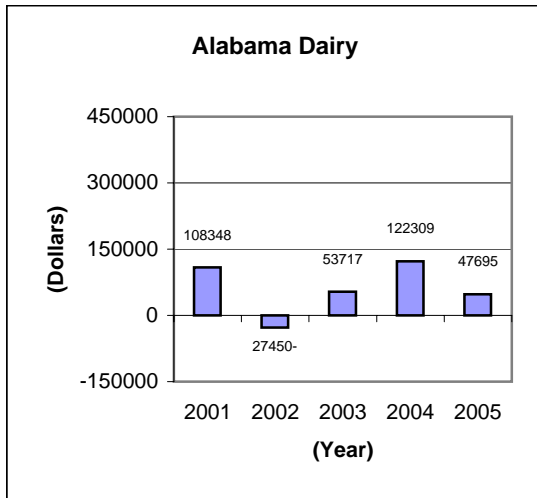
ALABAMA FARM ANALYSIS ASSOCIATIONS

OPERATOR'S SHARE OF NET FARM INCOME BY FARM TYPE



ALABAMA FARM ANALYSIS ASSOCIATIONS

OPERATOR'S SHARE OF NET FARM INCOME BY FARM TYPE



ALABAMA FARM ANALYSIS ASSOCIATIONS

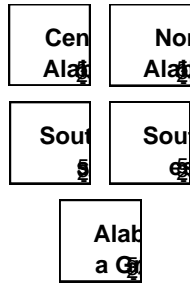
OPERATOR'S SHARE OF NET FARM INCOME BY FARM TYPE

2005

(Year)

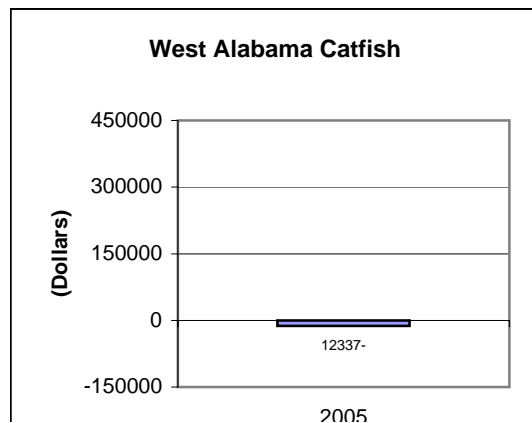
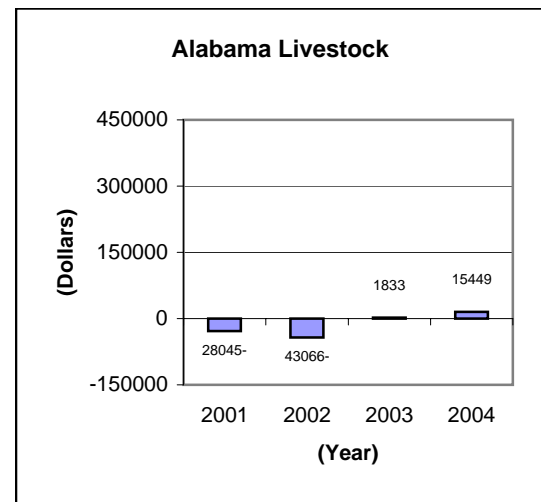
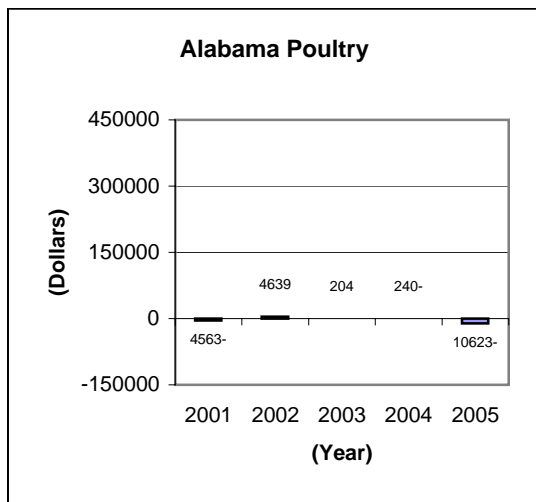
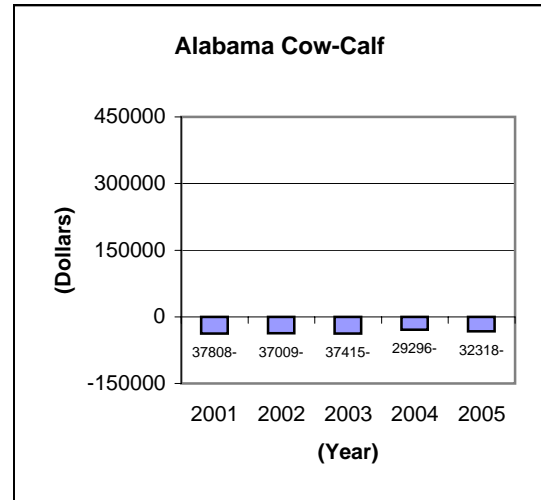
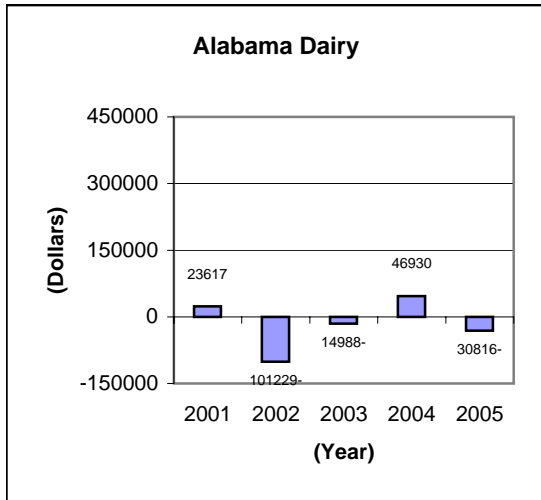
ALABAMA FARM ANALYSIS ASSOCIATIONS

OPERATOR'S SHARE OF MANAGEMENT RETURNS BY FARM TYPE



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OPERATOR'S SHARE OF MANAGEMENT RETURNS BY FARM TYPE



ALABAMA FARM ANALYSIS ASSOCIATIONS
OPERATOR'S SHARE OF MANAGEMENT RETURNS BY FARM TYPE

2005
(Year)

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