



Stocker Steer Prices by State as of March 31st...

| State | This Week | Last Week | 1 Month Ago | 6 Months Ago | 1 Year Ago | 5 Years Ago | 5 Yr. Avg. |
|--------------------|-----------|-----------|-------------|--------------|------------|-------------|------------|
| Dakotas | 177.21 | 174.24 | 161.69 | 147.68 | 192.38 | 190.03 | 206.55 |
| Delaware | 173.52 | 168.21 | 169.21 | 148.05 | 195.32 | 187.41 | 204.78 |
| Illinois | 169.32 | 166.85 | 159.60 | 140.32 | 193.30 | 188.65 | 200.52 |
| Indiana | 172.89 | 176.30 | 160.32 | 145.30 | 193.42 | 186.53 | 197.15 |
| Iowa | 178.84 | 174.65 | 168.74 | 150.12 | 205.46 | 195.82 | 211.91 |
| Kansas | 177.95 | 176.25 | 169.10 | 146.50 | 197.22 | 191.27 | 205.85 |
| North Central Avg. | 174.62 | 171.75 | 163.59 | 146.31 | 196.55 | 189.95 | 203.63 |
| Arkansas | 157.92 | 157.20 | 152.54 | 138.47 | 184.06 | 181.22 | 188.48 |
| Colorado | 175.40 | 171.14 | 164.21 | 144.21 | 192.41 | 153.26 | 183.60 |
| Kentucky | 167.30 | 170.88 | 163.44 | 143.65 | 201.53 | 193.52 | 205.20 |
| New Mexico | 188.88 | 181.50 | 157.63 | 139.88 | 191.40 | 185.24 | 196.94 |
| Ohio | 163.29 | 162.94 | 159.92 | 138.40 | 193.68 | 189.97 | 199.96 |
| Texas | 159.87 | 159.87 | 154.68 | 136.23 | 193.93 | 181.64 | 194.92 |
| South Central Avg. | 163.43 | 163.94 | 158.57 | 138.47 | 192.97 | 180.98 | 194.80 |
| Alabama | 146.59 | 146.30 | 147.41 | 120.97 | 181.20 | 176.84 | 184.96 |
| Georgia | 143.32 | 147.12 | 143.88 | 118.65 | 172.78 | 176.20 | 180.76 |
| Kentucky | 146.29 | 147.35 | 140.11 | 123.64 | 179.65 | 177.15 | 182.29 |
| Mississippi | 141.08 | 142.70 | 137.18 | 118.54 | 172.20 | 171.58 | 178.75 |
| Tennessee | 148.70 | 146.25 | 141.20 | 119.30 | 176.25 | 174.95 | 178.54 |
| Virginia | 146.09 | 144.96 | 144.35 | 128.39 | 181.20 | 177.29 | 181.40 |
| Southeast Avg. | 145.33 | 145.78 | 142.36 | 121.57 | 178.71 | 176.00 | 180.96 |
| Washington | N/A | 152.40 | 147.21 | 120.11 | 190.25 | 181.06 | 192.89 |
| Average | 161.13 | 160.08 | 154.50 | 135.21 | 189.45 | 182.76 | 192.63 |
| This Week +/- | - | 0.7% | 4.3% | 19.2% | 15.0% | -11.6% | 16.4% |

Oklahoma City, OK Mon Apr 03, 2017 USDA Livestock & Grain Market News

For Week Ending: 3/31/2017
Receipts: 25,472 Last Week: 29,421 Last Year: 19,491

Compared to last week: Combined weighted average report for Oklahoma auctions. Auctions reported this week: Ada, Apache, El Reno, McAlester, Oklahoma City, Tulsa, and Woodward. Feeder steers and heifers sold steady to 5.00 higher, but turned 1.00-4.00 lower by weeks end. This following the decline in CME cattle futures. Thunderstorms and rain moved across the state bringing much needed moisture. More rain fell over the weekend than hampering movement of cattle. Supply included 72 percent over 600 lbs; 40 percent heifers.

STATE AVERAGES

| Steers (Mld & Lg #1) | This Week | Prior Week | Last Year |
|----------------------|-----------|------------|-----------|
| 450 lbs | 177.44 | 174.48 | 207.68 |
| 550 lbs | 160.08 | 160.28 | 192.42 |
| 650 lbs | 147.30 | 146.39 | 176.73 |
| 750 lbs | 137.15 | 136.92 | 158.99 |
| 850 lbs | 129.83 | 129.21 | 148.03 |
| 950 lbs | 123.52 | 123.62 | 138.09 |

Heifers

| | This Week | Prior Week | Last Year |
|---------|-----------|------------|-----------|
| 450 lbs | 150.77 | 151.10 | 182.45 |
| 550 lbs | 140.87 | 141.24 | 167.85 |
| 650 lbs | 134.35 | 132.51 | 154.61 |
| 750 lbs | 126.06 | 125.80 | 144.00 |
| 850 lbs | 120.78 | 120.97 | 136.92 |

WEEKLY COW SUMMARY

| Slaughter Cows | Average | High | Low |
|----------------|-------------|-------------|-------------|
| Breakers | 67.00-71.00 | 74.00-78.00 | 63.00-66.00 |
| Boners | 67.00-71.00 | 73.00-76.00 | 63.00-65.00 |
| Lean | 66.00-69.00 | 71.00-75.00 | 61.00-64.00 |
| Light | 64.00-67.00 | 70.00-72.00 | 57.00-62.00 |

WEEKLY 700-900 LB FEEDER STEER M&L 1 WEIGHTED AVERAGE PRICE (\$/CWT)

WEEKLY 650-800 LB FEEDER HEIFER M&L 1 WEIGHTED AVERAGE PRICE (\$/CWT)

WEEKLY OKLAHOMA CATTLE AUCTION RECEIPTS

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So You Want to Farm in Maine

Financial Statements

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The three main forms

- Balance Sheet – also known as net worth statement
- Income Statement –
- Cash flow Statement

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Balance Sheet

- Summarizes the assets a farm has and the liabilities.
- The difference between total assets and total liabilities is net worth (or owner's equity in the business)
- The balance sheet is a snapshot of the farm at a point in time. Often this is year end.
- Measures how solvent a business is – ie. If the farm went out of business how much of the debt would be covered by the assets.
- Typically a part of every loan application



Balance Sheet

- Only shows assets owned and liabilities owed
- Leases would not be included for example
- Typically, the balance sheet is arranged with assets on the left column and liabilities on the right side.
- The next slide shows the typical layout
- Additionally, assets and liabilities are divided into how easily they can be "sold" and the liabilities by their lifespan



Balance Sheet – valuing can be difficult

- Current Assets (liquid)
 - Cash
 - Feed on farm
 - Livestock to sell in next year
 - Accts Receivable
- Intermediate Assets
 - Breeding livestock
 - Machinery
- Long Term Assets
 - Real estate
- Current Liabilities (1 yr)
 - Accts Payable such as feed, vet, repair, fuel
 - Operating loan
 - Taxes
- Intermediate Liabilities
 - Loans for machinery and cattle – ie 7 yr lifespan
- Long Term Liabilities
 - Real estate mortgages



Balance Sheet – Example Assets

| | |
|----------------------------------|------------|
| • Current Assets (liquid) | |
| – Cash | \$8000. |
| – Feed on farm | \$3200. |
| – Livestock to sell in next year | \$7800. |
| – Accts Receivable | \$ 300. |
| – Total Current Assets | \$19,300 |
| • Intermediate Assets | |
| – Breeding livestock | 0 |
| – Machinery | \$85,000. |
| • Long Term Assets | |
| – Real estate | \$450,000. |



Balance Sheet – Example Liabilities

| | |
|----------------------------------|------------|
| • Current Liabilities | |
| – Feed | \$3000. |
| – Vet | \$900. |
| – Fuel | \$1000. |
| – Prop Tax | \$ 5000. |
| – Operating Loan | \$25,000. |
| – Total Current Liabilities | \$33,900 |
| • Intermediate Liabilities | |
| – Breeding livestock | 0 |
| – Machinery - loan | \$80,000. |
| – Total Intermediate Liabilities | \$80,000. |
| • Long Term Liabilities | |
| – Real estate- mortgage A+Bank | \$400,000. |



Balance Sheet – valuing can be difficult

| | |
|---------------------------|------------------------------|
| • Current Assets (liquid) | • Current Liabilities (1 yr) |
| • \$19,300 | • \$33,900 |
| • Intermediate Assets | • Intermediate Liabilities |
| • \$85,000 | • \$80,000 |
| • Long Term Assets | • Long Term Liabilities |
| • \$450,000 | • \$400,000 |
| • Total Assets | • Total Liabilities |
| • \$554,300 | • \$513,900 |
| | • Net Worth |
| | • \$40,400 |

← Balance →



Balance Sheet

- Net Worth
 - Total assets – Total liabilities
 - \$554,300 - \$513,900 = \$40,400
- Current Ratio
 - Current assets/Current Liabilities
 - \$19,300/\$33,900 = .57 \$0.57 assets for every \$1 in liabilities
- % Equity
 - Net worth/Total assets
 - \$40,000/\$554,300 = .07 or 7% equity



Income Statement or Income/Expense or Profit/Loss

- Compares actual income and expenses on a farm
- Income is listed on the left side and Expenses on the right.
- Measures farm earnings for a year
- Different from Cashflow in that the payables and receivables are accounted for and depreciation is included.
- Uses changes in inventory (accrual accounting) to evaluate financial performance. Farms may use accrual accounting for taxes, but most use cash.



Income Statement

- | | |
|---------------------------|----------------------------------|
| • Income | • Expenses |
| • Livestock | • Livestock purch |
| • Products Sold | • Feed |
| • Crops sold | • Crops – seed, fert., chemicals |
| • Custom work | • Marketing |
| • Rent | • Hired labor |
| • +Acct Receivable rec'd | • Fuel, oil |
| • -Acct Receivable opened | • Repairs |
| • Inventory changes | • Utilities |
| | • Interest |
| | • Taxes |
| | • Rent paid |
| | • +current payables paid |
| | • -current payables opened |
| | • +depreciation |

Gross Farm Income – Total Farm Expenses = Net Farm Income
And measures the earnings of the farm operation



Cashflow statement

- Details the sources of income (both farm and nonfarm), any loans received and the disbursements as expenses, family draw, loan payments, sales of equipment/other capital and business enhancements.
- Discern between the historical cashflow statement and the future cashflow projection
- Lists ALL sources of income and expenses – does not measure profit



Cashflow

- Typical cash expenses

| | |
|-------------------|-----------------------|
| – Breeding fees | – Rent/lease |
| – Chemicals | – Repairs |
| – Custom hire | – Seeds/plants purch. |
| – Feed purchased | – Supplies |
| – Fertilizer/lime | – Taxes |
| – Trucking | – Utilities |
| – All fuels | – Vet costs |
| – Hired labor | – Miscellaneous |



Cashflow

- After Total Cash Receipts – Total Cash Expenses = Net Cash Flow
- Family Living costs
- Debts are paid
- Planned expansions – livestock, equipment, bldgs.
- Any borrowed money needed
- Depreciation, inventory change not included



Projected Cashflow

- Useful in planning to generate multiple cashflows based on different prices received, different yields per acre and different expenses such as different fuel sources
- Also can be used to determine the sensitivity of a business to a downturn in business