

# The Financial Position of Illinois Farms: We Are At and Where to From Here

Dwight Raab

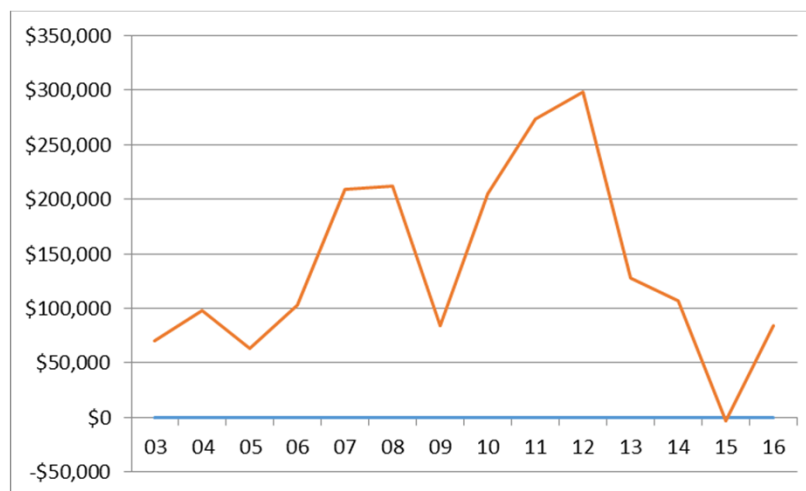
## Illinois Farm Business Farm Management (FBFM)



[www.farmdocdaily.illinois.edu](http://www.farmdocdaily.illinois.edu)  
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## Accrual Net Farm Income



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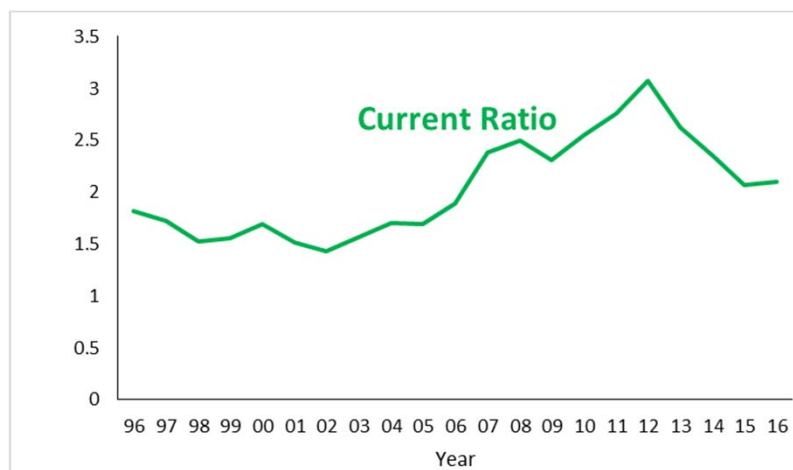
2016	\$ 86,731
2015	\$ - 2,971
2014	\$ 107,290
2013	\$ 127,664
2012	\$ 298,028
2011	\$ 273,612
2010	\$ 204,631
2009	\$ 84,212
2008	\$ 211,890
2007	\$ 209,012
2006	\$ 103,303
2005	\$ 62,940
2004	\$ 97,514
2003	\$ 70,640

Down 57% from 2012, similar to 03-09 average

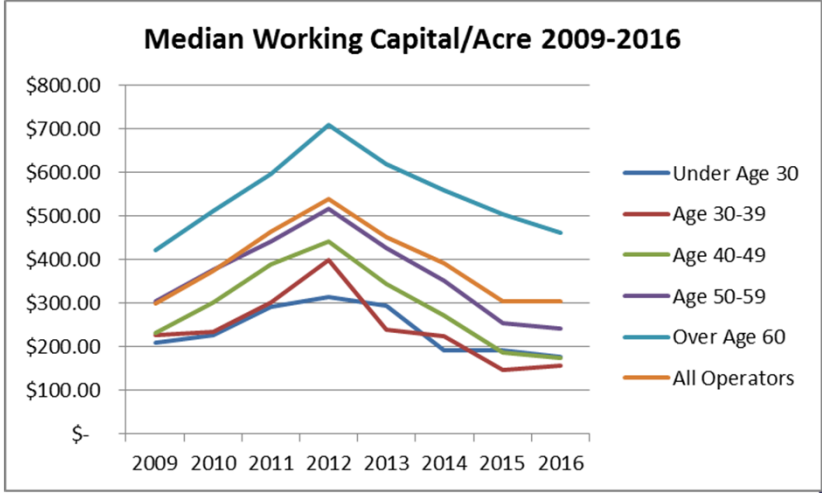
2003-2009 average \$ 119,930

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## Current Ratio

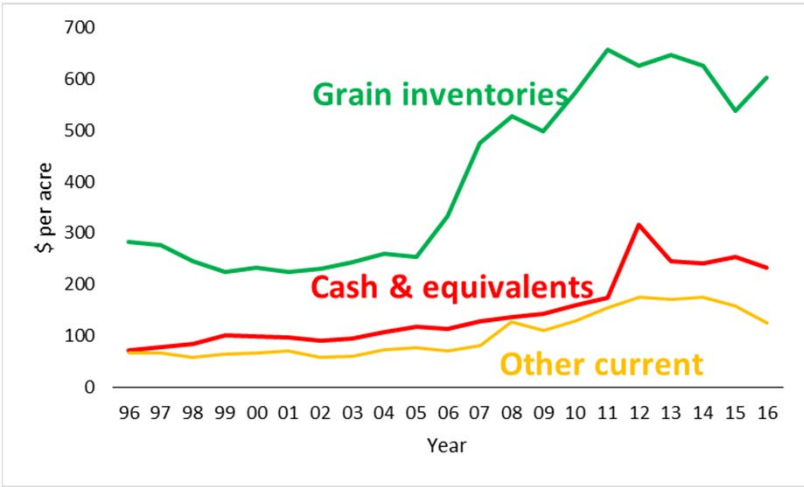


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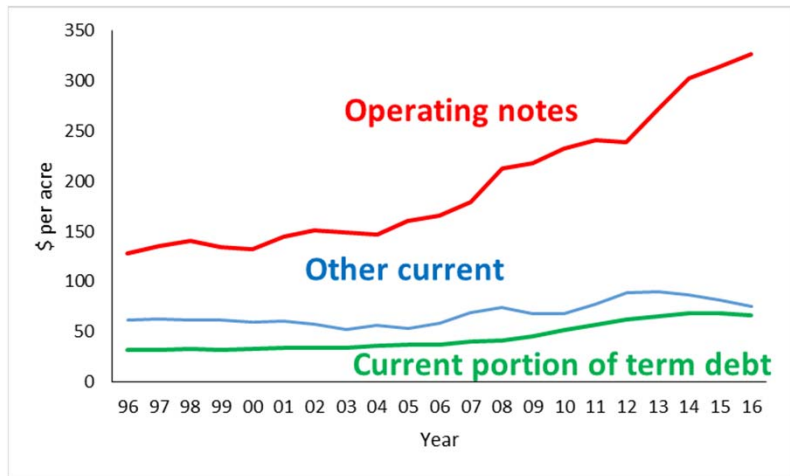
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## Components of Current Assets



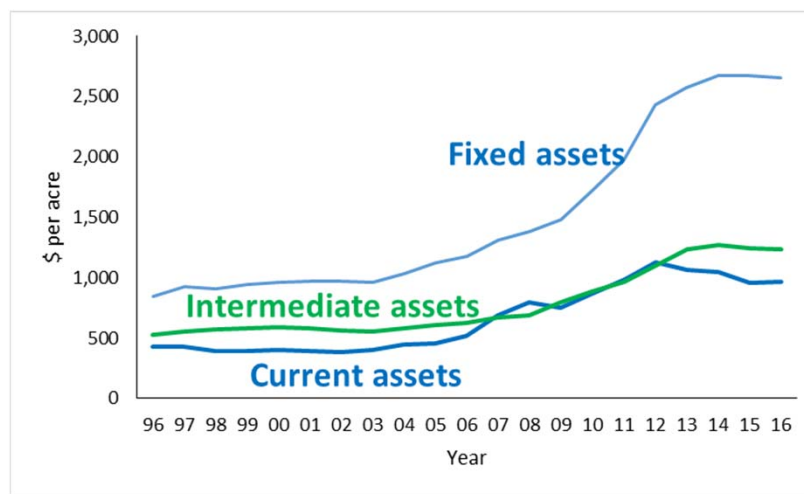
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## Components of Current Liabilities



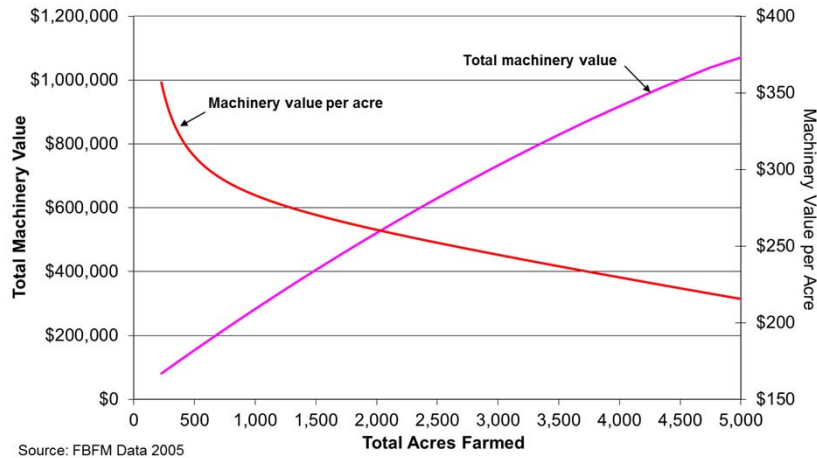
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## Components of Total Assets

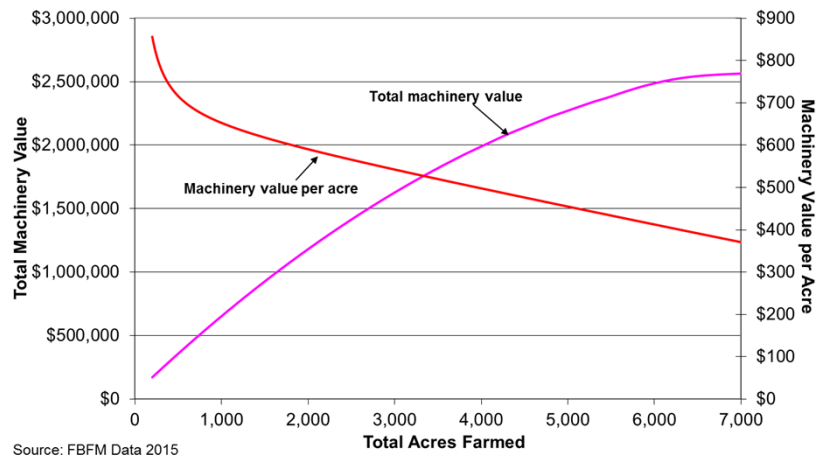


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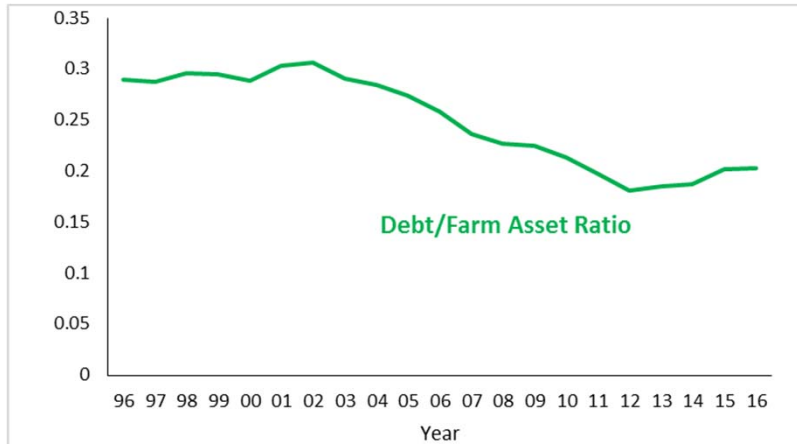
## 2005 Average Machinery Values – Grain Farms



## 2015 Average Machinery Values – Grain Farms



## Debt-to-Asset Ratio



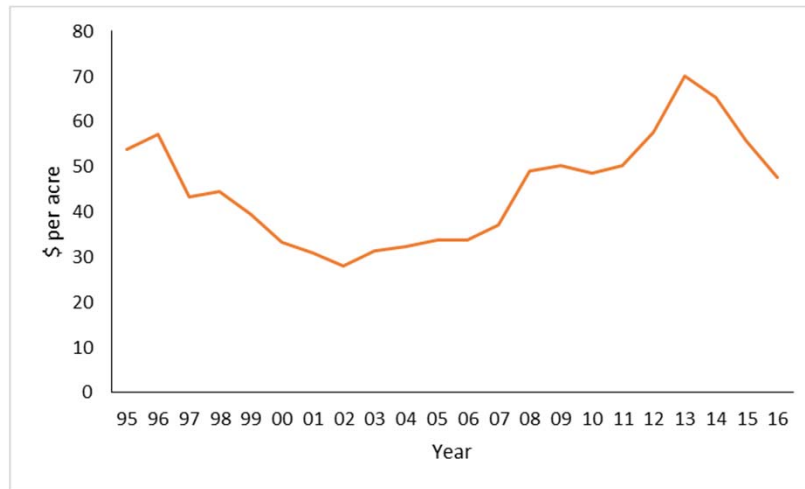
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## Slow Down Debt Increases

	<u>Money Borrowed</u>	<u>Principal Paid</u>
2006	\$ 262 (thousands)	\$ 245
2007	\$ 306	\$ 274
2008	\$ 368	\$ 332
2009	\$ 340	\$ 319
2010	\$ 361	\$ 327
2011	\$ 398	\$ 370
2012	\$ 428	\$ 396
2013	\$ 418	\$ 365
2014	\$ 439	\$ 390
2015	\$ 450	\$ 423
2016	\$437	\$ 438

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## Farm Share of Family Living and Taxes



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## Family Living Expense Snapshot

Year	Non-Farm Income	Total Family Living	Income & S.S. Tax
1995	13,790	41,254	9,975
2010	35,976	74,208	20,064
2013	38,019	89,130	40,328
2014	39,676	88,937	38,801
2015	40,662	84,779	32,438
2016	44,503	82,260	25,512

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# What Should My AGI Be?

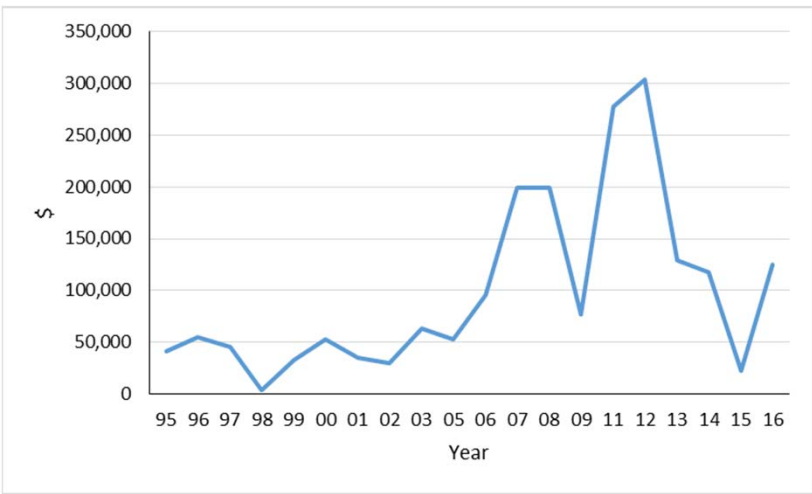
## Amounts needed for:

- \$ 80,000 Family living
- \$ 30,000 Income tax liability
- \$ 20,000 Principal payments above Depreciation
- \$130,000 Adjusted Gross Income

To the extent actual AGI is less than \$130,000 - tax deferral happens



# Capital Debt Repayment Capacity





## Questions?

[www.fbfm.org](http://www.fbfm.org)

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