



FARMS



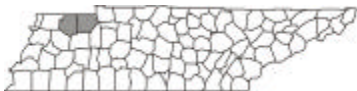
Financial Analyses and Risk Management Strategies

NWMMGF-1

Bridging the Gap Between Ag Policy and Farm Finances

October 1999

Northwest Tennessee Moderate-Size Grain Farm



1,182-Acre Grain Farm In Henry And Weakley Counties

Land Owned: 299 Acres
Land Leased: 883 Acres
Cash Rent: 290 Acres
Share Rent: 593 Acres

Enterprises

Corn: 400 Acres



Double-Crop Wheat: 200 Acres



Soybeans: 500 Acres



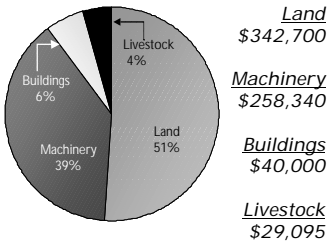
Hay and Pasture: 250 Acres



Cow/Calf: 50 Head



Farm Assets — \$646,263



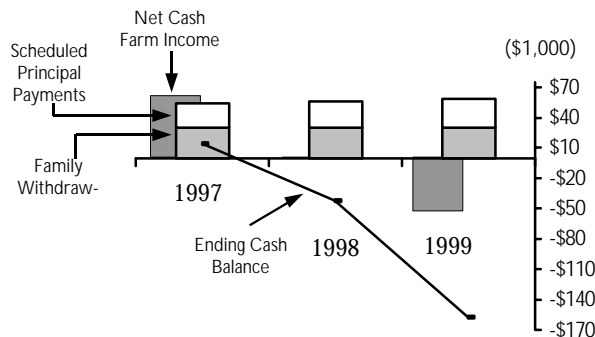
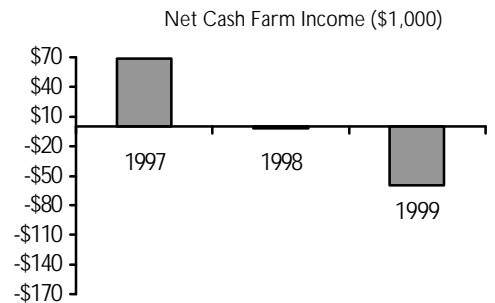
Assumptions

- No 1997 Beginning Cash Reserves
- Debt Load Is 22.5%
- 1998 Market Loss Payment Is 50% Of 1998 AMTA Payment
- 1999 Special Government Payment Is 100% Of 1999 AMTA Payment
- Family Withdrawal Is \$30,000/Year
- No Off-Farm Income Considered

Northwest Tennessee Moderate-Size Grain Farm

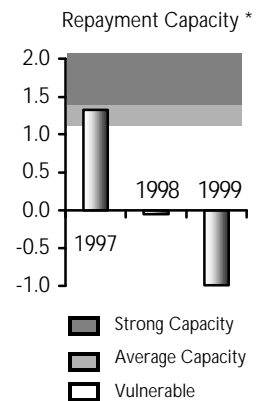
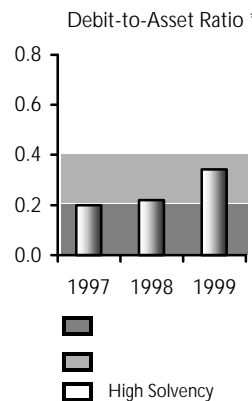
Farm Must Restructure Debt To Relieve Cash Flow Problems

Negative Net Cash Income In 1998 And 1999 Result From Reduced Receipts



Reduced Net Cash Incomes Cause Cash Flow Problems In 1998 And 1999

Farm Losing Financial Strength But Must Restructure Debt To Cover Scheduled Principal Payments



* See Table 5 for definition.