

Revised

AN ADJUSTED GROSS REVENUE (AGR) INSURANCE ANALYSIS FOR THE SMITH GREENHOUSE, ANYTOWN MIDDLESEX COUNTY, NEW JERSEY

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Business Description:

- **Family**

Mary Smith graduated with a degree in horticulture from Rutgers 10 years ago and started Smith Greenhouses in Middlesex County, New Jersey. Her husband, John, has a degree in economics, and earned enough money at his Wall Street job to keep the family going while Mary got the business up and running.

- **Changes in the Greenhouse Operation over Time**

Mary started out with 10,000 sq. ft. of greenhouse production area, and expanded her production facility to 25,000 sq. ft in 1994. She began producing only bedding plants, but has expanded her production so that she has crops almost year round. This improves her cash flow, keeps her customers coming to her for products all year, and helps her keep the same employees most of the year. She began producing her own plugs and rooted cuttings in the winter so that she could insure the top quality she needs for the garden center market. She produces extra flats of plugs and rooted cuttings that she sells to other producers. In addition to bedding plants, she produces perennials for spring sales to garden centers. In the summer and fall, she grows her own poinsettia stock plants, finished poinsettias, and florist mums. In addition to producing plants in the greenhouse, she also produces garden mums for fall sales on about one quarter of an acre outdoors.

Labor is Mary's biggest cost. Labor and benefits account for about 40% of sales.

- **Insurance History**

Mary has insurance on her greenhouse structures. She has no crop insurance. She can have \$100,000 worth of plants in the greenhouse at any one time. Thus, she is underinsured in the event of a total catastrophic loss, but she feels the chances of a total loss are very rare. She feels she has done all she can to mitigate her risks. All of her crops, except for garden mums, are raised in the greenhouse, thus most weather risks are controlled. She has screened the greenhouse to prevent entry of insects into the greenhouse. In addition, she has an IPM program, and scouts every week. Mary uses yellow and blue sticky cards to monitor insect populations. She sprays every week for thrips, and applies pesticide through the drip irrigation system for fungus knats. She has lost some pansies because of a fungus. There is no prevention for fungal diseases. She

doesn't buy seeds or stock from any one source and buys from reputable sources to reduce the possibility of diseases.

Mary had an ethylene problem from the exhaust from her heaters the first year she was in business. She switched to a different brand of heaters and has not had that problem since. She has a back up generator in case of a power failure. She now has an alarm system in the greenhouse, and has a UPS on her personal computers. Eight years ago, a telephone pole fell and knocked out her power. The temperature in the greenhouse reached 140°F and burned all of her poinsettia stock plants. She bought cuttings from other sources and was able to recover.

Mary does not sell more than 20% of her product to any one customer. Every year, she has some bad debts because one of her customers goes out of business and can't pay, but this is a fairly small loss.

Mary thinks the biggest threat is a hurricane or tornado. She had March winds of 70 to 80 miles per hour in 2000, which did not affect the polyethylene covering. The covering materials are much stronger now than they used to be, and can withstand most weather risks. The blizzard of 1996 caused one section of her greenhouse to collapse, but no crops were in that section at the time. She has removed the trees next to the greenhouse that were holding the snow that caused the collapse. She rebuilt the greenhouse and reinforced the structure. Ice is a big concern. If she gets excessive snow or ice, she deflates the polyethylene covering and melts it off the roof.

Mary has 2 wells. If a pump on one well fails, she has a back up. She has carefully thought about the risks she faces, and has tried to prevent them. Because the crops she raises are so valuable, she would like to consider AGR crop insurance.

- **Production History**

The following table gives Mary's production and prices of each crop for the last 5 years. Prices for floricultural crops have been level for these 5 years, but she plans to raise prices about 5% next year.

Crop	Price	Number of units produced				
		1995	1996	1997	1998	1999
Bedding Plants	\$ 6.65	8,000	9,000	10,000	11,500	15,000
Hanging Baskets	\$ 7.00	2,500	3,000	3,000	3,000	3,000
Perennials	\$10.00	1,000	1,000	1,000	1,000	1,000
Poinsettias						
4-inch	\$ 2.00	1,000	1,000	1,000	1,000	1,000
6-inch	\$ 4.00	2,100	2,100	2,100	2,100	2,100
7-inch	\$ 7.50	1,000	1,000	1,000	1,000	1,000
8-inch	\$12.00	400	400	400	400	400
10-inch	\$18.00	300	300	300	300	300
Hanging Baskets	\$25.00	75	75	75	75	75

Florist Mums	\$ 4.00	300	300	300	300	300
Hardy Mums	\$ 2.25	3,500	3,500	3,500	4,000	4,000
Plugs	\$16.00	6,000	6,500	6,800	7,000	7,000
Rooted Cuttings	\$25.00	1,000	1,000	1,000	1,200	1,200

- **Revenue History**

To be eligible for AGR coverage, Mary must furnish a summary of her production history over the five most recent years, as well as copies of her Schedule F forms from her tax returns. Form 1040 Schedule F for the years 1995 through 1999 and a “commodity profile” for those years are all included in this document. Mary’s calendar year ends on December 31, and she has always operated her farm on a cash basis. At the end of the year, the poinsettias are all sold, and she hasn’t started producing bedding plants yet, so she has no inventory to carry over.

- **Planting Intentions for 2001**

For her own planning purposes, and because her lender requests it, Mary has developed her planting intentions for 2001. They are as follows:

Greenhouse Code: 0600

Production Intentions for 2001			
Crop	Number of Units	Price	Expected Revenue
Bedding Plants	15,000	\$7.00	\$105,000
Hanging Baskets	3,000	\$7.15	\$21,450
Perennials	1,000	\$10.50	\$10,500
Poinsettias			
4-inch	1,000	\$2.50	\$2,500
6-inch	2,100	\$4.50	\$9,450
7-inch	1,000	\$8.00	\$8,000
8-inch	400	\$12.50	\$5,000
10-inch	300	\$19.00	\$5,700
Hanging Baskets	75	\$26.00	\$1,950
Florist Mums	300	\$4.25	\$1,275
Hardy Mums	4,000	\$2.35	\$9,400
Plugs	7,000	\$17.00	\$119,000
Rooted Cuttings	1,200	\$26.00	\$31,200
			\$330,425

Her total Expected Income for the 2001 insurance year is: \$330,425

AGR Calculations:

To determine the income that will be covered by the AGR insurance plan it is necessary to take a simple average of the allowable income from Mary's last five years of Form 1040-Schedule F. If one or two of the most recent years are greater than the average, a trend adjustment may be employed. The adjustment to the Average Allowable Income is accomplished as follows:

Beginning with the first year's revenue, divide the allowable income in year two by the allowable income in year one. Move to year three and divide that allowable income by year two and so on through year five. Four values will be obtained, average these figures and multiply the result itself three times (fourth power). This value is known as the income trend factor to "Adjust" the Average Allowable Income for insurance purposes. Insurance levels will be based on the *lesser* of the Adjusted Average Allowable Income or the total Expected Income for the business plan.

Mary's most recent year Allowable Incomes are: \$238,062 in 1995, \$257,819 in 1996, \$268,567 in 1997, \$287,939 in 1998 and \$312,004 in 1999. Her Average Allowable Income is: $(\$238,062 + \$257,819 + \$268,567 + \$287,939 + \$312,004)/5 = \underline{\$272,878}$.

Since Mary's Allowable Incomes of 1998 and 1999 (\$287,939 and \$312,004) are greater than her Average Allowable Income (\$272,878), she has to adjust the Average Allowable Income using an income trend factor. Beginning with the Allowable Income of 1995, she must divide the Allowable Income of 1996 by the Allowable Income of 1995. Then she must divide the Allowable Income of 1997 by the Allowable Income of 1996 and so on. Since she has five years of Allowable Income data, she obtains four values (V_1, V_2, V_3 and V_4):

$$V_1 = \text{Ratio}_{(96/95)} = \$257,819/\$238,062 = 1.083$$

$$V_2 = \text{Ratio}_{(97/96)} = \$268,567/\$257,819 = 1.042$$

$$V_3 = \text{Ratio}_{(98/97)} = \$287,939/\$268,567 = 1.072$$

$$V_4 = \text{Ratio}_{(99/98)} = \$312,004/\$287,939 = 1.083$$

Using these values, Mary computes the Revenue Trend Factor as follows:

$$\begin{aligned} \text{Factor} &= [(V_1 + V_2 + V_3 + V_4)/4]^4 = [(1.083 + 1.042 + 1.072 + 1.083)/4]^4 \\ &= (1.070)^4 = \underline{1.311}. \end{aligned}$$

She uses this factor to adjust her Average Allowable Income of \$272,878 that was computed in the previous section. She multiplied her Average Allowable Income by the Trend Factor to get her Indexed Average AGR: $\$272,878 * 1.311 = \underline{\$357,743}$. The Approved AGR is the lesser of: 1) the average AGR (\$272,878) or the Indexed Average AGR (\$357,743), whichever is applicable, or 2) the total Expected Allowable Income (\$330,425). In Mary's case, the level of Approved Adjusted Gross Revenue is \$330,425.

Possible Coverage Elections

Once the Approved AGR has been determined, it is then up to the grower to choose the level of coverage s/he desires. The options are as follows:

- (1) 65% coverage level with 75% payment rate (applies to any number of crops).
- (2) 75% coverage level with 75 or 90% payment rate (at least 2 crops required).
- (3) 80% coverage level with 75 or 90% payment rate (at least 4 crops required).

The 65% coverage level with a 75% payment rate is available to producers of agricultural commodities (it does not matter if one or a dozen crops are produced).

To be eligible for 75% coverage level with a 75% or 90% payment rate, the grower must produce at least two crops where expected revenue for the insurance year is equal to or greater than the amount determined by the diversification formula *{Diversification formula: (1/the number of commodities to be produced) x 0.33(the total Expected Revenue for the insurance year)}*.

To be eligible for 80% coverage level with a 75% or 90% payment rate, the grower must produce at least four crops where expected revenue for the insurance year is equal to or greater than the amount determined by the diversification formula.

Loss payments are triggered when the AGR for the insured year is less than the loss inception point *{the loss inception point is calculated by multiplying the Approved AGR by the chosen percent coverage level (0.60, 0.75, 0.80)}*. Once the loss is triggered, the payment rate is 75% or 90% of the Revenue shortfall. The AGR protection is calculated by multiplying the Approved AGR times the percent coverage level and payment rate selected by the grower.

- **AGR Protection and Loss Payments**

For AGR purposes, greenhouses are considered one crop. Thus Mary qualifies for the 65% coverage rate at the 75% payment rate. The diversification formula does not apply for only one crop.

Insurance Scenarios

The following are her coverage and payment rate and the corresponding protection level and loss inception point.

Elected coverage	Coverage level	Payment rate	Approved AGR	Loss inception point	AGR protection
65/75	65%	75%	\$330,425	\$214,776	\$161,082

Mary qualifies for the 65% coverage rate at the 75% payment rate. Since, her Approved AGR is \$330,425, her loss inception point is: $\$330,425 * 0.65 = \$214,776$. Her AGR protection is: $\$330,425 * 0.65 * 0.75 = \underline{\$161,082}$

Revenue Loss Scenarios

Expected Revenue for 2001: \$330,425.

Mary's loss payments will be triggered when her AGR for the insured year is less than her loss inception point (\$214,776).

Revenue loss	Loss inception point	Actual revenue	Revenue deficiency	Payment rate	Paid Revenue deficiency
20%	\$214,776	\$264,340	\$0	0.75	\$0
40%	\$214,776	\$198,255	\$16,521	0.75	\$12,391
60%	\$214,776	\$132,170	\$82,606	0.75	\$61,954
80%	\$214,776	\$66,085	\$148,691	0.75	\$111,518
100%	\$214,776	\$0	\$214,776	0.75	\$161,082

In this case, loss payments would trigger when the revenue for 2001 is less than \$214,776. For example, if Mary had actual revenue of \$132,170 or 40% of expectation, the payment rate is equal to the revenue deficiency that will be paid by the insurance provider: $(\$214,776 - \$132,170) * 0.75 = \underline{\$61,954}$.

Mary's Premium

Elected coverage	Coverage level	Premium (75% payment rate)
65/75	65%	\$1,090

Table 1. Smith Farm Five-Year Allowable Income and Allowable Expenses History

	<i>Schedule F</i>	<i>1995</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>
Allowable Income						
Sales of animals and other ag commodities bought for resale less the cost or other basis	line 3					
Sales of animals, produce, and other ag commodities raised	line 4 (Adjusted) ¹	238,062	257,819	268,567	287,939	312,004
Taxable amount of total cooperative distributions	line 5b	0	0	0	0	0
Commodity Credit Corporation (CCC) loans	line 7a	0	0	0	0	0
Taxable amount of CCC loans forfeited	line 7c	0	0	0	0	0
Other income - exclude gas/fuel tax credits	line 10	0	0	0	0	0
Total Allowable Income		238,062	257,819	268,567	287,939	312,004
Allowable Expenses						
The cost of items bought for resale	line 2	0	0	0	0	0
Car and truck expenses	line 12	88	46	108	83	178
Chemicals	line 13	0	0	0	0	0
Conservation	line 14	0	0	0	0	0
Custom hire (machine work)	line 15	0	0	0	0	0
Depreciation	line 16 (Adjusted) ²	0	0	0	0	0
Employee benefit	line 17	0	0	0	0	0
Feed purchased	line 18	0	0	0	0	0
Fertilizer and lime	line 19	0	0	0	0	0
Freight and trucking	line 20	11,241	11,154	11,674	11,697	12,126
Gasoline, fuel and oil	line 21	0	0	0	0	0
Insurance (other than health)	line 22	1,243	1,179	1,071	969	1,016
Interest	line 23	0	0	0	0	0
Labor hired (less employment credits)	line 24 (Adjusted) ³	89,679	98,019	104,394	118,830	130,855
Pension and profit share	line 25	0	0	0	0	0
Rent or lease	line 26	0	0	0	0	0
Repair and maintenance	line 27	1,086	842	1,068	3,082	3,005
Seeds and plants purchased	line 28	63,310	72,935	76,818	80,529	101,384
Storage and warehousing	line 29	0	0	0	0	0
Supplies purchased	line 30 (Adjusted) ⁴	6,293	12,891	6,267	3,919	3,341
Taxes	line 31	0	0	0	0	0
Utilities	line 32	13,299	12,580	14,019	12,696	14,915
Veterinary, breeding, and medicine	line 33	0	0	0	0	0
Other farm expenses	line 34					
Advertising		0	0	0	0	0
Bad debt		0	0	0	0	0
Meetings, conventions, etc.		0	0	0	0	0
Office supplies		0	0	0	0	0
Professional fees		0	0	0	0	0
Dues and subscriptions		0	0	0	0	0
Total expense – add lines 12 through 34	line 35	186,239	209,646	215,419	231,805	266,820
Net profit (loss) – line 11 minus 35	line 36	51,823	48,173	53,148	56,134	45,184

¹ Gross income adjusted for added value received for post-production operations such as processing, packing, packaging, etc.

² Include only the amount of depreciation allowed for animals.

³ Exclude share holder wages if reported on this line.

⁴ Exclude those used in post-production value added operations such as processing, packing, packaging, etc.

Schedule F Profit or Loss From Farming 1995

Name of Proprietor	<i>Smith Farm</i>	SSN	XXXXXXXX
A. Principal product	<i>Greenhouse</i>		
Accounting method	<i>Cash</i>		

Part 1 Farm income-Cash Method

1. Sales of livestock or other items you bought for resales	0
2. Cost or other basis of livestock and other items reported on line 1	0
3. Subtract line 2 from line 1	0
4. Sales of lvstk, produce, grains and other products you raised	238,062
5. Total cooperative distributions	0
6. Agricultural program payments	0
7. CCC loans	0
a. CCC loans reported under election	0
b. CCC loans forfeited	0
8. Crop insurance proceeds and certain disaster payments	0
a. Amount received in 1995	0
c. If election to defer to 1996 is attached enter amt. deferred	0
9. Custom hire (machine work) income	0
10. Other income inc. Fed. And State gasoline or fuel tax credit or refund	0
11. Gross Income	238,062

Part 2 Farm Expenses

12. Car and truck expenses	88	25. Pension and profit-sharing plans	0
13. Chemicals	0	26. Rent or lease	796
14. Conservation expenses	0	a. Vehicles	
15. Custom hire (machine work)	0	b. Other (land)	
16. Depreciation	14,545	27. Repairs and maintenance	1,086
17. Employee benefit programs	0	28. Seeds and plants purchased	63,310
18. Feed purchased	0	29. Storage and warehousing	0
19. Fertilizer and lime	0	30. Supplies purchased	6,293
20. Freight and Trucking	11,241	31. Taxes	2,810
21. Gasoline, fuel, and oil	0	32. Utilities	13,299
22. Insurance (other than health)	1,243	33. Veterinary, breeding, medicine	0
23. Interest:	4,538	34. Other Expenses (specify)	
a. Mortgage (pd. To banks, etc.)		a. Advertising	395
b. Other		b. Bad debt	732
24. Labor hired	89,679	c. Meetings/conventions	263
		d. Office Supplies	606
		e. Professional Fees	799
		f. Dues and subscriptions	52
35. Total Expenses			211,775
36. Net Farm Profit or (loss)			26,287

Schedule F**Profit or Loss From Farming****1996**

Name of Proprietor *Smith Farm* **SSN** XXXXXXXX

A. Principal product *Greenhouse*

Accounting method *Cash*

Part 1 Farm income-Cash Method

1. Sales of livestock or other items you bought for resales	
2. Cost or other basis of livestock and other items reported on line 1	0
3. Subtract line 2 from line 1	0
4. Sales of lvytk, produce, grains and other products you raised	257,819
5. Total cooperative distributions	0
6. Agricultural program payments	0
7. CCC loans	0
a. CCC loans reported under election	0
b. CCC loans forfeited	0
8. Crop insurance proceeds and certain disaster payments	
a. Amount received in 1995	0
c. If election to defer to 1996 is attached enter amt. deferred	0
9. Custom hire (machine work) income	0
10. Other income inc. Fed. And State gasoline or fuel tax credit or refund	0
11. Gross Income	257,819

Part 2 Farm Expenses

12. Car and truck expenses	46	25. Pension and profit-sharing plans	0
13. Chemicals	0	26. Rent or lease	80
14. Conservation expenses	0	a. Vehicles	
15. Custom hire (machine work)	0	b. Other (land)	
16. Depreciation	23,134	27. Repairs and maintenance	842
17. Employee benefit programs	0	28. Seeds and plants purchased	79,9350
18. Feed purchased	0	29. Storage and warehousing	0
19. Fertilizer and lime	0	30. Supplies purchased	12,891
20. Freight and Trucking	11,154	31. Taxes	2,855
21. Gasoline, fuel, and oil	0	32. Utilities	12,580
22. Insurance (other than health)	1,179	33. Veterinary, breeding, medicine	0
23. Interest:	2,969	34. Other Expenses (specify)	
a. Mortgage (pd. To banks, etc.)		a. Advertising	373
b. Other		b. Bad debt	484
24. Labor hired	98,019	c. Meetings/conventions	195
		d. Office Supplies	679
		e. Professional Fees	614
		f. Dues and subscriptions	153
35. Total Expenses			246,182
36. Net Farm Profit or (loss)			11,637

Schedule F**Profit or Loss From Farming****1997**

Name of Proprietor *Smith Farm* **SSN** XXXXXXXX

A. Principal product *Greenhouse*

Accounting method *Cash*

Part 1 Farm income-Cash Method

1. Sales of livestock or other items you bought for resales	
2. Cost or other basis of livestock and other items reported on line 1	0
3. Subtract line 2 from line 1	0
4. Sales of lvtstk, produce, grains and other products you raised	268,567
5. Total cooperative distributions	0
6. Agricultural program payments	0
7. CCC loans	0
a. CCC loans reported under election	0
b. CCC loans forfeited	0
8. Crop insurance proceeds and certain disaster payments	
a. Amount received in 1995	0
c. If election to defer to 1996 is attached enter amt. deferred	0
9. Custom hire (machine work) income	0
10. Other income inc. Fed. And State gasoline or fuel tax credit or refund	0
11. Gross Income	268,567

Part 2 Farm Expenses

12. Car and truck expenses	108	25. Pension and profit-sharing plans	0
13. Chemicals	0	26. Rent or lease	235
14. Conservation expenses	0	a. Vehicles	
15. Custom hire (machine work)	0	b. Other (land)	
16. Depreciation	26,268	27. Repairs and maintenance	1,068
17. Employee benefit programs	0	28. Seeds and plants purchased	76,818
18. Feed purchased	0	29. Storage and warehousing	0
19. Fertilizer and lime	0	30. Supplies purchased	6,267
20. Freight and Trucking	11,674	31. Taxes	3,224
21. Gasoline, fuel, and oil	0	32. Utilities	14,019
22. Insurance (other than health)	1,071	33. Veterinary, breeding, medicine	0
23. Interest:	3,324	34. Other Expenses (specify)	
a. Mortgage (pd. To banks, etc.)		a. Advertising	537
b. Other		b. Bad debt	1,776
24. Labor hired	104,394	c. Meetings/conventions	477
		d. Office Supplies	1,092
		e. Professional Fees	1,536
		f. Dues and subscriptions	115
35. Total Expenses			254,003
36. Net Farm Profit or (loss)			14,564

Schedule F**Profit or Loss From Farming****1998**

Name of Proprietor *Smith Farm* **SSN** XXXXXXXX

A. Principal product *Greenhouse*

Accounting method *Cash*

Part 1 Farm income-Cash Method

1. Sales of livestock or other items you bought for resales	
2. Cost or other basis of livestock and other items reported on line 1	0
3. Subtract line 2 from line 1	0
4. Sales of lvytk, produce, grains and other products you raised	287,939
5. Total cooperative distributions	0
6. Agricultural program payments	0
7. CCC loans	0
a. CCC loans reported under election	0
b. CCC loans forfeited	0
8. Crop insurance proceeds and certain disaster payments	
a. Amount received in 1995	0
c. If election to defer to 1996 is attached enter amt. deferred	0
9. Custom hire (machine work) income	0
10. Other income inc. Fed. And State gasoline or fuel tax credit or refund	0
11. Gross Income	287,939

Part 2 Farm Expenses

12. Car and truck expenses	83	25. Pension and profit-sharing plans	0
13. Chemicals	0	26. Rent or lease	150
14. Conservation expenses	0	a. Vehicles	
15. Custom hire (machine work)	0	b. Other (land)	
16. Depreciation	25,842	27. Repairs and maintenance	3,082
17. Employee benefit programs	0	28. Seeds and plants purchased	80,529
18. Feed purchased	0	29. Storage and warehousing	0
19. Fertilizer and lime	0	30. Supplies purchased	3,919
20. Freight and Trucking	11,697	31. Taxes	3,804
21. Gasoline, fuel, and oil	0	32. Utilities	12,696
22. Insurance (other than health)	969	33. Veterinary, breeding, medicine	0
23. Interest:	2,132	34. Other Expenses (specify)	
a. Mortgage (pd. To banks, etc.)		a. Advertising	453
b. Other		b. Bad debt	1,090
24. Labor hired	118,830	c. Meetings/conventions	102
		d. Office Supplies	1,618
		e. Professional Fees	1,842
		f. Dues and subscriptions	146
35. Total Expenses			268,624
36. Net Farm Profit or (loss)			19,315

Schedule F**Profit or Loss From Farming****1999**

Name of Proprietor *Smith Farm* **SSN** XXXXXXXX

A. Principal product *Greenhouse*

Accounting method *Cash*

Part 1 Farm income-Cash Method

1. Sales of livestock or other items you bought for resales	
2. Cost or other basis of livestock and other items reported on line 1	0
3. Subtract line 2 from line 1	0
4. Sales of lvtstk, produce, grains and other products you raised	312,004
5. Total cooperative distributions	0
6. Agricultural program payments	0
7. CCC loans	0
a. CCC loans reported under election	0
b. CCC loans forfeited	0
8. Crop insurance proceeds and certain disaster payments	
a. Amount received in 1995	0
c. If election to defer to 1996 is attached enter amt. deferred	0
9. Custom hire (machine work) income	0
10. Other income inc. Fed. And State gasoline or fuel tax credit or refund	0
11. Gross Income	312,004

Part 2 Farm Expenses

12. Car and truck expenses	178	25. Pension and profit-sharing plans	0
13. Chemicals	0	26. Rent or lease	130
14. Conservation expenses	0	a. Vehicles	
15. Custom hire (machine work)	0	b. Other (land)	
16. Depreciation	25,431	27. Repairs and maintenance	3,005
17. Employee benefit programs	0	28. Seeds and plants purchased	101,384
18. Feed purchased	0	29. Storage and warehousing	0
19. Fertilizer and lime	0	30. Supplies purchased	3,341
20. Freight and Trucking	12,126	31. Taxes	3,252
21. Gasoline, fuel, and oil	0	32. Utilities	14,915
22. Insurance (other than health)	1,016	33. Veterinary, breeding, medicine	0
23. Interest:	2,300	34. Other Expenses (specify)	
a. Mortgage (pd. To banks, etc.)		a. Advertising	216
b. Other		b. Bad debt	453
24. Labor hired	130,855	c. Meetings/conventions	241
		d. Office Supplies	1,711
		e. Professional Fees	1,247
		f. Dues and subscriptions	195
35. Total Expenses			301,996
36. Net Farm Profit or (loss)			10,008