

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

Robin G. Brumfield, Specialist in Farm Management
Edouard K. Mafoua, Research Associate in Agricultural Economics
(Rutgers University, New Jersey)

Business Description:

- **Family**

Dick Borst moved to the U.S. from The Netherlands 30 years ago. He now has 2 acres of greenhouses plus outdoor production of garden mums. He grew up in a family that owned a greenhouse in The Netherlands, but he preferred the free enterprise with much less government interference that he found in the U.S.

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

Dick started out with half an acre of greenhouse production area, and expanded to 2 acres now. He began producing bedding plants, and poinsettias but has expanded his production so that he has crops almost year round. This improves his cash flow, keeps his customers coming to his for products all year, and helps him keep the same employees most of the year. Dick began selling to garden centers, but switched to K-Mart, and now has contracts with Wall Mart, K-Mart and Home Depot. In addition to producing plants in the greenhouse, he also produces garden mums for fall sales outdoors.

- **Insurance History**

Dick has insurance on his greenhouse structures. Dick has no crop insurance except for fire insurance on the crops 75 feet from the greenhouse wall. He is underinsured in the event of a total catastrophic loss, but he feels the chances of a total loss are very rare. He feels he has done all he can to mitigate his risks. All of his crops, except for garden mums, are raised in the greenhouse, thus most weather risks are controlled. He feels his risks of loss are power failure, snowstorms, hurricanes, boiler failure, water pump failure, and ice storms. He received some bad growing media a few years ago, and sued the company who supplied the soilless mix. He settled for one-third of what his actual losses were. He lost one crop because his vents didn't open when they should have. In the 1996 snowstorm, he opened the curtains and set the thermostat to 75° F and saved most of the crops except for some lilies. If there is too much rain, the boxes of packed plants get wet and fall apart.

If the weather is cloudy, the crop gets behind and stretches. Because of the rain, customers are not selling products and ask him not to ship to them. So the plants stretch and they end up getting dumped or sold for a lower price than normal. His biggest

concern now is the rising fuel costs. His heating bill for December 2000 was 2.5 times what it was in 1999.

Dick has 4 wells. If a pump on one well fails, he has a back-up. He also has 2 back-up generators. Because the crops he raises are so valuable, he would like to consider AGR crop insurance.

- **Production History**

The following table gives Dick’s production and prices of each crop for the last 5 years.

Crop	Number of units produced and price per unit									
	1995	1995	1996	1996	1997	1997	1998	1998	1999	1999
	Price	Quantity	Price	Quantity	Price	Quantity	Price	Quantity	Price	Quantity
Bedding Plants	\$6.90	50,000	\$6.96	51,000	\$6.97	51,000	\$6.66	52,000	\$6.50	52,000
Hanging Baskets	\$5.72	8,750	\$5.85	10,500	\$5.78	10,500	\$5.91	10,500	\$6.00	10,500
Poinsettias										
4-inch	\$1.90	4,000	\$1.92	4,000	\$1.85	4,000	\$1.88	4,000	\$1.90	4,000
6-inch	\$4.10	14,000	\$4.07	14,000	\$4.14	14,000	\$4.15	14,000	\$4.15	14,000
Hanging Baskets	\$5.72	1,000	\$5.85	1,000	\$5.78	1,000	\$5.91	1,000	\$6.00	1,000
Florist Mums	\$3.56	1,050	\$3.64	1,050	\$3.68	1,050	\$3.49	1,050	\$3.45	1,050
Hardy Mums	\$1.83	50,000	\$1.79	50,000	\$1.86	50,000	\$1.93	50,000	\$1.95	50,000

- **Revenue History**

To be eligible for AGR coverage, Dick must furnish a summary of his production history over the five most recent years, as well as copies of his Schedule F forms from his 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. Dick’s calendar year ends on December 31, and he has always operated his farm on a cash basis. At the end of the year, the poinsettias are all sold, and he hasn’t started producing bedding plants yet, so he has no inventory to carry over.

- **Planting Intentions for 2001**

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

Greenhouse Code: 0600 and 0073

Production intentions for 2001			
	Quantity	Price	Expected Revenue
Bedding Plants	50,000	\$6.50	\$325,000.00
Hanging Baskets	8,750	\$6.00	\$52,500.00
Poinsettias			
4-inch	4,000	\$1.90	\$7,600.00
6-inch	14,000	\$4.15	\$58,100.00
Hanging Baskets	1,000	\$6.00	\$6,000.00
Florist Mums	1,050	\$3.45	\$3,622.50
Hardy Mums	50,000	\$1.95	\$97,500.00
			\$550,322.50

His total Expected Income for the 2001 insurance year is: \$550,322.50

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.

Dick's most recent year Allowable Incomes are: \$511,008 in 1995, \$530,217 in 1996, \$534,164 in 1997, \$530,070 in 1998 and \$523,823 in 1999. His Average Allowable Income is: $(\$511,008 + \$530,217 + \$534,164 + \$530,070 + \$523,823)/5 = \underline{\$525,856}$.

Since Dick's Allowable Income of 1998 (\$534,164) is greater than his Average Allowable Income (\$525,856), he has to adjust the Average Allowable Income using an income trend factor. Beginning with the Allowable Income of 1995, he must divide the Allowable Income of 1996 by the Allowable Income of 1995. Then he must divide the Allowable Income of 1997 by the Allowable Income of 1996 and so on. Since he has five years of Allowable Income data, she obtains four values (V_1, V_2, V_3 and V_4):

$$V_1 = \text{Ratio}_{(96/95)} = \$530,217/511,008 = 1.037$$

$$V_2 = \text{Ratio}_{(97/96)} = \$534,164/530,217 = 1.007$$

$$V_3 = \text{Ratio}_{(98/97)} = \$530,070/534,164 = 0.992$$

$$V_4 = \text{Ratio}_{(99/98)} = \$523,823/530,070 = 0.988$$

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

$$\begin{aligned} \text{Factor} &= [(V_1 + V_2 + V_3 + V_4)/4]^4 = [(1.037 + 1.007 + 0.992 + 0.988)/4]^4 \\ &= (1.006)^4 = \underline{1.024} \end{aligned}$$

Dick uses this factor to adjust his Average Allowable Income of \$525,856. He multiplied his Average Allowable Income by the Trend Factor to get his Indexed Average AGR: $\$525,856 * 1.024 = \$538,477$. The Approved AGR is the lesser of: 1) the average AGR (\$525,856) or the Indexed Average AGR (\$538,477), whichever is applicable, or 2) the total Expected Allowable Income (\$550,322.50). In Dick's case, the level of Approved Adjusted Gross Revenue is \$538,477.

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, a greenhouse or nursery crop production is considered one crop. Dick plans to produce 2 crops (greenhouse and hardy mums) and meets the diversification requirements since the Expected Income for each of 2 crops is greater than the amount determined the Diversification formula $\{1/2 \times 0.333 \times \$550,322.50\} = \$91,628.69$. Thus he qualifies for the 65% and 75% coverage rate at either the 75% or the 90% payment rate.

Insurance Scenarios

The following are his alternative coverage and payment rates and the corresponding protection levels and loss inception points.

Elected coverage	Coverage level	Payment rate	Approved AGR	Loss inception point	AGR protection
65/75	65%	75%	\$538,477	\$350,010	\$262,508
75/75	75%	75%	\$538,477	\$403,858	\$302,893
75/90	75%	90%	\$538,477	\$403,858	\$363,472

Dick’s loss payments will be triggered when his AGR for the insured year is less than his loss inception point. For example, if Dick were elected for the 75/75 coverage, his loss would trigger when the revenue for 2001 is less than his loss inception point (\$403,858).

Revenue Loss Scenarios

Expected Revenue for 2001: \$550,322.50.

Case: 65/75

Revenue loss	Loss inception point	Actual revenue	Revenue deficiency	Payment rate	Paid revenue deficiency
20%	\$350,010	\$440,258	\$0	0.75	\$0
40%	\$350,010	\$330,194	\$19,816	0.75	\$14,862
60%	\$350,010	\$220,129	\$129,881	0.75	\$97,411
80%	\$350,010	\$110,065	\$239,945	0.75	\$107,975
100%	\$350,010	\$0	\$350,010	0.75	\$262,508

Case: 75/75

Revenue loss	Loss inception point	Actual revenue	Revenue deficiency	Payment rate	Paid revenue deficiency
20%	\$403,858	\$440,258	\$0	0.75	\$0
40%	\$403,858	\$330,194	\$73,664	0.75	\$55,248
60%	\$403,858	\$220,129	\$183,729	0.75	\$137,797
80%	\$403,858	\$110,065	\$293,793	0.75	\$220,345
100%	\$403,858	\$0	\$403,858	0.75	\$302,893

Case: 75/90

Revenue loss	Loss inception point	Actual revenue	Revenue deficiency	Payment rate	Paid revenue deficiency
20%	\$403,858	\$440,258	\$0	0.90	\$0
40%	\$403,858	\$330,194	\$73,664	0.90	\$66,298
60%	\$403,858	\$220,129	\$183,729	0.90	\$165,356
80%	\$403,858	\$110,065	\$293,793	0.90	\$264,414
100%	\$403,858	\$0	\$403,858	0.90	\$363,472

Dick's Alternative Premiums

Elected coverage	Coverage level	Premium (75% Payment rate)	Premium (90% payment rate)
65/75	65%	\$1,399	-
75/75 or 75/90	75%	\$2,726	\$3,271

Table 1. Borst Greenhouse's 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	511,008	530,217	534,164	530,070	523,823
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		511,008	530,217	534,164	530,070	523,823
Allowable Expenses						
The cost of items bought for resale	line 2	0	0	0	0	0
Car and truck expenses	line 12	9,537	9,864	9,931	9,861	9,755
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	0	0	0	0	0
Gasoline, fuel and oil	line 21	0	0	0	0	0
Insurance (other than health)	line 22	8,976	9,283	9,347	9,281	9,181
Interest	line 23	0	0	0	0	0
Labor hired (less employment credits)	line 24 (Adjusted) ³	189,621	196,113	197,447	196,064	193,952
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	14,025	14,505	14,604	14,502	14,346
Seeds and plants purchased	line 28	0	0	0	0	0
Storage and warehousing	line 29	0	0	0	0	0
Supplies purchased	line 30 (Adjusted) ⁴	148,036	154,817	156,210	154,000	152,560
Taxes	line 31	0	0	0	0	0
Utilities	line 32	8,976	9,283	9,347	9,281	9,181
Veterinary, breeding, and medicine	line 33	0	0	0	0	0
Other farm expenses	line 34	45,990	47,719	47,866	47,707	47,144
Advertising		5,610	5,802	5,842	5,801	5,738
Bad debt		0	0	0	0	0
Meetings, conventions, etc.		0	0	0	0	0
Office supplies		5,049	5,222	5,257	5,221	5,164
Professional fees		0	0	0	0	0
Dues and subscriptions		0	0	0	0	0
Total expense – add lines 12 through 34	line 35	435,820	452,608	455,851	451,718	447,021
Net profit (loss) – line 11 minus 35	line 36	75,188	77,609	78,313	78,352	78,352

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 *Borst 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	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	561,008
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	561,008

Part 2 Farm Expenses

12. Car and truck expenses	9,537	25. Pension and profit-sharing plans	0
13. Chemicals	0	26. Rent or lease	0
14. Conservation expenses	0	a. Vehicles	
15. Custom hire (machine work)	0	b. Other (land)	
16. Depreciation	30,855	27. Repairs and maintenance	14,025
17. Employee benefit programs	0	28. Seeds and plants purchased	0
18. Feed purchased	0	29. Storage and warehousing	0
19. Fertilizer and lime	0	30. Supplies purchased	198,036
20. Freight and Trucking	0	31. Taxes	0
21. Gasoline, fuel, and oil	0	32. Utilities	8,976
22. Insurance (other than health)	8,976	33. Veterinary, breeding, medicine	0
23. Interest:	9,537	34. Other Expenses (specify)	
a. Mortgage (pd. To banks, etc.)		a. Advertising	5,610
b. Other		b. Bad debt	0
24. Labor hired	189,621	c. Meetings/conventions	0
		d. Office Supplies	5,049
		e. Heating	21,879
		f. Other	28,611
35. Total Expenses			530,712
36. Net Farm Profit or (loss)			30,296

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

Name of Proprietor	<i>Borst Farm</i>	SSN	XXXXXXX
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		
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		580,217
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		580,217

Part 2 Farm Expenses

12. Car and truck expenses	9,864	25. Pension and profit-sharing plans	0
13. Chemicals	0	26. Rent or lease	0
14. Conservation expenses	0	a. Vehicles	
15. Custom hire (machine work)	0	b. Other (land)	
16. Depreciation	31,912	27. Repairs and maintenance	14,505
17. Employee benefit programs	0	28. Seeds and plants purchased	0
18. Feed purchased	0	29. Storage and warehousing	0
19. Fertilizer and lime	0	30. Supplies purchased	204,817
20. Freight and Trucking	0	31. Taxes	0
21. Gasoline, fuel, and oil	0	32. Utilities	9,283
22. Insurance (other than health)	9,283	33. Veterinary, breeding, medicine	0
23. Interest:	9,864	34. Other Expenses (specify)	
a. Mortgage (pd. To banks, etc.)		a. Advertising	5,802
b. Other		b. Bad debt	0
24. Labor hired	196,113	c. Meetings/conventions	0
		d. Office Supplies	5,222
		e. Heating	22,628
		f. Other	29,591
35. Total Expenses			548,884
36. Net Farm Profit or (loss)			31,333

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

Name of Proprietor *Borst 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 lvstk, produce, grains and other products you raised		584,164
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		584,164

Part 2 Farm Expenses

12. Car and truck expenses	9,931	25. Pension and profit-sharing plans	0
13. Chemicals	0	26. Rent or lease	0
14. Conservation expenses	0	a. Vehicles	
15. Custom hire (machine work)	0	b. Other (land)	
16. Depreciation	32,129	27. Repairs and maintenance	14,604
17. Employee benefit programs	0	28. Seeds and plants purchased	0
18. Feed purchased	0	29. Storage and warehousing	0
19. Fertilizer and lime	0	30. Supplies purchased	206,210
20. Freight and Trucking	0	31. Taxes	0
21. Gasoline, fuel, and oil	0	32. Utilities	9,347
22. Insurance (other than health)	9,347	33. Veterinary, breeding, medicine	0
23. Interest:	9,931	34. Other Expenses (specify)	
a. Mortgage (pd. To banks, etc.)		a. Advertising	5,842
b. Other		b. Bad debt	0
24. Labor hired	197,447	c. Meetings/conventions	0
		d. Office Supplies	5,257
		e. Heating	22,782
		f. Other	29,792
35. Total Expenses			552,619
36. Net Farm Profit or (loss)			31,545

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

Name of Proprietor *Borst 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	580,070
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	580,070

Part 2 Farm Expenses

12. Car and truck expenses	9,861	25. Pension and profit-sharing plans	0
13. Chemicals	0	26. Rent or lease	0
14. Conservation expenses	0	a. Vehicles	
15. Custom hire (machine work)	0	b. Other (land)	
16. Depreciation	31,904	27. Repairs and maintenance	14,502
17. Employee benefit programs	0	28. Seeds and plants purchased	0
18. Feed purchased	0	29. Storage and warehousing	0
19. Fertilizer and lime	0	30. Supplies purchased	204,765
20. Freight and Trucking	0	31. Taxes	0
21. Gasoline, fuel, and oil	0	32. Utilities	9,281
22. Insurance (other than health)	9,281	33. Veterinary, breeding, medicine	0
23. Interest:	9,861	34. Other Expenses (specify)	
a. Mortgage (pd. To banks, etc.)		a. Advertising	5,801
b. Other		b. Bad debt	0
24. Labor hired	196,064	c. Meetings/conventions	0
		d. Office Supplies	5,221
		e. Heating	22,623
		f. Other	29,584
35. Total Expenses			548,748
36. Net Farm Profit or (loss)			31,322

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

Name of Proprietor *Borst 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	573,823
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	573,823

Part 2 Farm Expenses

12. Car and truck expenses	9,755	25. Pension and profit-sharing plans	0
13. Chemicals	0	26. Rent or lease	0
14. Conservation expenses	0	a. Vehicles	
15. Custom hire (machine work)	0	b. Other (land)	
16. Depreciation	31,560	27. Repairs and maintenance	14,346
17. Employee benefit programs	0	28. Seeds and plants purchased	0
18. Feed purchased	0	29. Storage and warehousing	0
19. Fertilizer and lime	0	30. Supplies purchased	202,560
20. Freight and Trucking	0	31. Taxes	0
21. Gasoline, fuel, and oil	0	32. Utilities	9,181
22. Insurance (other than health)	9,181	33. Veterinary, breeding, medicine	0
23. Interest:	9,755	34. Other Expenses (specify)	
a. Mortgage (pd. To banks, etc.)		a. Advertising	5,738
b. Other		b. Bad debt	0
24. Labor hired	193,952	c. Meetings/conventions	0
		d. Office Supplies	5,164
		e. Heating	22,379
		f. Other	29,265
35. Total Expenses			542,836
36. Net Farm Profit or (loss)			30,987