

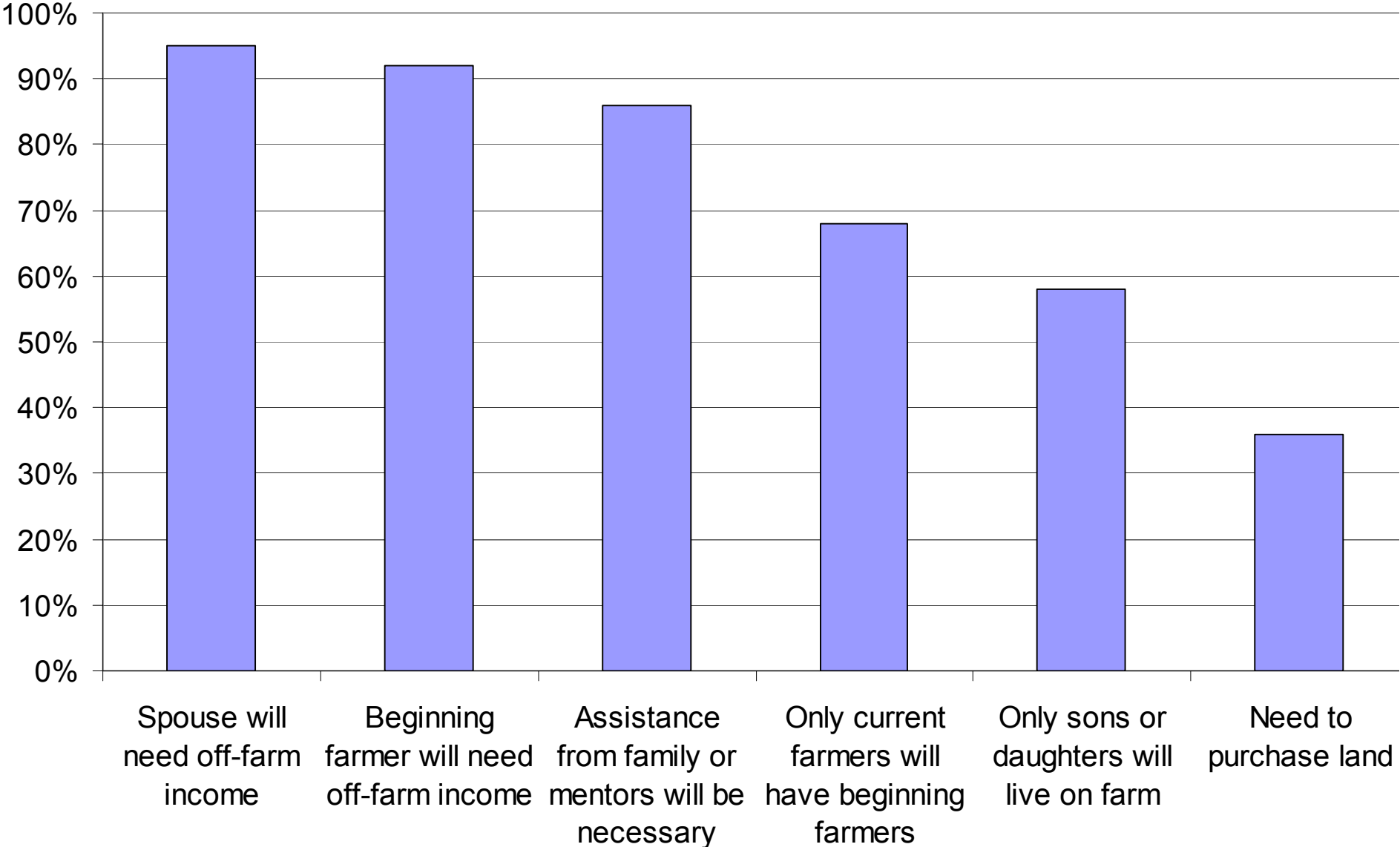
Strategies for Mid-Sized Farmers

Practical Farmers of Iowa
Annual Meeting

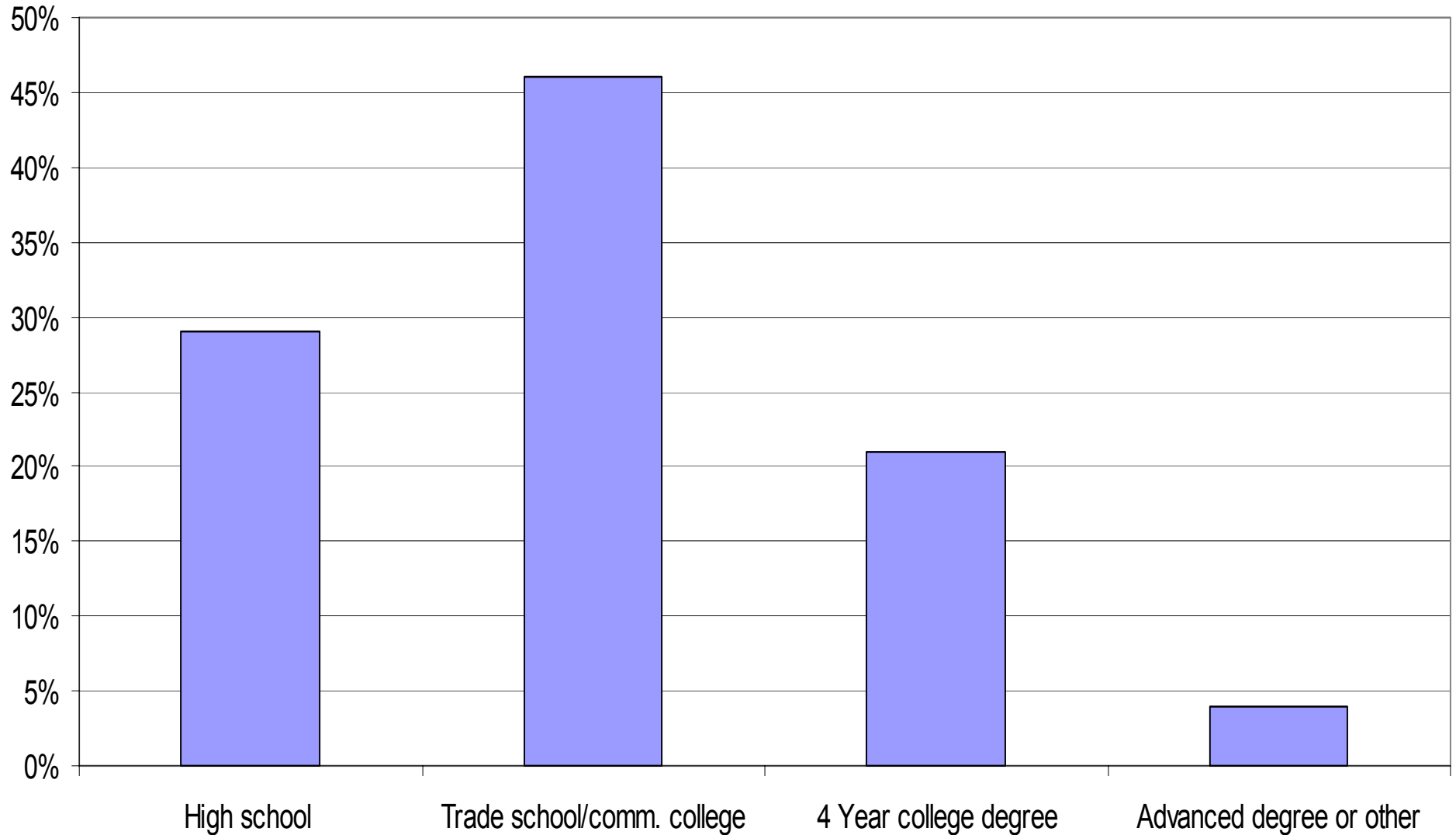
January 15, 2005

Michael Duffy

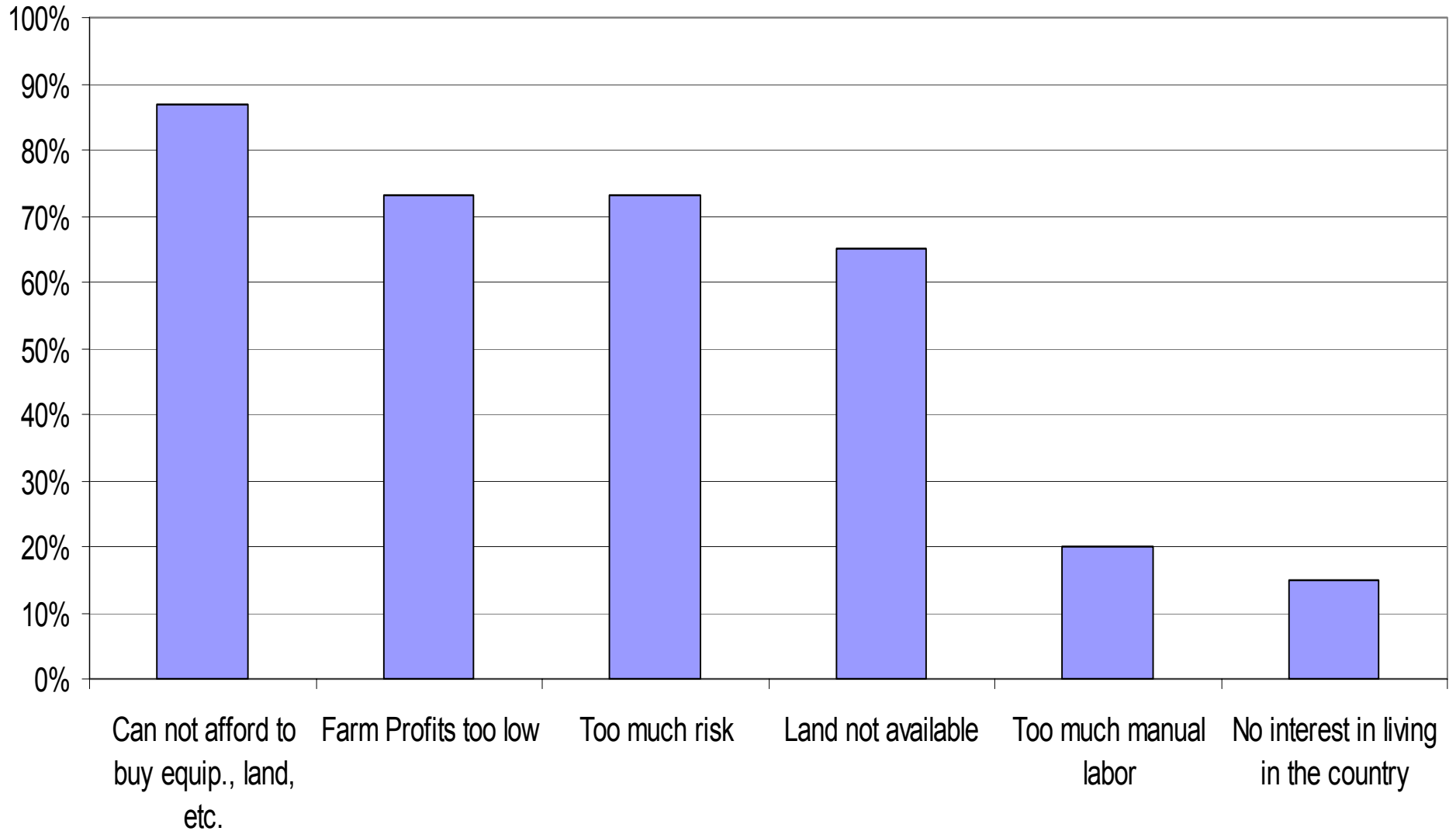
Farmers' Opinion on the Future of Beginning Farmers



Farmers' Opinion of the Level of Education Necessary for Beginning Farmer



Percent of Farmers Ranking Reason as Very Important Why Young People Do Not Enter Farming



Strategies for Mid-Sized Farmers

- Decide what you want
- Inventory what you have
- Determine how best to combine what you have to achieve what you want

Strategies for Mid-Sized Farmers

- Keep an open mind
- Be willing to make changes
- Maintain diversity
- Manage crops for highest profits, not yields
- Manage livestock for lowest cost per pound
- Marketing
- Value added products

Strategies for Mid-Sized Farmers

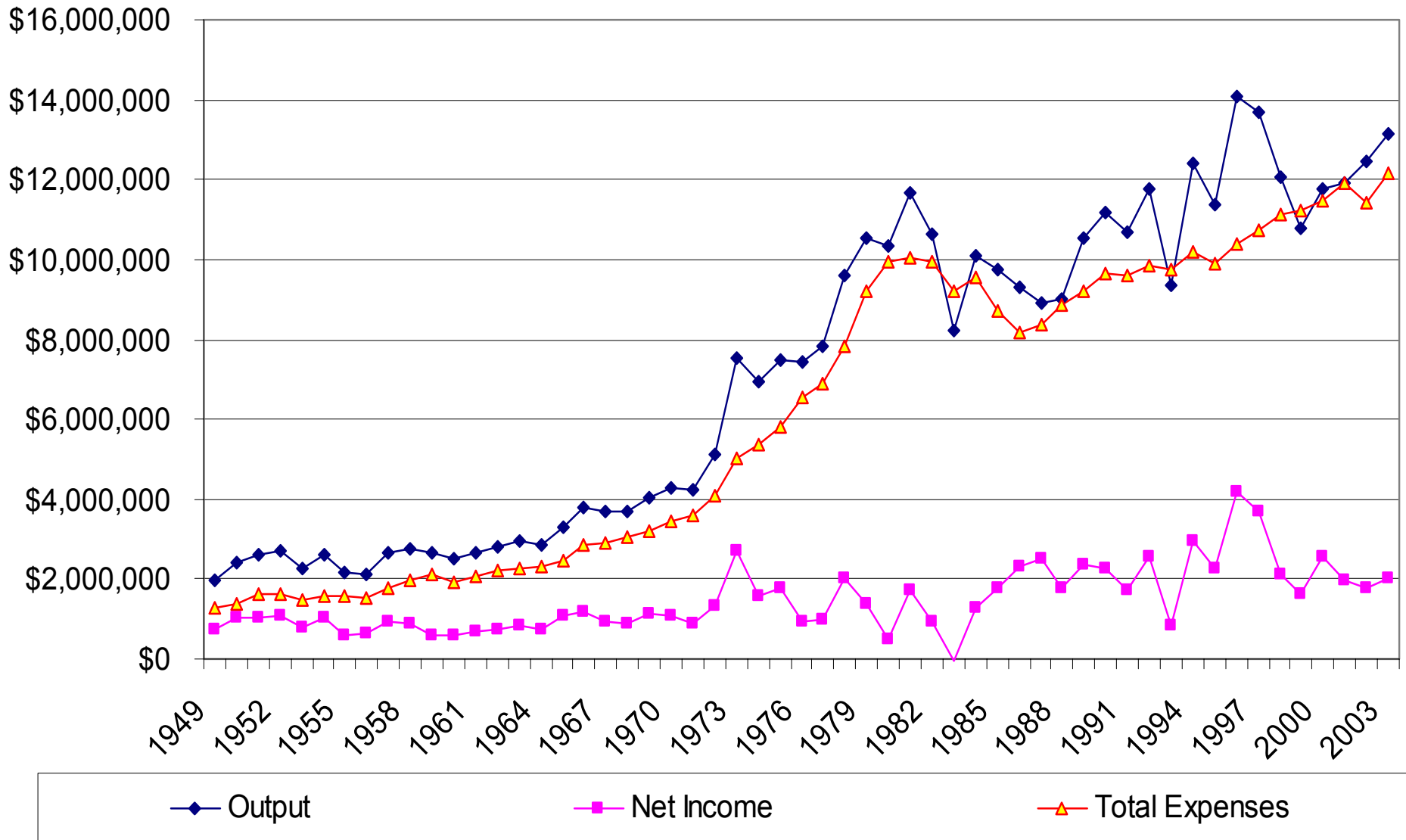
- Agro-forestry
- Agro-tourism
- Eco-tourism
- Agri-training (learn from others)
- Keep current

Strategies for Mid-Sized Farmers

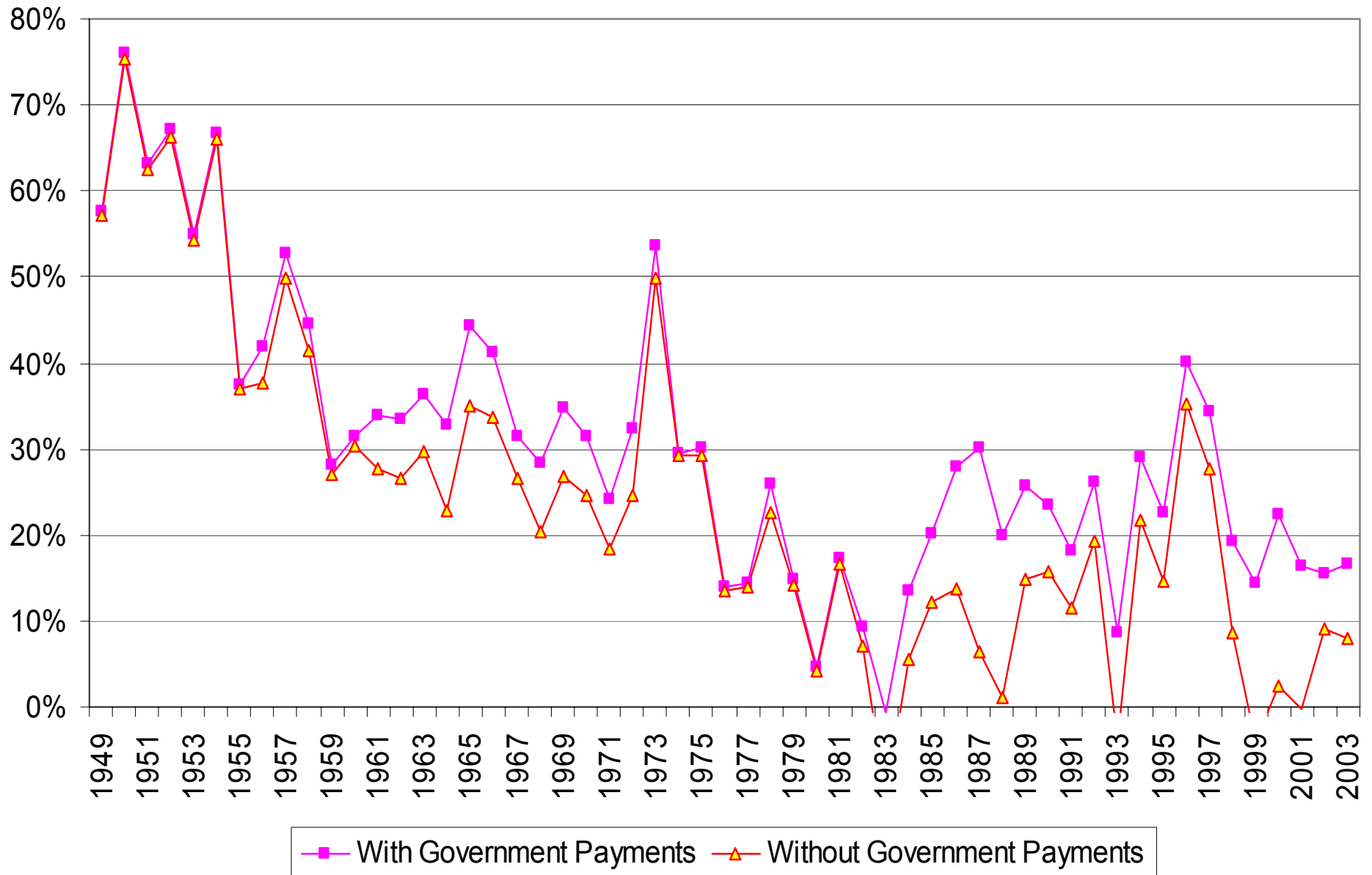
Questions to Ask

- Why do I want to farm?
- What is agriculture as I envision it?
- What are the options available to me?
- What can I learn from my neighbors?
- What can we do?
- Never quit asking questions

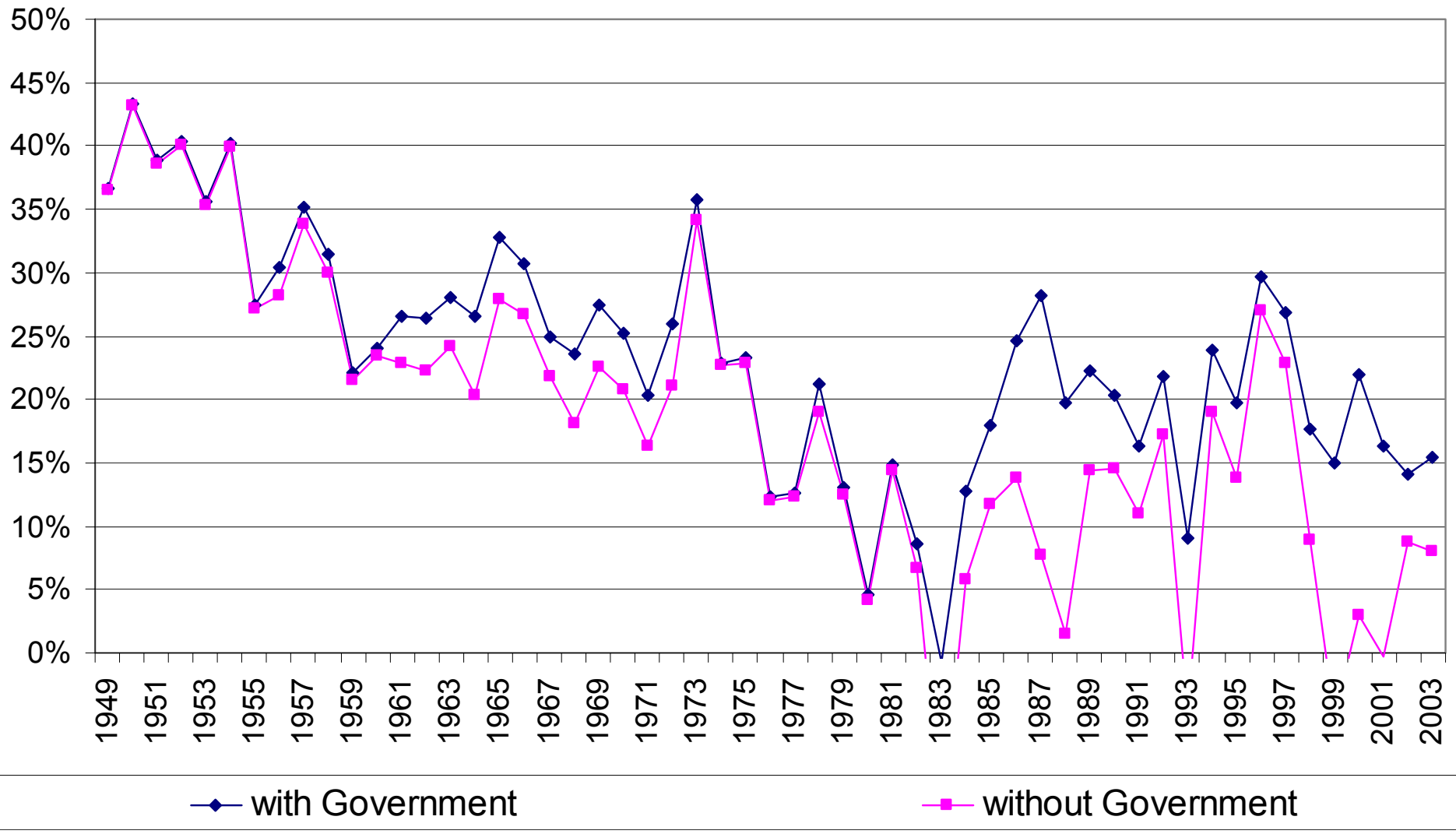
Iowa Farm Output, Total Expenses, and Net Farm Income



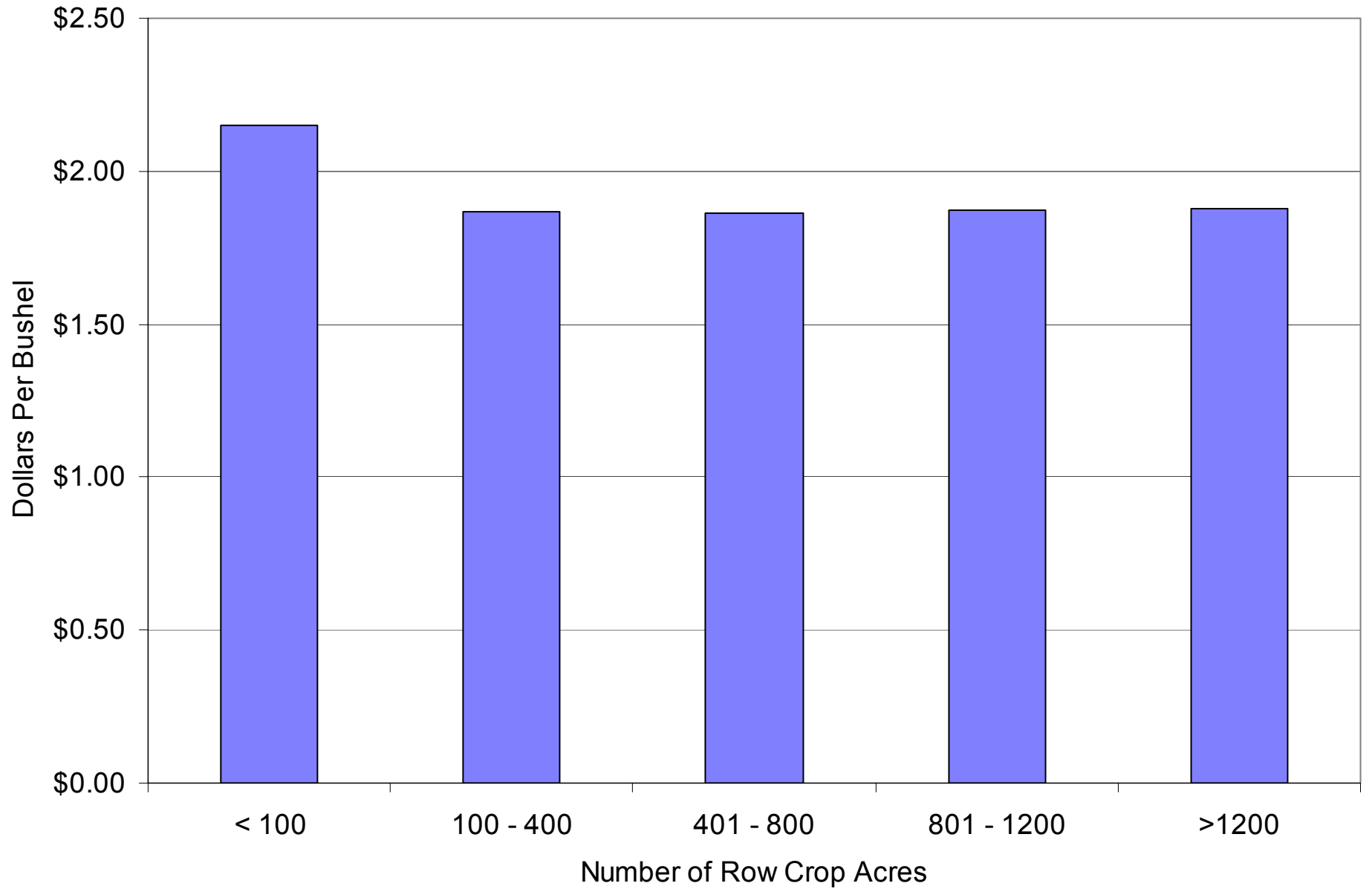
Iowa Net Farm Income as a Percent of Total Expenses



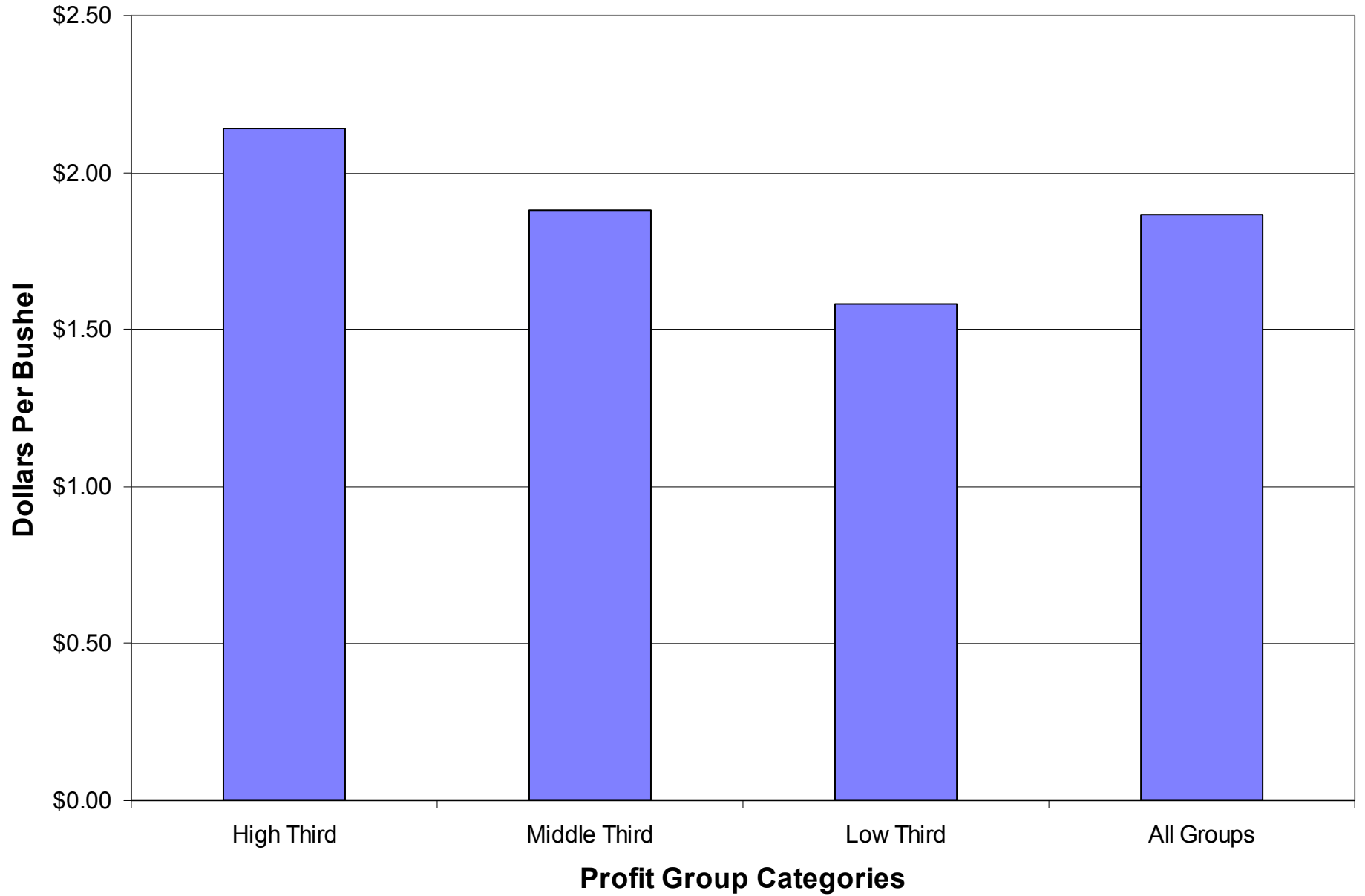
Net Farm Income as a Percent of Gross Income with and without Government Payments



Corn Total Direct Cost Per Bushel, 2003



Corn Direct Cost Per Bushel by Profit Group, 2003



Strategies for Mid-Sized Farmers

- Live on volume
- Fully utilize your resources
- Increase margin through with better prices or cost control
- Increase margin through product differentiation
- Get supplemental income on or off farm