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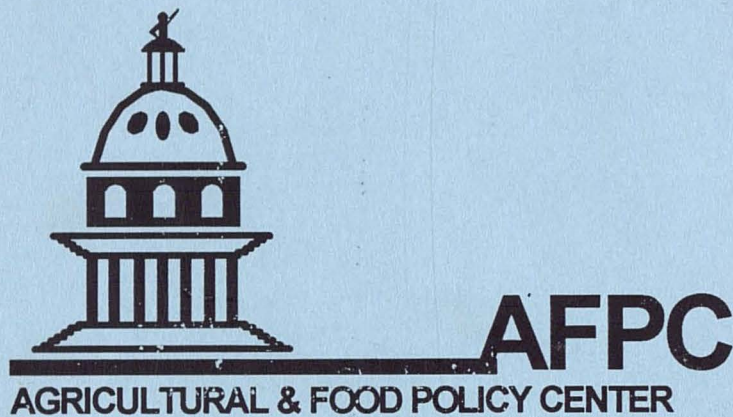
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**ECONOMIC IMPACTS OF A  
FLAT TAX ON REPRESENTATIVE  
CROP, LIVESTOCK, AND DAIRY FARMS:  
REVISED**

**AFPC Working Paper 96-3R**

• March 1996



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## EXECUTIVE SUMMARY

An earlier Working Paper of the flat tax alternative was released by AFPC in February 1996. The present report supersedes that report because earned income tax credits and alternative minimum taxes under the current income tax provisions were previously ignored.

The purpose of this Working Paper is to report the results of a simulation analysis for a flat tax on 70 representative crop, livestock, and dairy farms in major production regions. The flat tax analyzed in this study involved a single marginal tax rate of 18 percent, a \$35,000 personal deduction for a family of four, tax exempt interest earnings, and elimination of all deductions under current tax law including interest payments. Immediate 100 percent expensing of capital purchases (machinery and land) is allowed as a deduction to replace depreciation. Self-employment and Medicare taxes are assumed to be computed the same as under current tax provisions.

Assuming the representative farms have moderate debt levels 56 percent (39 of 70) of the farms experienced lower total taxes (federal income and employment taxes) under the flat tax alternative. If one assumes the farms have high initial debt levels, then 71 percent (50 of 70) experience higher total taxes under the flat tax alternative. The representative farms with higher total taxes see their taxes increased largely due to increases in employment taxes. About one third (22 of 70) of the moderate debt farms had higher federal income taxes, while 56 of the 70 farms had higher self-employment and Medicare taxes. Starting the representative farms with high initial debt increases the number that have higher employment taxes to 67 of the 70.

A central issue in the flat tax debate is what tax rate is needed to generate a certain level of government revenue/spending. While a farm level study is not designed to answer this question it may shed some light on the direction. The results presented for 70 representative crop, livestock, and dairy farms suggest that an 18 percent flat tax would generate lower total federal tax revenues from the agricultural sector. Thus if these results are reflective of capital intensive businesses there would be a need to substantially downsize government spending or increase the flat tax rate to achieve a balanced budget.

**ECONOMIC IMPACTS OF A  
FLAT TAX ON REPRESENTATIVE  
CROP, LIVESTOCK, AND DAIRY FARMS:  
Revised**

**An earlier Working Paper of the flat tax alternative was released by AFPC in February 1996. The present report supersedes that report because earned income tax credits and alternative minimum taxes under the current income tax provisions were previously ignored.**

Although flat tax proposals have been discussed for a number of years, the Presidential election and the current tax reform debate has heightened interest in tax reform proposals. A common theme of the flat tax proposals is a single marginal income tax rate for all taxpayers and the elimination of most deductions (e.g., interest payments and charitable donations). Proponents of a flat tax cite studies which project significant benefits to the U.S. economy, such as: decreases in interest rates of 20-30 percent (Golob), reduced costs of complying with the current tax code of \$200 billion per year (Hall), increases in the rate of public savings (Auerbach; Kotlikoff), new growth in the economy (Jorgenson), and an increase in efficiency of capital markets (Boskin; Auerbach).

Studies showing the impacts of a flat tax on agriculture have produced conflicting results. A preliminary analysis by AFPC in 1995 showed many farms could expect to pay less federal income tax under a flat tax, but did not analyze the impacts on self-employment taxes. Harl recently reported that many agricultural producers would not benefit from a flat tax because the loss of interest expenses as a tax deduction would substantially increase the taxable incomes for highly leveraged operators.

The purpose of this Working Paper is to report the results of a simulation analysis for a flat tax alternative on 70 representative crop, livestock, and dairy farms in major production regions.

**Current Federal Income Tax Provisions**

Current federal income tax provisions are used as a base for comparison to an alternative flat tax. The provisions in the 1993 Tax Reform Act constitute the base tax policy for the present study. The study assumes net farm income and interest income are the only forms of taxable income on the farm, i.e., there is no off-farm income. Net farm income is computed based on the provisions in the IRS Schedule F form with interest deductions being taken for all farm liabilities.

All of the representative farms are assumed to be taxed as sole proprietors with four personal exemptions, resulting in a \$10,000 personal exemption in 1995. (While the largest representative farms in the AFPC data base are actually organized as corporations, they are treated as sole proprietors for the present study to allow comparison across farm types.) The farm



family is assumed to file a "Married Individuals Filing Jointly" federal income tax return. In addition, each farm is assumed to take the standard deduction (\$6,550) in 1995. Adding the personal exemption and standard deduction results in a \$16,500 exemption to taxable income under the current tax provision. It is assumed that half of the self-employment taxes qualify as a federal income tax deduction and that state income taxes are not deductible because the family elects to take the standard deduction. Both the personal exemption and standard deduction are indexed over the seven year (1996-2002) planning horizon to adjust for inflation.

Federal income taxes are computed using the tax tables provided in the IRS code. The tax table for 1996 is currently known. Tax tables for subsequent years are estimated by indexing the income values in the 1996 table for inflation. The federal income tax table used for 1996 is summarized in Table 1. The alternative minimum tax for each farm is computed and income tax is the greater of regular taxes or the alternative minimum tax. Once income taxes are determined the earned income credit, if the farm qualified, is computed. (The formula for computing earned income credits is outlined in the CCH Tax Law Editors' Tax Handbook.) Earned income credits are subtracted from income taxes to determine the final federal income tax payment.

Table 1. 1996 Tax Rate Schedule for Use if Filing Status is Married Filing Jointly.

If the amount on Form 1040, line 37, is: Over---	But not Over---	Enter on Form 1040, line 38	of the amount over---
\$0	\$40,100	----- 15%	\$0
40,100	96,900	\$6,015 + 28%	40,100
96,900	147,700	21,919 + 31%	96,900
147,700	263,500	37,667 + 36%	147,700
263,500	-----	79,445 + 39.6%	263,500

Source: CCH Tax Law Editors' Tax Handbook

Self-employment and Medicare taxes are computed as provided for under current law. In particular, the self-employment tax is 12.4 percent on the lower of: self-employment income or the legislated maximum income subject to self-employment (\$61,300 in 1995). The Medicare tax is 2.9 percent of self-employment income. In the case of the representative farms, the income subject to the self-employment tax is the same as net farm income from schedule F. The flat tax proposals being debated do not call for a modification to self-employment and Medicare taxes, so the current provisions are used for both the current and the alternative flat tax provisions.

#### Flat Tax Alternative Analyzed

Rather than analyze each of the flat tax proposals currently in the political arena, a generic flat tax alternative, based on the various proposals, was used for the farm level analysis. Each of the representative farms was simulated for seven years (1996-2002) under the current income tax

provisions and a flat tax alternative. The farm program provisions, crop and livestock prices, and macroeconomic variables (interest rates and rates of inflation) were held constant for both income tax alternatives.

It was assumed the flat tax alternative would use a marginal income tax rate of 18 percent each year. This marginal tax rate lies within the range of proposed tax rates in the Arney-Shelby bill (20 percent for the first two years and 17 percent thereafter) and the Forbes proposal (17 percent each year). All of the farms are taxed as sole proprietors, who are assumed to be married and filing jointly with two dependents. The assumed personal deduction for a family of four is \$35,000 per year. A personal exemption for two dependents of \$10,000 and a family allowance deduction of \$25,000 for a family of four lies within the range of deductions for a family of four in the Arney-Shelby bill (\$33,300) and the Forbes proposal (\$36,000). Other itemized deductions claimed under the current income tax provisions are set at zero for the flat tax. Interest earnings are assumed to be tax exempt while business interest payments are no longer treated as an income tax deduction.

The farms are assumed to use an accelerated cost recovery schedule for computing depreciation deductions under the current federal income tax provisions. For the flat tax alternative the depreciation deductions are eliminated and replaced with a deduction for capital purchases, which allows farms to deduct 100 percent of the purchase price, net of trade in value, in the year purchased. The rules for replacing machinery on the representative farms were held constant across the two tax scenarios, although farmers will likely adjust the rate of machinery replacement under a flat tax. Negative income taxes under the alternative flat tax can result from allowable deductions exceeding gross revenue. When this occurs it is assumed the negative tax is carried forward as tax benefits in subsequent years. Carry forward benefits are inflated 4 percent each year in an effort to maintain their real (adjusted for inflation) value in subsequent years. Most flat tax proposals are vague as to how the transition from the current system would be accomplished. For this analysis it was assumed that the farms' total un-used depreciation (basis) for existing machinery is treated as an expensing deduction in the first year.

Self-employment and Medicare taxes are computed using the same tax codes (tax rate and maximum income subject to the tax) under both the current tax provisions and the flat tax alternative. However, differences exist in the calculation of income subject to employment taxes. Under the flat tax the cost of expensing capital purchases is used in place of the current depreciation deduction, and the interest expense deductions are eliminated when calculating income subject to employment taxes for the flat tax alternative. In addition, income subject to employment taxes for the flat tax alternative is not reduced by the excess deduction carry forward. The taxable income base used to calculate employment taxes for the flat tax alternative was assumed to not be reduced by excess tax deductions carried forward, consistent with current provisions for dealing with net operating loss carry forward.

### **Comparison of Current Tax Provisions and the Alternative Flat Tax**

Annual income taxes (1996-2002) for a representative farm are calculated in Tables 2 and 3 to demonstrate the differences between the current income tax provisions (Table 2) and the



**Table 2. Computation of Net Farm Income, Income Taxes, and Self-Employment Taxes Under Current Tax Provisions For a Representative Farm.**

	1996	1997	1998	1999	2000	2001	2002
<b>Summary of Gross Receipts and Expenses</b>							
<b>Farm Receipts</b>							
Sales of Livestock and Crops	473901	457085	419116	449562	478630	466063	442881
Ag. Program Payments	13820	18861	20266	19530	17845	14362	13928
Other Income	0	0	0	0	0	0	0
Gross Income	487721	475946	439382	469092	496474	480425	456808
<b>Farm Expenses</b>							
Production Expenses	177590	178081	177508	177799	179757	183079	185132
Fixed Expenses	149968	152559	155450	158545	162104	165637	168756
Depreciation	41003	44512	23428	51313	81602	89053	89105
Transition Depreciation	-----	-----	-----	-----	-----	-----	-----
All Interest	41505	39086	39407	38095	44386	56664	56103
Total Expenses	410067	414238	395793	425754	467850	494433	499097
Net Farm Profit or Loss	77654	61708	43589	43338	28624	-14008	-42289
<b>Calculation of Income Taxes</b>							
Net Farm Profit or Loss	77654	61708	43589	43338	28624	-14008	-42289
- Half of Self-Employment Tax	4916	4360	3079	3062	2022	0	0
= Adjusted Gross Income	72738	57349	40509	40276	26602	-14008	-42289
- Personal Exemption	10200	10400	10600	10800	11000	11200	11400
- Standard Deduction	6700	6800	6900	7000	7100	7200	7300
- Operating Loss Carry Forward	0	0	0	0	0	0	14008
= Taxable Income	55838	40149	23009	22476	8502	0	0
Implied Marginal Tax Rate	0.19	0.15	0.15	0.15	0.15	0.15	0.15
Taxes if Regular Calculations	10422	6022	3451	3371	1275	0	0
Alternative Minimum Tax (AMT)	6024	2912	0	0	0	0	0
Federal Income Tax is the maximum of:							
AMT or Regular Calculations	10422	6022	3451	3371	1275	0	0
- Earned Income Credit	0	0	0	0	237	0	0
Net Accrued Federal Income Taxes	10422	6022	3451	3371	1038	0	0
Carry over Deductions	-----	-----	-----	-----	-----	-----	-----
<b>Calculation of Self-Employment and Medicare Taxes</b>							
Net Farm Income	77654	61708	43589	43338	28624	-14008	-42289
* Percent of Income Subject to Tax	0.9235	0.9235	0.9235	0.9235	0.9235	0.9235	0.9235
Income Subject to S-E and Medicare	71713	56987	40254	40023	26434	0	0
Maximum Income Subject to S-E Tax	62526	63776	65052	66353	67680	69033	70414
Income Used for S-E Tax	62526	56987	40254	40023	26434	0	0
* Self-Employment Tax Rate	0.124	0.124	0.124	0.124	0.124	0.124	0.124
= Accrued Self Employment Taxes	7753	7066	4992	4963	3278	0	0
Income Used for Medicare Tax	71713	56987	40254	40023	26434	0	0
* Medicare Tax Rate	0.029	0.029	0.029	0.029	0.029	0.029	0.029
= Accrued Medicare Taxes	2080	1653	1167	1161	767	0	0
Total Employment Taxes	9833	8719	6159	6123	4044	0	0
<b>TOTAL TAXES ACCRUED</b>	<b>20255</b>	<b>14741</b>	<b>9610</b>	<b>9494</b>	<b>5082</b>	<b>0</b>	<b>0</b>

Table 3. Computation of Net Farm Income, Income Taxes, and Self-Employment Taxes Under The Alternative Flat Tax Provisions For a Representative Farm.

	1996	1997	1998	1999	2000	2001	2002
<b>Summary of Gross Receipts and Expenses</b>							
<b>Farm Receipts</b>							
Sales of Livestock and Crops	473901	457085	419116	449562	478630	466063	442881
Ag. Program Payments	13820	18861	20266	19530	17845	14362	13928
Other Income	0	0	0	0	0	0	0
Gross Income	487721	475946	439382	469092	496474	480425	456808
<b>Farm Expenses</b>							
Production Expenses	177590	178081	177508	177799	179757	183079	185132
Fixed Expenses	149968	152559	155450	158545	162104	165637	168756
Capital Expensing	71755	41367	0	121476	246717	119957	136876
Transition Depreciation	51119	0	0	0	0	0	0
All Interest	-----	-----	-----	-----	-----	-----	-----
Total Expenses	450432	372007	332958	457820	588578	468673	490764
Net Farm Profit or Loss	37289	103939	106424	11272	-92104	11752	-33956
<b>Calculation of Income Taxes</b>							
Net Farm Profit or Loss	37289	103939	106424	11272	-92104	11752	-33956
- Half of Self-Employment Tax	-----	-----	-----	-----	-----	-----	-----
= Adjusted Gross Income	37289	103939	106424	11272	-92104	11752	-33956
- Personal Exemptions	10000	10180	10343	10519	10908	11261	11529
- Family allowance	25000	25451	25857	26299	27271	28151	28822
- Carry in Deductions	0	0	0	0	26570	163128	198418
= Taxable Income	2289	68308	70224	-25546	-156853	-190788	-272725
* Flat Tax Rate	0.18	0.18	0.18	0.18	0.18	0.18	0.18
= Accrued Federal Income Taxes	412	12295	12640	0	0	0	0
Alternative Minimum Tax (AMT)	-----	-----	-----	-----	-----	-----	-----
Federal Income Taxes	412	12295	12640	0	0	0	0
- Earned Income Credit	-----	-----	-----	-----	-----	-----	-----
Net Accrued Federal Income Taxes	412	12295	12640	0	0	0	0
Carry over Deductions	0	0	0	-25546	-156853	-190788	-272725
<b>Calculation of Self-Employment and Medicare Taxes</b>							
Net Farm Income	37289	103939	106424	11272	-92104	11752	-33956
* Percent of Income Subject to Tax	0.9235	0.9235	0.9235	0.9235	0.9235	0.9235	0.9235
Income Subject to S-E and Medicare	34436	95988	98283	10410	0	10853	0
Maximum Income Subject to S-E Tax	62526	63776	65052	66353	67680	69033	70414
Income Used for S-E Tax	34436	63776	65052	10410	0	10853	0
* Self-Employment Tax Rate	0.124	0.124	0.124	0.124	0.124	0.124	0.124
= Accrued Self Employment Taxes	4270	7908	8066	1291	0	1346	0
Income Used for Medicare Tax	34436	95988	98283	10410	0	10853	0
* Medicare Tax Rate	0.029	0.029	0.029	0.029	0.029	0.029	0.029
= Accrued Medicare Taxes	999	2784	2850	302	0	315	0
Total Employment Taxes	5269	10692	10917	1593	0	1661	0
<b>TOTAL TAXES ACCRUED</b>	<b>5681</b>	<b>22987</b>	<b>23557</b>	<b>1593</b>	<b>0</b>	<b>1661</b>	<b>0</b>



alternative flat tax (Table 3). The annual receipts for the farm are identical across the two income tax provisions. The two tables demonstrate how the two tax alternatives compute the farm's annual taxable income and federal income taxes. Self-employment and Medicare taxes are computed under each provision to show how their values can differ even though the alternative flat tax does not explicitly change the method for computing these taxes. Below is a list of noteworthy differences found in Tables 2 and 3.

- Net farm profit or loss is different between the two alternatives because:
  - Depreciation under the current tax law is replaced with capital purchase expensing under the flat tax alternative.
  - Interest expense deductions under the current tax law are not allowed under the flat tax alternative.
  - A transition to capital expensing is assumed in year one which allows farmers to expense all remaining depreciation of capital items in the first year (1996) for the flat tax alternative.
- Net farm income is adjusted for half of self-employment taxes under current tax provisions but not under the flat tax provisions.
- Both income tax provisions contain personal exemptions and deductions
  - Personal exemptions for the current provisions are for four personal exemptions at \$2,500 each in 1995 while the flat tax contains two dependent exemptions at \$5,000 each in 1995.
  - The standard deduction under the current tax provisions (\$6,500 in 1995) is replaced with a \$25,000 family allowance deduction under the flat tax alternative.
- The flat tax does not contain the alternative minimum tax or the earned income credit provisions.
- There are allowances for carryover deductions under the flat tax which replace the operating loss carry forwards under the current tax provisions.
- Self-employment taxes differ because the calculated net farm profit is different between the two provisions.
- The allowance for transition depreciation, and expensing of all capital purchases reduces taxable income under the flat tax alternative relative to the current provisions in 1996 which results in lower total taxes in that year.
- The loss of interest expense deductions and smaller capital purchases in 1997 and 1998 result in considerably higher tax burdens under the flat tax alternative in 1997 and 1998.

- The farm begins to replace significant amounts of machinery in 1999 which substantially lowers net farm profit under the flat tax alternative and reduces income taxes to zero.
- The difference between depreciation under the current tax provisions and full capital purchase expensing is most noticeable in 1999, 2000, 2001, and 2002. The dollar value of machinery replaced on the farm is the same under both provisions but the tax benefits of expensing versus depreciation are quite different.
  - The flat tax alternative results in zero federal income taxes being paid in 1999-2002 while the current provisions result in a \$2,900 income tax bill over the same period.
  - The current provisions have an operating loss carry forward of \$42,347 in year 2002. The flat tax alternative ends year 2002 with a carry over deduction of \$272,726 which will reduce federal income taxes in subsequent years.
  - Recall the analysis assumes the producer continues to replace equipment on the same schedule under both scenarios. In all likelihood, the farm will adjust the machinery replacement schedule to take full advantage of the full expensing allowances under the flat tax alternative.

### **Representative Farms**

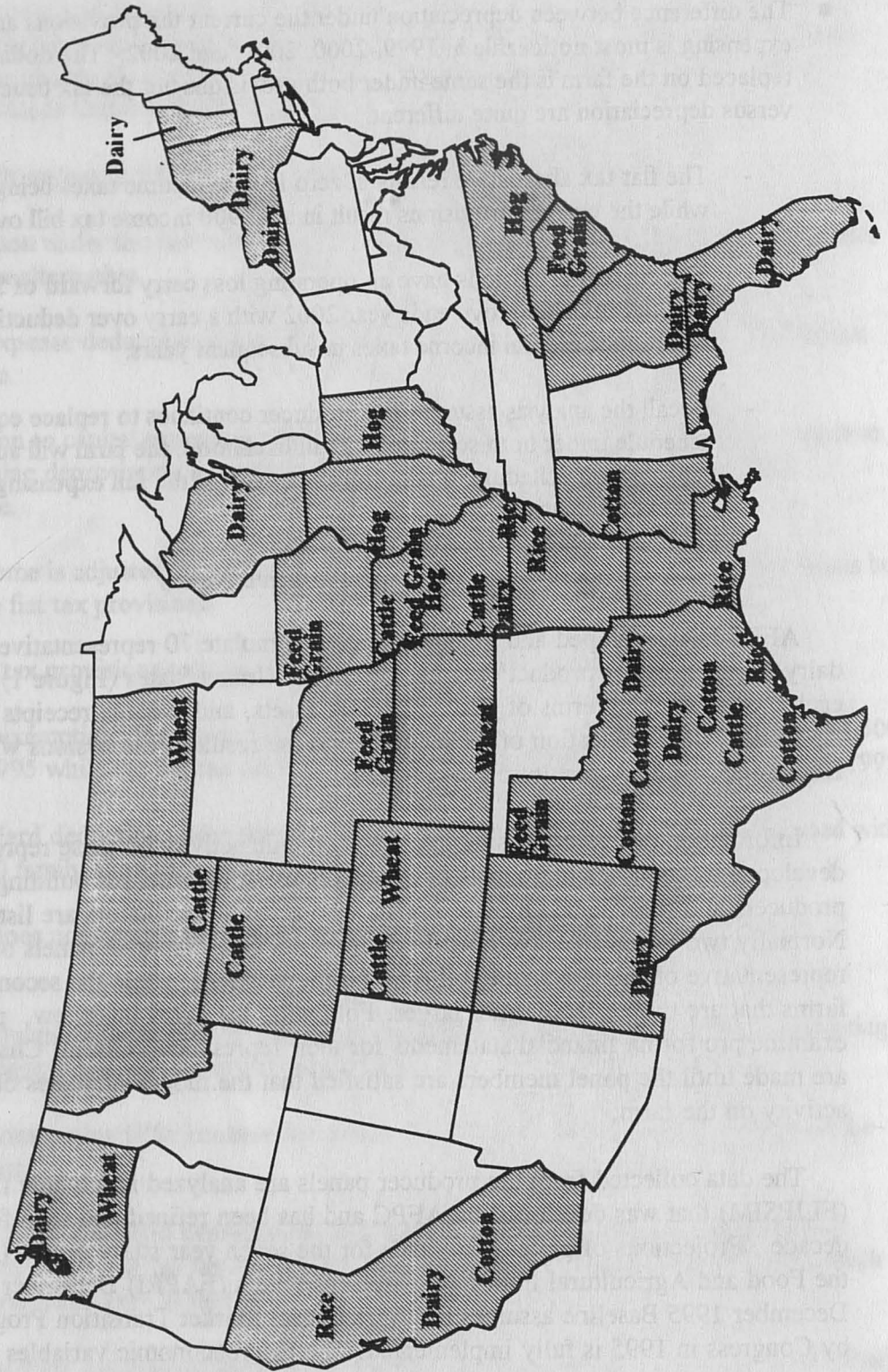
AFPC has developed and maintains data to simulate 70 representative crop, livestock, and dairy farms in major production areas across the United States (Figure 1). Characteristics for each of the farms in terms of size, crop mix, assets, and average receipts are summarized in Appendix A. The location of these farms was the result of discussions with staffers for the House and Senate Agriculture Committees.

Information necessary to simulate the economic activity on these representative farms was developed by interviewing panels of producers using a consensus building process. Names of producers and local Land Grant scientists who acted as facilitators are listed in Appendix B. Normally two farms are developed in each region using separate panels of producers; one is representative of moderate size full-time farm operations, while the second panel represents farms that are two to three times larger. Following the panel interview, producers are asked to examine pro forma financial statements for their representative farm. Changes in the input data are made until the panel members are satisfied that the model simulates observed economic activity on the farm.

The data collected from the producer panels are analyzed in a whole farm simulation model (FLIPSIM) that was developed by AFPC and has been refined and used for more than a decade. Projections of prices and yields for the seven year study period (1996-2002) are from the Food and Agricultural Policy Research Institute's (FAPRI) December 1995 Baseline. The December 1995 Baseline assumes the Agricultural Market Transition Program (AMTP) passed by Congress in 1995 is fully implemented. The macroeconomic variables (interest rates and



**Figure 1. Representative Farms**



rates of inflation) underlying the Baseline are from the WEFA Group's October 1995 projections, assuming a near balanced budget by 2000.

The representative farms are simulated using two initial debt to asset ratios, namely, moderate and high debts. The crop farms with moderate debt are assumed to begin with intermediate- and long-term debt to asset ratios of 20 percent. This level of debt is considered to be a moderate level of debt for commercial size farms, based on information developed from the USDA-ERS and NASS Cost and Returns Survey and the producer panels. Moderate initial debt to asset ratios for dairy, hog, and beef cattle farms are 30, 30, and 5 percent, respectively. For the high debt levels the crop, dairy, hog and beef cattle farms have debt to asset ratios of 40, 60, 60, and 10 percent, respectively.

### **Key Assumptions**

- In the simulation model, machinery is replaced at the end of its useful life, based on information provided by the producer panels. The number of years each piece of machinery is used on a farm was held constant across the income tax provisions.
- Crop farms were not permitted to grow by purchasing additional land over the planning horizon. Dairy, hog, and beef cattle herd sizes are held constant for all farms over the planning horizon.
- No off-farm-related income from wages or other investments were included in the analyses.
- The representative farms were simulated assuming yields and market prices are stochastic about the projected prices from FAPRI. Projected annual taxes for the farms reported are actually mean values based on simulating the planning horizon for 100 iterations.

### **Results of Farm Level Analysis**

The results of simulating 70 representative crop, livestock, and dairy farms are summarized in Figures 2-10 and Tables C1-C8 in Appendix C. The simulation results are presented in terms of the projected average annual federal income taxes for 1996-2002, the average annual self-employment and Medicare taxes for 1996-2002, and the average annual total federal taxes paid by the farms for 1996-2002. The three scenarios reported in Figures 2-10 are: (1) current federal income tax provisions (Base) with moderate debt, (2) current federal income tax provisions (Base) with high debt, and (3) the flat tax alternative. A sensitivity analysis which assumed a 20 percent decrease in interest rates is not presented because the federal income and employment tax results, under the flat tax alternative, for the farms are the same as those presented here for baseline interest rates. Lower interest rates, however, increase net cash farm incomes for all of the representative farms.



## Feed Grain Farms

All ten of the moderate debt feed grain farms would pay lower average annual federal income taxes under the flat tax alternative, while eight of the ten farms pay lower income taxes assuming high initial debt levels (Figure 2 and Table C1). For example, under the base income tax provisions the large Iowa grain farm (IAG1500) has average annual federal income taxes of about \$12,120 and \$10,500 assuming moderate and high debt levels, respectively; and about \$9,480 under the flat tax alternative (Table C1). In contrast to the current tax provisions, the loss of interest expenses as an income tax deduction for the flat tax alternative causes farmers to pay the same federal income taxes, regardless of their debt position (Table C1).

Relative to the base tax provisions, federal income tax savings for the flat tax alternative range from \$80 to \$32,800 per year for the moderate debt feed grain farms. Assuming high initial debt levels, the moderate size Nebraska (NEG800) and Texas High Plains (TXNP1600) feed grain farms would have higher federal income taxes under the flat tax of \$1,420 and \$220, respectively. These two farms had higher federal income taxes under the flat tax alternative in part because they lost the benefits of the earned income tax credit under the flat tax alternative.

The flat tax alternative generally results in lower federal income taxes, because it has a higher nontaxable base, in other words, it allows farmers to expense 100 percent of the net cost of machinery (purchase price less trade in value) in the year purchased, and it allows for inflation adjusted tax benefits (excess deductions) to be carried forward. Also the flat tax alternative results in a lower marginal income tax rate for the larger, more profitable, feed grain farms. On average, the combination of lower taxable income base and the carry-forward tax benefit more than offsets the loss of interest expense and depreciation deductions for the representative feed grain farms analyzed.

Self-employment and Medicare taxes for six of the ten representative feed grain farms (IAG760, MOG1250, NEG800, TXNP1600, TXNP4500, and SCG1500) are higher for the flat tax alternative under the moderate debt scenario (Figure 2 and Table C1). Four of the farms (IAG1500, MOG2400, NEG1575, and SCG3500) experience lower employment taxes under the flat tax alternative, assuming a moderate initial debt level. Employment taxes computed under the flat tax alternative exceed current employment taxes when the interest expense and depreciation exemptions under the current provisions exceed the expensing deductions under the flat tax alternative. The taxable income base used to calculate employment taxes for the flat tax alternative was assumed to not be reduced by excess tax deductions carried forward.

Total average annual taxes (federal income, self-employment and Medicare taxes) are higher for three of the ten moderate debt, representative feed grain farms under the flat tax alternative and for half of the high debt feed grain farms (Table C1). At the high initial debt level, total taxes for the TXNP1600 farm are \$2,140 per year higher under the flat tax alternative (Table C1). The other four high debt feed grain farms which pay higher total taxes under the flat tax alternative, experience average increases of \$530 to \$4,550 per year.

## **Wheat Farms**

Six of the eight moderate debt representative wheat farms would experience lower average annual federal income taxes under the flat tax alternative (Figure 3 and Table C2). For these farms, the average annual reduction in federal income taxes ranges from \$640 to more than \$10,500. Assuming the eight representative wheat farms had high initial debt levels, five of the eight farms would have higher federal income taxes under the flat tax alternative. Note that the moderate Kansas wheat farm (KSW1175) would see an increase in federal income taxes under the flat tax alternative (regardless of the debt assumption) due to the loss of earned income tax credits. The farm is projected to have a negative average annual income tax under the current tax provisions due to the earned income tax credit.

Employment taxes for seven of the eight moderate debt representative wheat farms under the flat tax alternative exceed the employment taxes under the current tax provisions (Table C2 and Figure 3). These wheat farms experience an increase in self-employment taxes because the loss of interest expenses and depreciation as tax deductions is greater than benefits from expensing capital purchases. Wheat farms tend to have low capital purchases which are consistent with the machinery replacement strategies observed for the representative wheat farms. At higher debt levels all eight of the representative wheat farms pay more employment taxes under the flat tax (Figure 3).

Total federal income and employment taxes for three of the eight representative wheat farms with moderate debt are higher under the flat tax alternative, and seven of the eight high debt wheat farms have higher total taxes. These farms experience increases in total taxes due to increases in self-employment taxes outpacing the decline in federal income taxes and due to the loss of the earned income tax credit.

## **Cotton Farms**

Eight of the nine moderate debt representative cotton farms would experience a decrease in federal income taxes and seven of the nine high debt cotton farms have lower federal income taxes under the flat tax alternative (Figure 4 and Table C3). Federal income tax savings range from about \$130 to \$21,320, assuming a moderate initial debt position. Assuming the cotton farms have high initial debts, the federal income tax savings would range from \$900 to \$17,200. The two high debt cotton farms that pay higher federal income taxes (CAC900 and MSC1635) pay an average of \$1,000 to \$6,700 per year in higher federal income taxes under the flat tax alternative.

Self-employment and Medicare taxes for seven of the nine moderate debt, representative cotton farms are higher under the flat tax alternative. The average annual tax increases for these moderate debt farms is about \$880 per year. All of the high debt cotton farms pay higher average annual employment taxes under the flat tax alternative due to the loss of interest as an income tax deduction. The average increase in employment taxes for the high debt producers is about \$1,300 per year.



Total federal taxes for all but two of the moderate debt representative cotton farms are reduced under the flat tax alternative. All but three of the high debt farms (TXBL1200, CAC900, and MSC1635) experience a decrease in total taxes under the flat tax.

### **Rice Farms**

Like the other crop farms, most (five of eight) of the moderate debt representative rice farms experience a decrease in federal income taxes under the flat tax alternative (Figure 5 and Table C4). Seven of the eight high debt representative rice farms, however, have higher federal income taxes under the flat tax alternative. Average annual income tax savings under the flat tax alternative for the moderate debt rice farms range from \$60 to \$6,500. The high debt farms that pay higher federal income taxes under the flat tax have increases ranging from \$330 to \$3,860 annually (Table C4).

Self-employment and Medicare taxes for seven of the eight moderate debt rice farms would increase an average of about \$2,000 per year. All eight of the farms would experience higher employment taxes if they had high initial debts. Similar to wheat farms, this result is consistent with a production agriculture system which is experiencing a low capital turnover due to economic pressure within the sector.

Total federal taxes for five of the eight moderate debt rice farms increase under the flat tax alternative and total taxes increase for seven of the eight high debt farms. For the moderate debt farms the increase in total taxes occurs because increases in employment taxes more than offset reductions in federal income taxes under the flat tax. Seven of the high debt farms pay higher total taxes under the flat tax alternative due to a combination of higher federal income taxes and higher employment taxes. Two of the farms presently benefit from earned income tax credits (ARR1260 and LAR1100) and lose this benefit under the flat tax alternative.

### **Dairy Farms**

Eight out of 22 of the moderate debt, and 17 of the 22 high debt, representative dairy farms have higher federal income taxes under the flat tax alternative than the current tax provisions (Tables C5 and C6 and Figures 6, 7, and 8). Five of the dairy farms are projected to have negative average annual income taxes (TXED300, TXED200, NYCD110, VTD70, and VTD186) under the current income tax provisions due to earned income tax credits. The flat tax is assumed to eliminate this provision so these three farms see a net increase in their federal income taxes at both debt levels. Loss of interest expenses as a income tax deduction explains why federal income taxes are higher under the flat tax alternative for 14 of the dairy farms, when one assumes the farms start with a high debt level. Dairy operations, in general, can currently carry more debt than crop farms due to more consistent cash flows throughout the year.

Self-employment and Medicare taxes are increased by the flat tax alternative for 19 of the 22 moderate debt dairy farms. If the representative dairy farms start with high debt levels, all of the representative dairy farms experience higher employment taxes. The capital replacement

deduction, on the dairy farms, is not sufficient to offset the loss of the interest and depreciation deductions; thus causing an increase in employment taxes for most all of the dairy farms.

The sum of total taxes (federal income and employment) increases for 9 of the 22 moderate debt farms and 17 of the 22 high debt representative dairy farms under the flat tax alternative. Higher total taxes for the 17 high debt farms are a result of increases in both employment taxes and federal income taxes. The loss of interest expenses as an income tax deduction largely explains the increase in taxes for the 17 high debt dairy farms.

### **Beef Cattle Ranches**

Average annual federal income taxes for five of the six moderate and high debt representative beef cattle operations would increase for the flat tax alternative (Figure 9 and Table C7). The flat tax alternative is assumed to eliminate the earned income tax credit which is responsible for increasing federal income taxes for these five ranches. Under the current tax provisions the WYB300, COB250, STB400, MOSB150, and MONB150 ranches all have negative average annual income taxes due to the benefits of earned income tax credits. The increase in federal income taxes under the flat tax for these moderate debt ranches ranges from about \$340 to \$980 per year. One of the representative ranches (MTB400) has a decrease in federal income taxes of about \$1,000 per year under the flat tax, largely due to the fact the ranch seldom benefits from earned income tax credits under the current tax provisions.

Employment taxes would be expected to increase for all six representative cattle ranches, regardless of their initial debt to asset ratio. The only ranch with a decrease in federal income taxes (Montana), under the flat tax alternative, would have an increase in total taxes because employment tax increases exceed the decrease in federal income taxes. The annual total tax burden, across the six representative cattle operations, increases an average of \$1,670 for the moderate debt ranches and \$2,400 for the high debt ranches.

### **Hog Farms**

Three of the seven moderate debt representative hog farms can expect an increase in federal income taxes under the flat tax alternative (Figure 10 and Table C8). At a high initial debt to asset ratio, five of the seven representative hog farms would pay higher federal income taxes under the flat tax alternative. The two Illinois grain-hog farms (ILH200 and ILH450) pay lower income taxes, regardless of their initial debt position, under the flat tax because the farms benefit from the lower marginal income tax rate of 18 percent assumed for the flat tax. Three of the farms are projected to benefit from earned income tax credits under the current tax provision (NCH350, MOH225 and MOH75) so the flat tax alternative would increase their average annual federal income taxes, particularly at the high debt assumption.

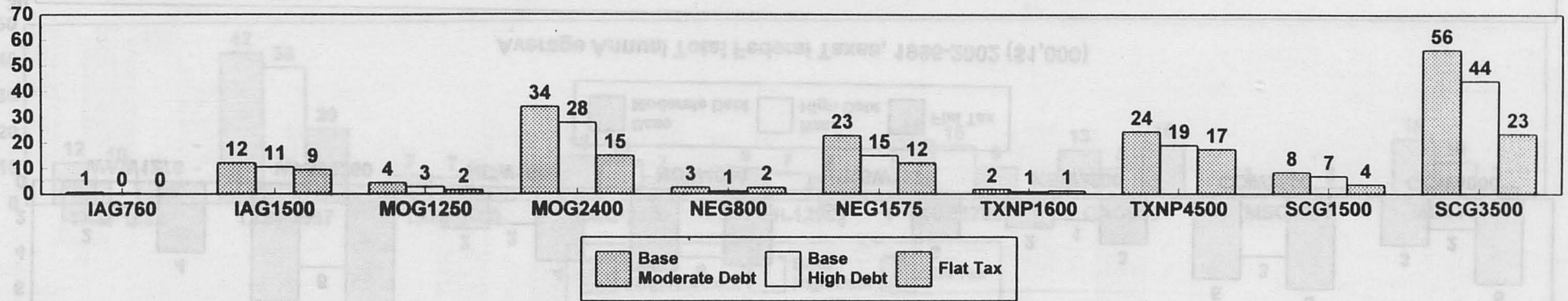
Self-employment and Medicare taxes increase under the flat tax alternative for four of the seven moderate debt representative hog farms. At the high initial debt level only one of the farms (ILH450) experiences a reduction in employment taxes under the flat tax alternative.



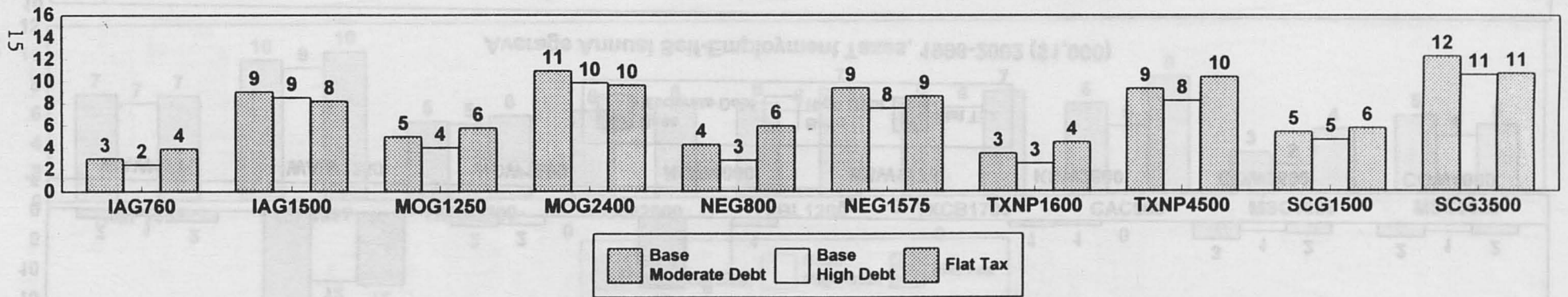
Total federal taxes for three of the seven moderate debt hog farms increase under the flat tax alternative. The total tax bill for these three farms increases an average of \$6,600 per year under the flat tax alternative. At high initial debt levels total taxes would increase for five of the seven representative hog farms.

# Figure 2. Income and Employment Taxes Under Current and Flat Tax Provisions for Representative Feed Grain Farms

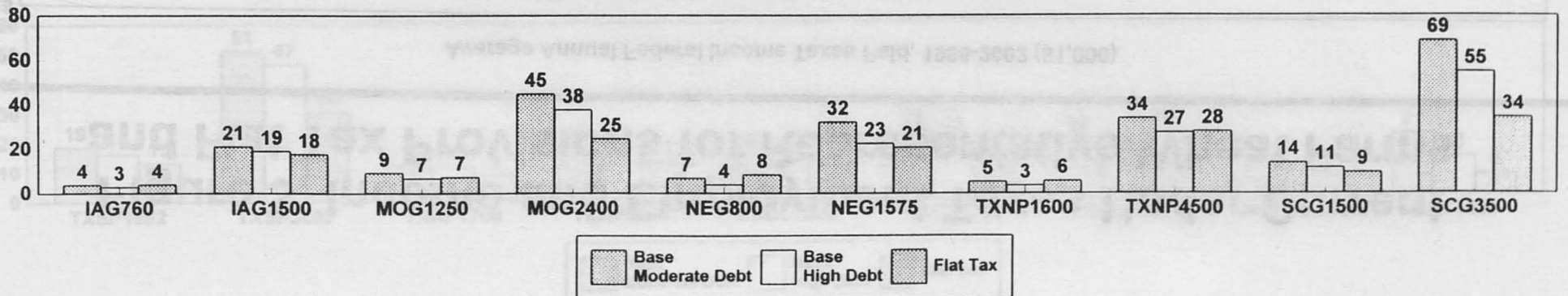
Average Annual Federal Income Taxes Paid, 1996-2002 (\$1,000)



Average Annual Self-Employment Taxes, 1996-2002 (\$1,000)



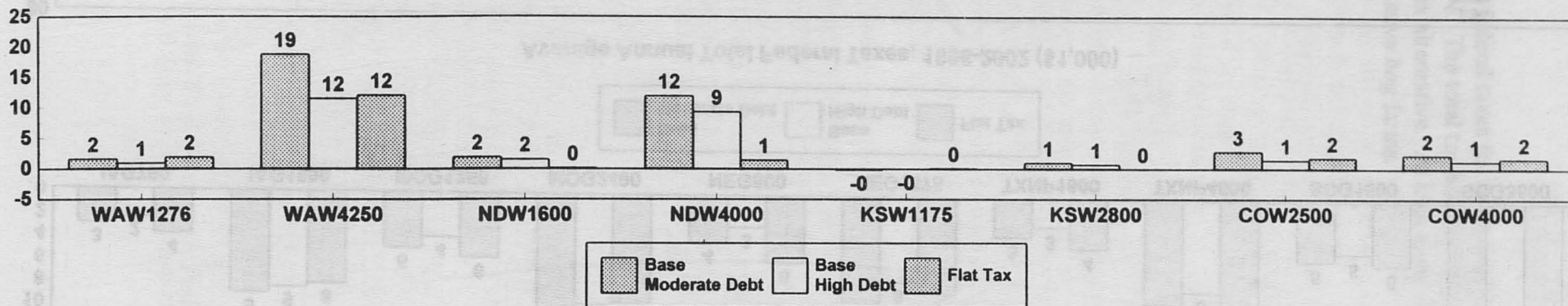
Average Annual Total Federal Taxes, 1996-2002 (\$1,000)



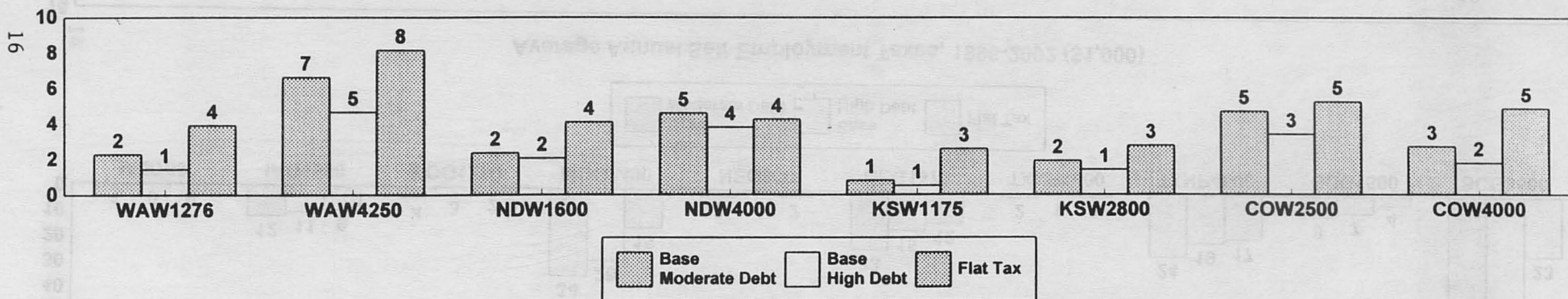


# Figure 3. Income and Employment Taxes Under Current and Flat Tax Provisions for Representative Wheat Farms

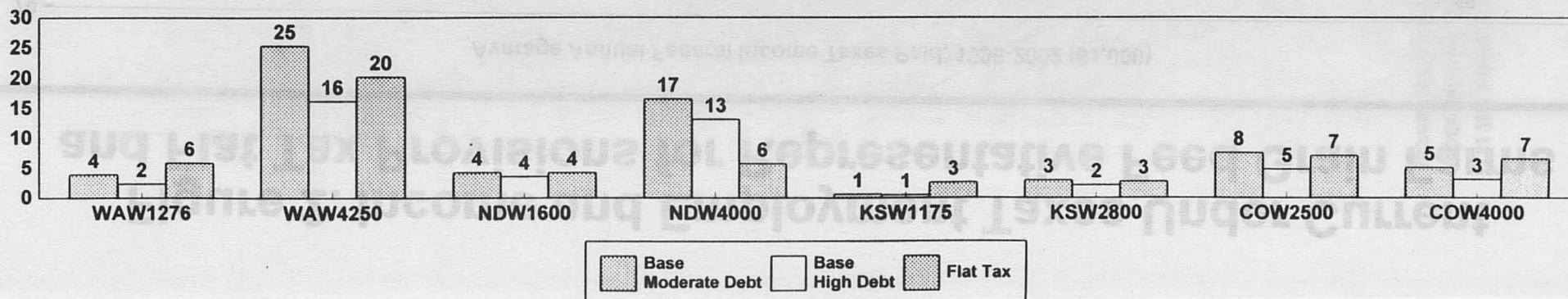
Average Annual Federal Income Taxes Paid, 1996-2002 (\$1,000)



Average Annual Self-Employment Taxes, 1996-2002 (\$1,000)

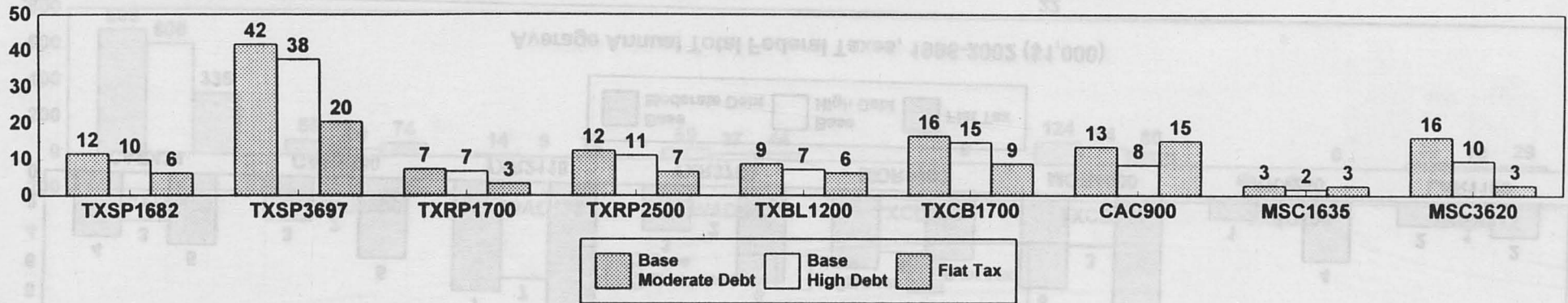


Average Annual Total Federal Taxes, 1996-2002 (\$1,000)

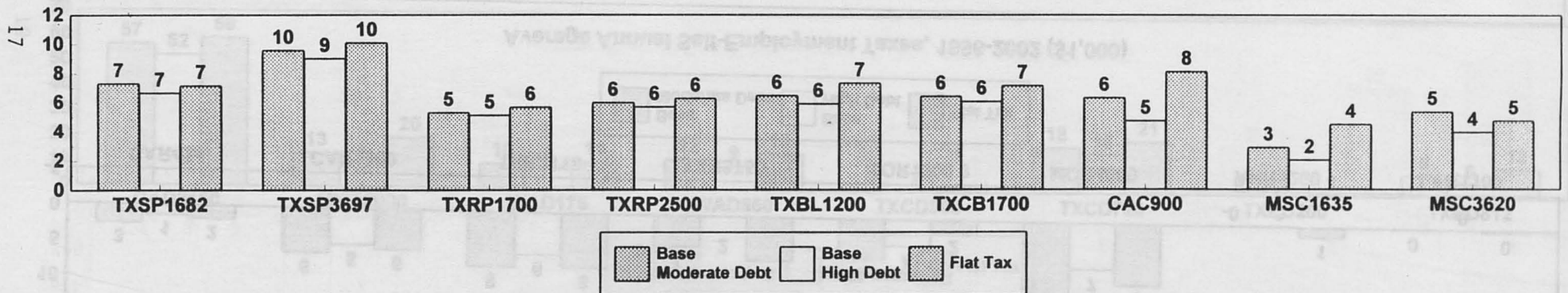


# Figure 4. Income and Employment Taxes Under Current and Flat Tax Provisions for Representative Cotton Farms

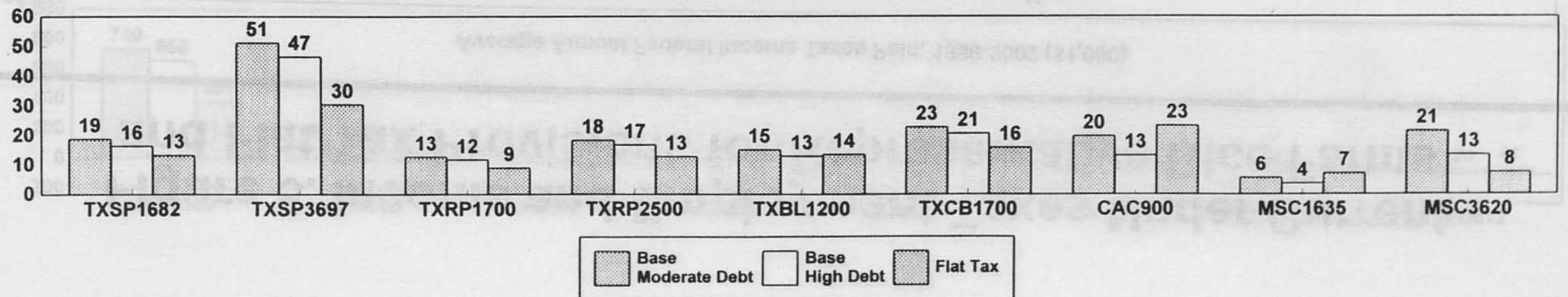
Average Annual Federal Income Taxes Paid, 1996-2002 (\$1,000)



Average Annual Self-Employment Taxes, 1996-2002 (\$1,000)



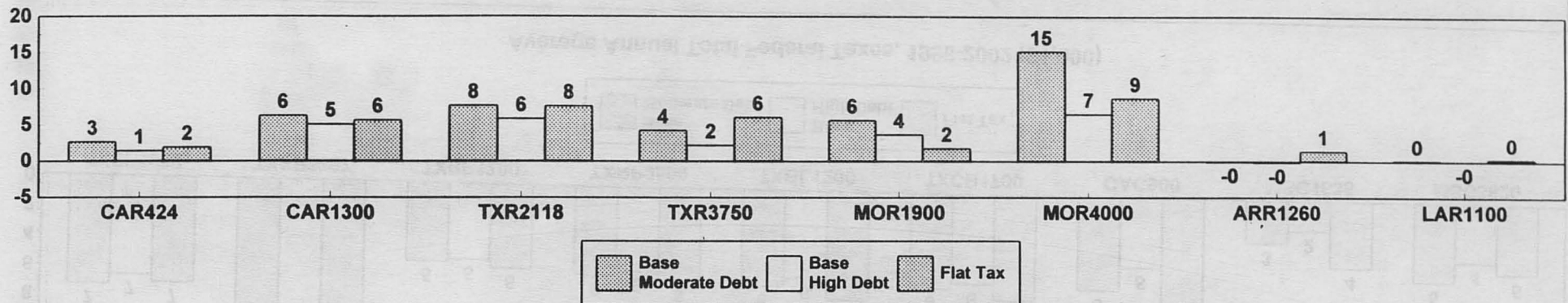
Average Annual Total Federal Taxes, 1996-2002 (\$1,000)



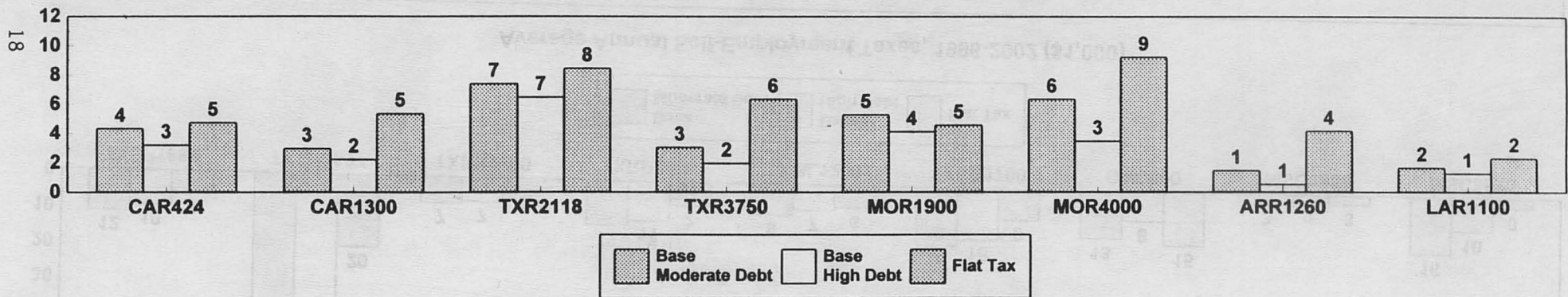


# Figure 5. Income and Employment Taxes Under Current and Flat Tax Provisions for Representative Rice Farms

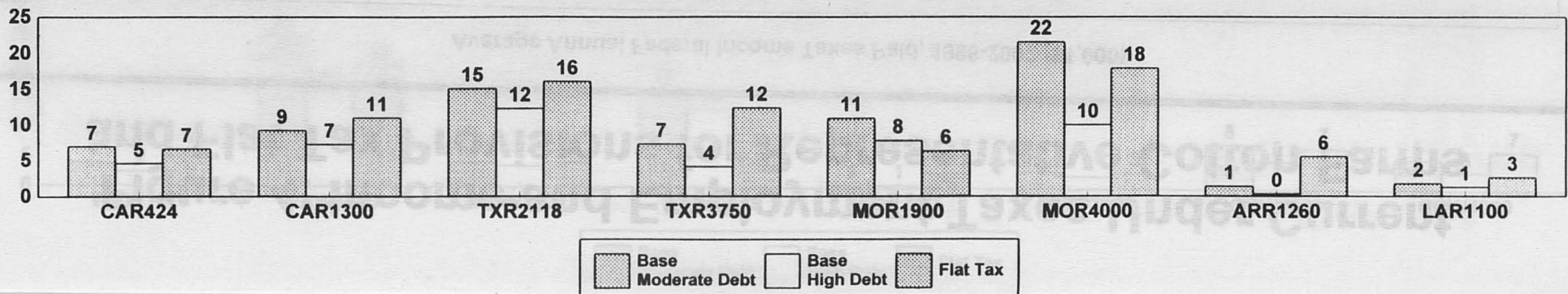
Average Annual Federal Income Taxes Paid, 1996-2002 (\$1,000)



Average Annual Self-Employment Taxes, 1996-2002 (\$1,000)

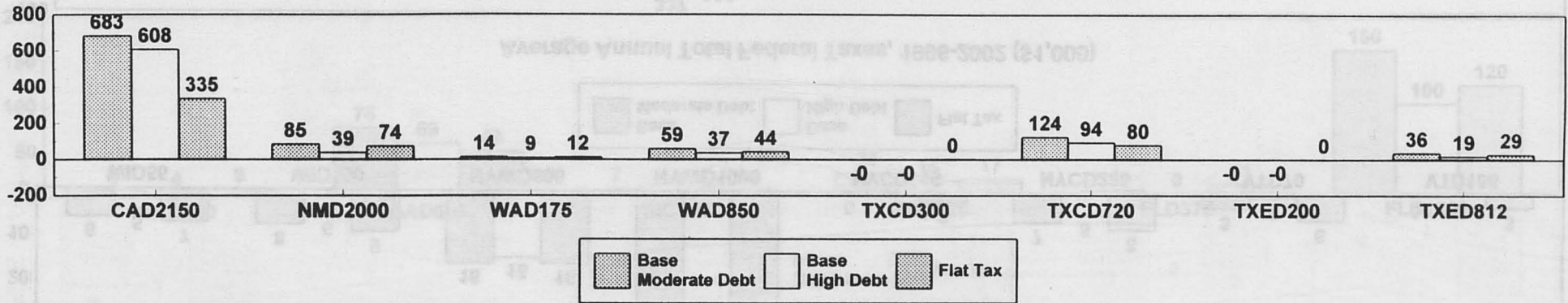


Average Annual Total Federal Taxes, 1996-2002 (\$1,000)

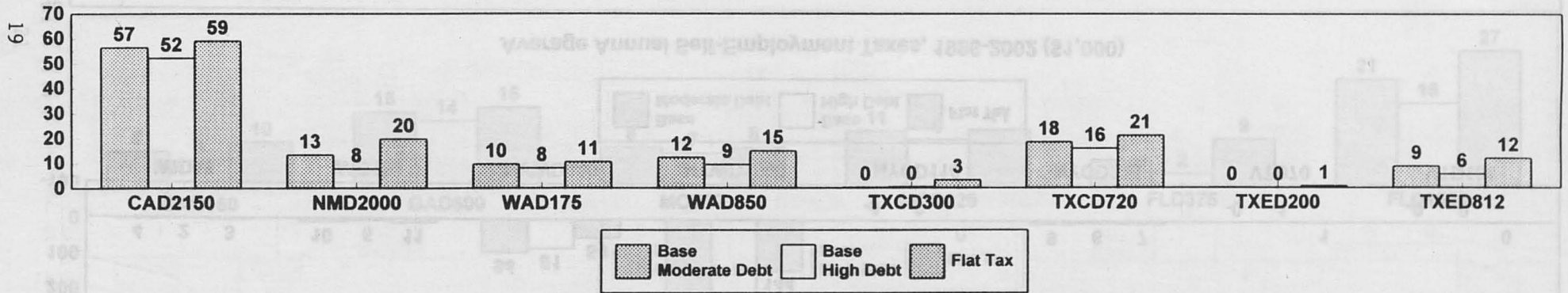


# Figure 6. Income and Employment Taxes Under Current and Flat Tax Provisions for Representative Dairy Farms

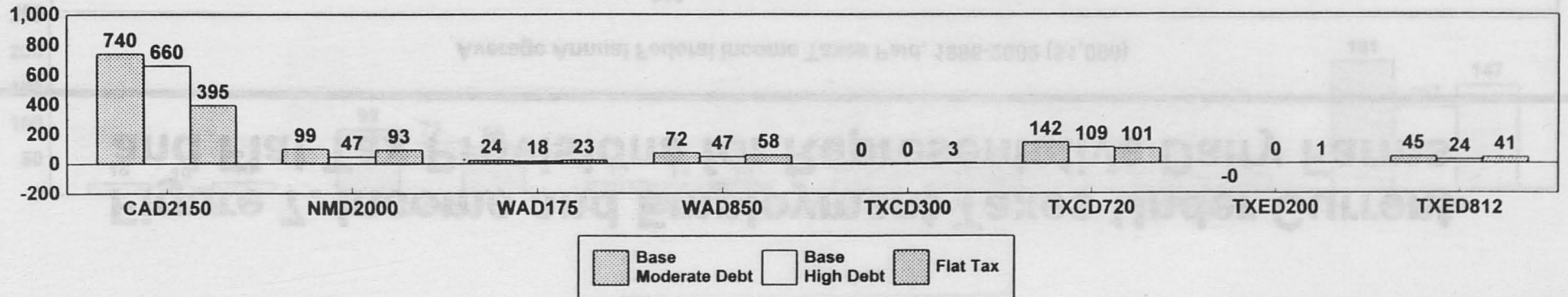
## Average Annual Federal Income Taxes Paid, 1996-2002 (\$1,000)



## Average Annual Self-Employment Taxes, 1996-2002 (\$1,000)



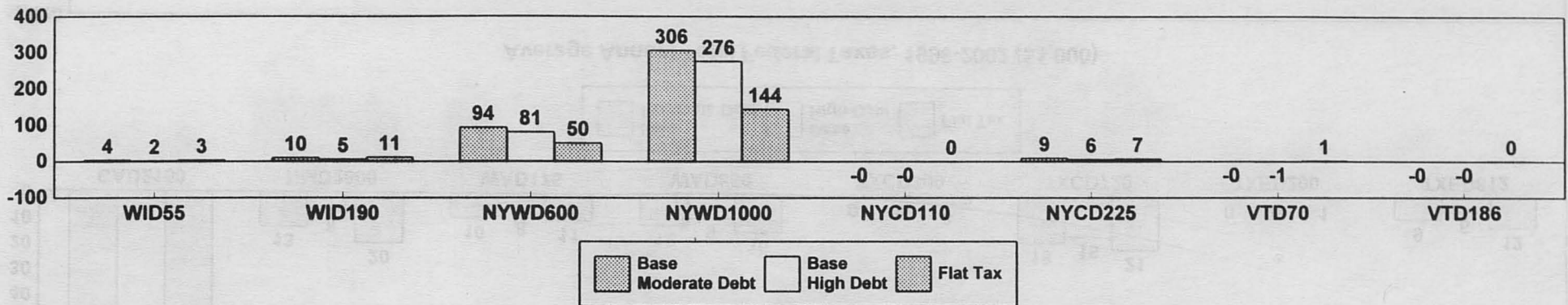
## Average Annual Total Federal Taxes, 1996-2002 (\$1,000)



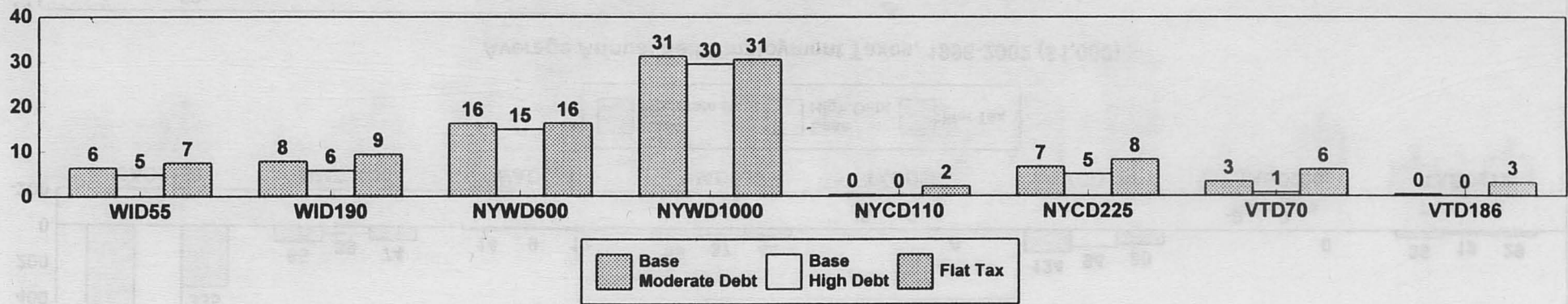


# Figure 7. Income and Employment Taxes Under Current and Flat Tax Provisions for Representative Dairy Farms

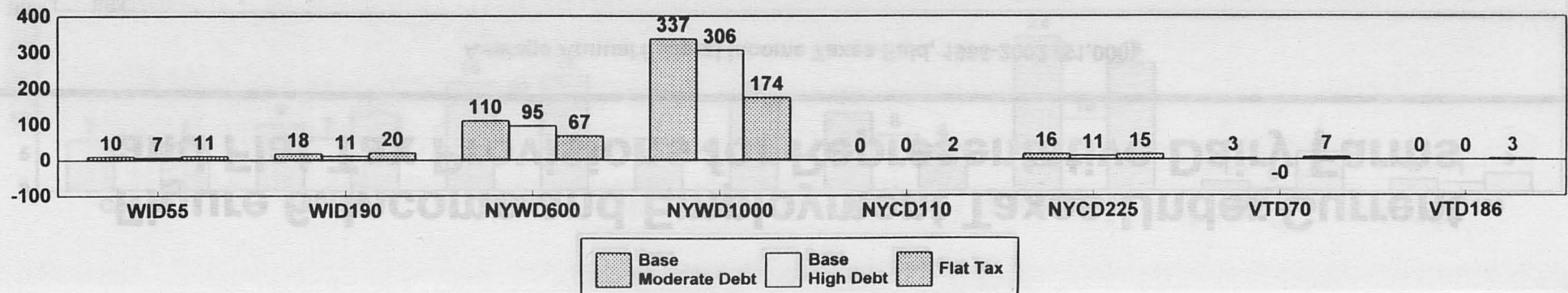
Average Annual Federal Income Taxes Paid, 1996-2002 (\$1,000)



Average Annual Self-Employment Taxes, 1996-2002 (\$1,000)

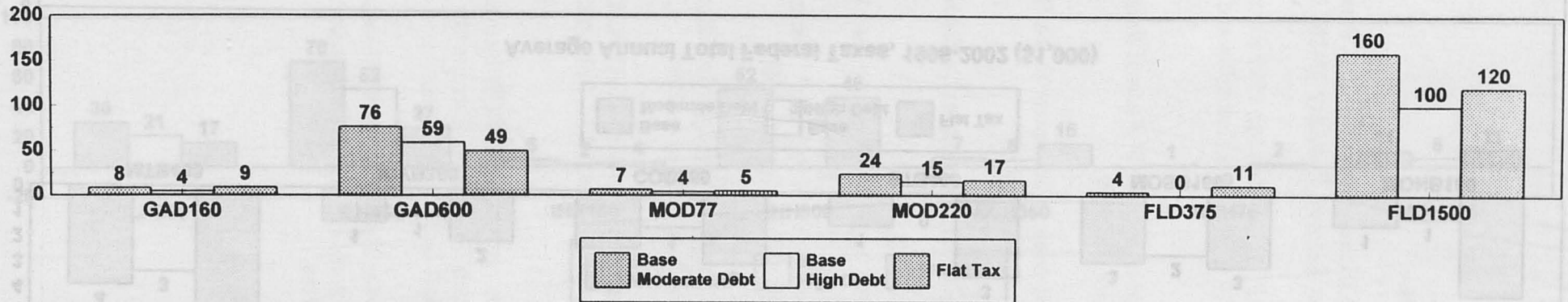


Average Annual Total Federal Taxes, 1996-2002 (\$1,000)

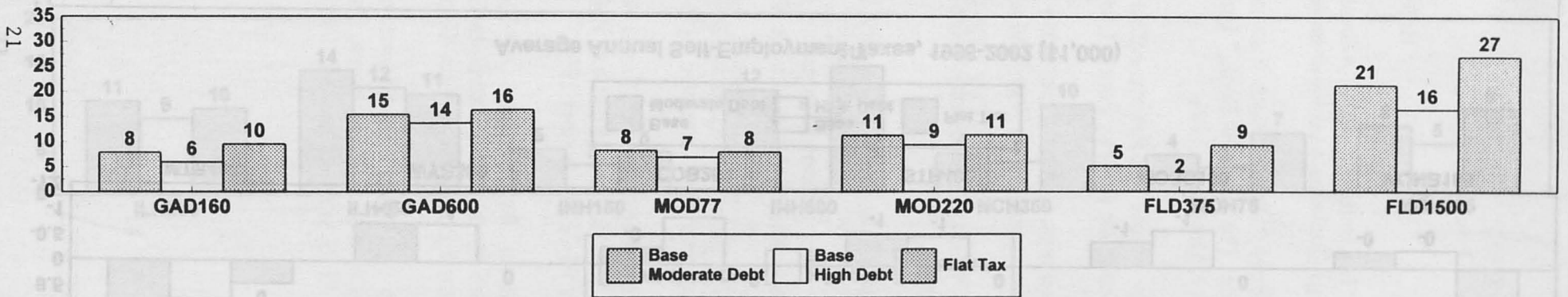


# Figure 8. Income and Employment Taxes Under Current and Flat Tax Provisions for Representative Dairy Farms

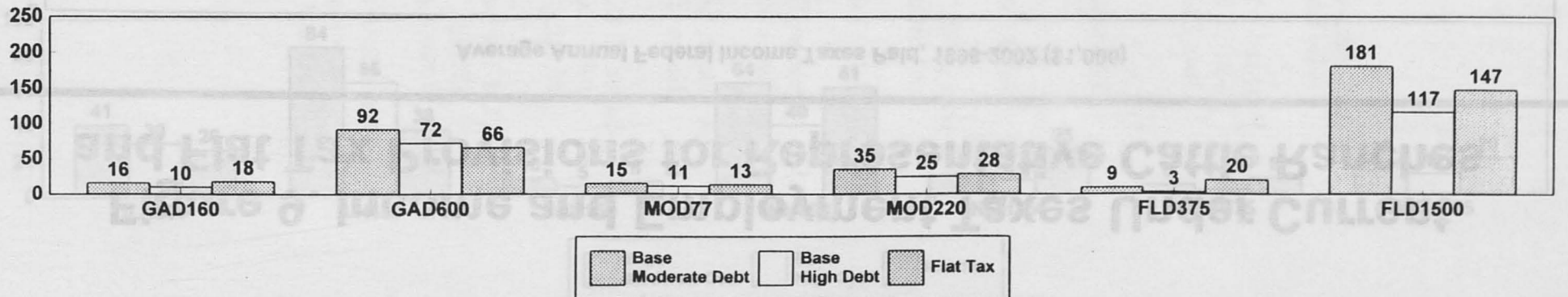
Average Annual Federal Income Taxes Paid, 1996-2002 (\$1,000)



Average Annual Self-Employment Taxes, 1996-2002 (\$1,000)



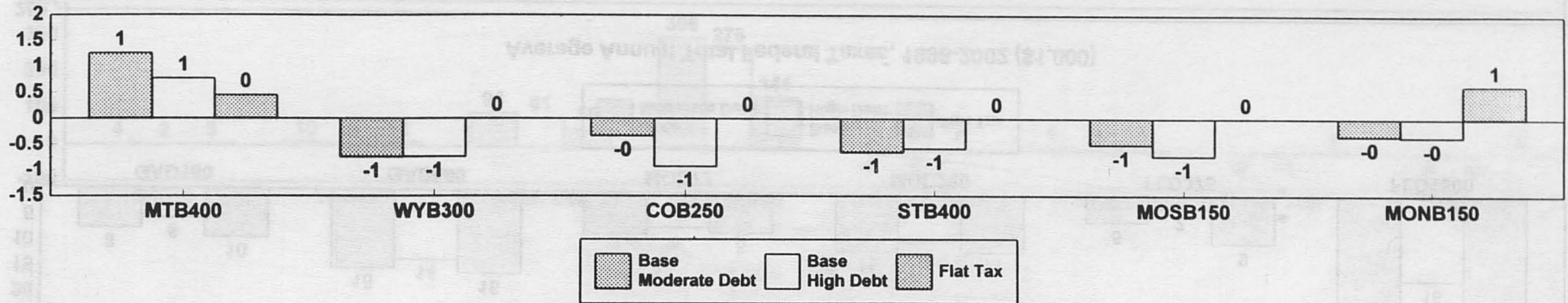
Average Annual Total Federal Taxes, 1996-2002 (\$1,000)



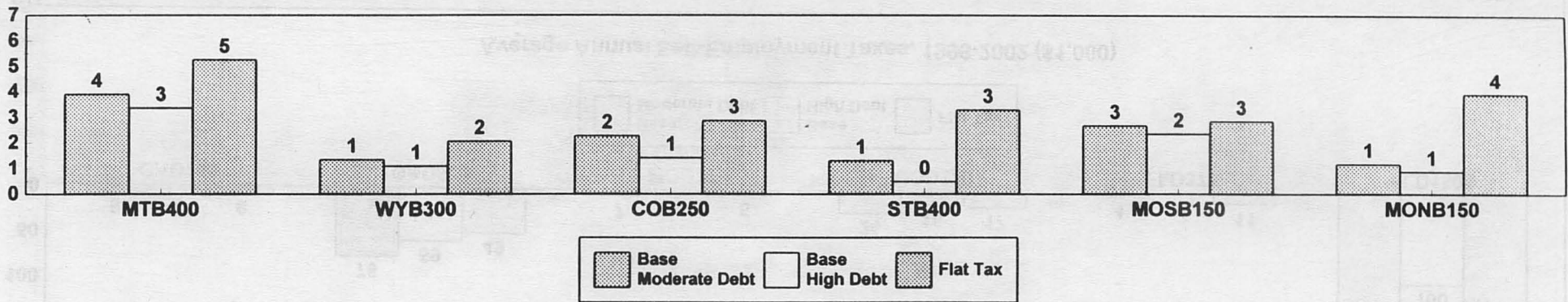


# Figure 9. Income and Employment Taxes Under Current and Flat Tax Provisions for Representative Cattle Ranches

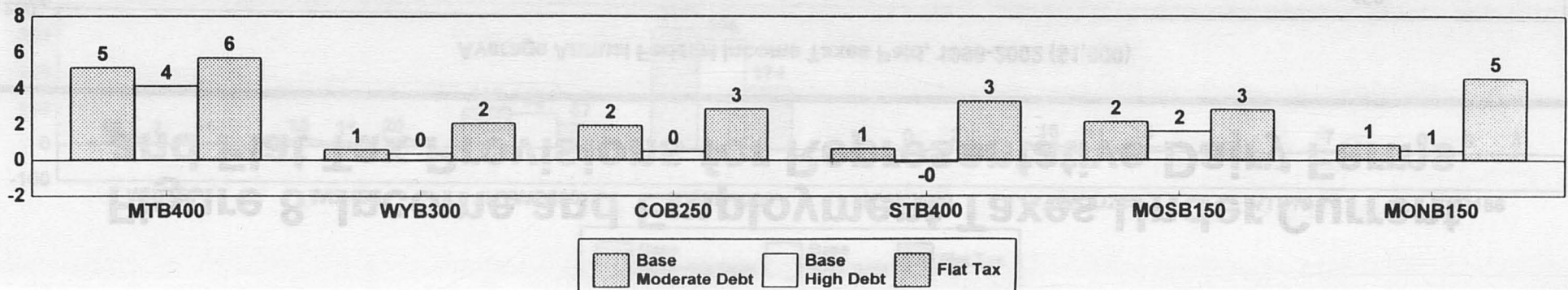
Average Annual Federal Income Taxes Paid, 1996-2002 (\$1,000)



Average Annual Self-Employment Taxes, 1996-2002 (\$1,000)

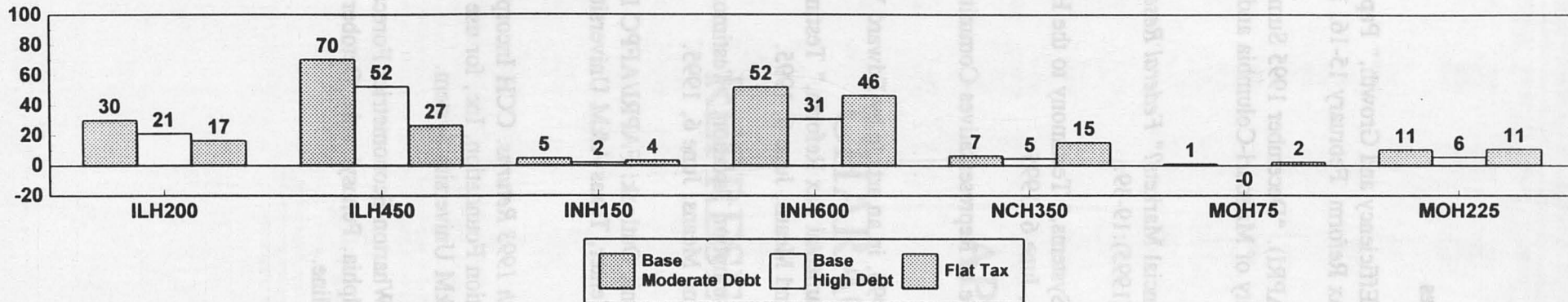


Average Annual Total Federal Taxes, 1996-2002 (\$1,000)

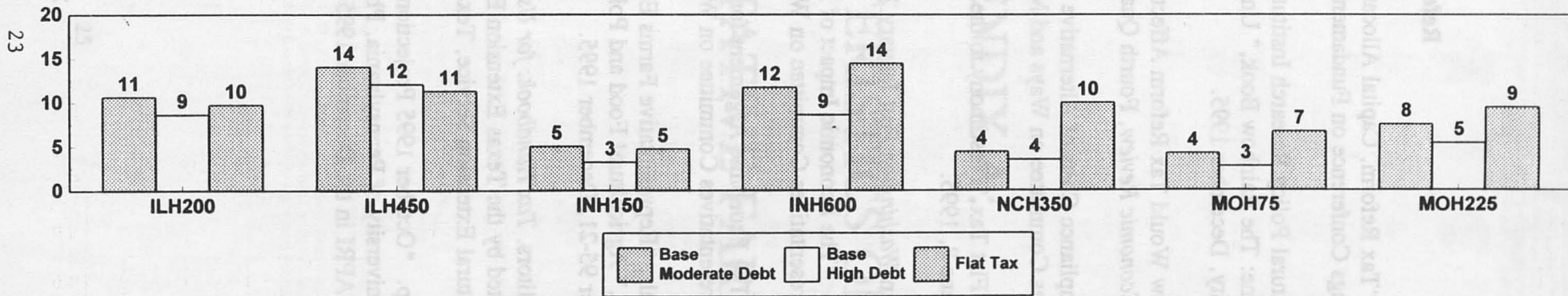


# Figure 10. Income and Employment Taxes Under Current and Flat Tax Provisions for Representative Hog Farms

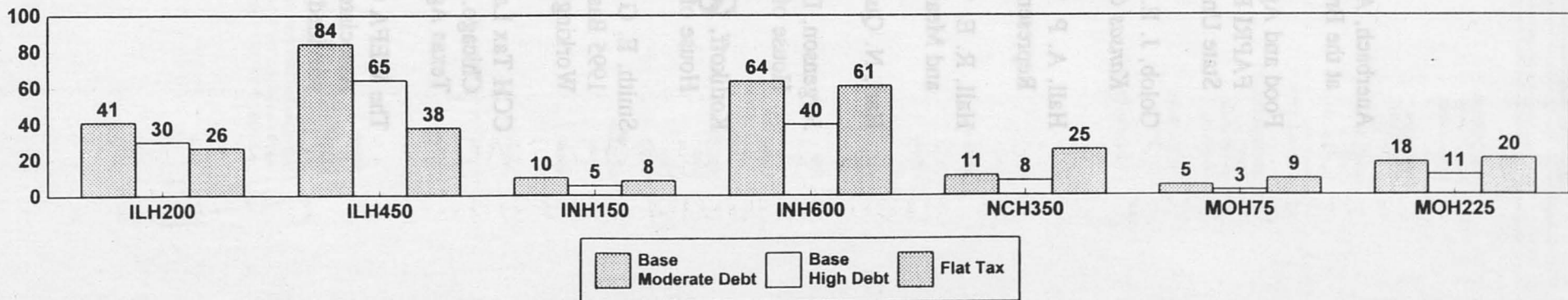
## Average Annual Federal Income Taxes Paid, 1996-2002 (\$1,000)



## Average Annual Self-Employment Taxes, 1996-2002 (\$1,000)



## Average Annual Total Federal Taxes, 1996-2002 (\$1,000)



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# APPENDIX A: CHARACTERISTICS OF REPRESENTATIVE FARMS

County	Farms	1982				1983			
		Value	Area	Value	Area	Value	Area	Value	Area
Adair	1	1000	1000	1000	1000	1000	1000	1000	1000
Adair	2	2000	2000	2000	2000	2000	2000	2000	2000
Adair	3	3000	3000	3000	3000	3000	3000	3000	3000
Adair	4	4000	4000	4000	4000	4000	4000	4000	4000
Adair	5	5000	5000	5000	5000	5000	5000	5000	5000
Adair	6	6000	6000	6000	6000	6000	6000	6000	6000
Adair	7	7000	7000	7000	7000	7000	7000	7000	7000
Adair	8	8000	8000	8000	8000	8000	8000	8000	8000
Adair	9	9000	9000	9000	9000	9000	9000	9000	9000
Adair	10	10000	10000	10000	10000	10000	10000	10000	10000
Adair	11	11000	11000	11000	11000	11000	11000	11000	11000
Adair	12	12000	12000	12000	12000	12000	12000	12000	12000
Adair	13	13000	13000	13000	13000	13000	13000	13000	13000
Adair	14	14000	14000	14000	14000	14000	14000	14000	14000
Adair	15	15000	15000	15000	15000	15000	15000	15000	15000
Adair	16	16000	16000	16000	16000	16000	16000	16000	16000
Adair	17	17000	17000	17000	17000	17000	17000	17000	17000
Adair	18	18000	18000	18000	18000	18000	18000	18000	18000
Adair	19	19000	19000	19000	19000	19000	19000	19000	19000
Adair	20	20000	20000	20000	20000	20000	20000	20000	20000
Adair	21	21000	21000	21000	21000	21000	21000	21000	21000
Adair	22	22000	22000	22000	22000	22000	22000	22000	22000
Adair	23	23000	23000	23000	23000	23000	23000	23000	23000
Adair	24	24000	24000	24000	24000	24000	24000	24000	24000
Adair	25	25000	25000	25000	25000	25000	25000	25000	25000
Adair	26	26000	26000	26000	26000	26000	26000	26000	26000
Adair	27	27000	27000	27000	27000	27000	27000	27000	27000
Adair	28	28000	28000	28000	28000	28000	28000	28000	28000
Adair	29	29000	29000	29000	29000	29000	29000	29000	29000
Adair	30	30000	30000	30000	30000	30000	30000	30000	30000
Adair	31	31000	31000	31000	31000	31000	31000	31000	31000
Adair	32	32000	32000	32000	32000	32000	32000	32000	32000
Adair	33	33000	33000	33000	33000	33000	33000	33000	33000
Adair	34	34000	34000	34000	34000	34000	34000	34000	34000
Adair	35	35000	35000	35000	35000	35000	35000	35000	35000
Adair	36	36000	36000	36000	36000	36000	36000	36000	36000
Adair	37	37000	37000	37000	37000	37000	37000	37000	37000
Adair	38	38000	38000	38000	38000	38000	38000	38000	38000
Adair	39	39000	39000	39000	39000	39000	39000	39000	39000
Adair	40	40000	40000	40000	40000	40000	40000	40000	40000
Adair	41	41000	41000	41000	41000	41000	41000	41000	41000
Adair	42	42000	42000	42000	42000	42000	42000	42000	42000
Adair	43	43000	43000	43000	43000	43000	43000	43000	43000
Adair	44	44000	44000	44000	44000	44000	44000	44000	44000
Adair	45	45000	45000	45000	45000	45000	45000	45000	45000
Adair	46	46000	46000	46000	46000	46000	46000	46000	46000
Adair	47	47000	47000	47000	47000	47000	47000	47000	47000
Adair	48	48000	48000	48000	48000	48000	48000	48000	48000
Adair	49	49000	49000	49000	49000	49000	49000	49000	49000
Adair	50	50000	50000	50000	50000	50000	50000	50000	50000

Table A1. Characteristics of Panel Farms in Iowa, Missouri, Nebraska, Texas, and South Carolina Producing Feed Grains.

	IAG760	IAG1500	MOG1250	MOG2400	NEG800	NEG1575	TXNP1600	TXNP4500	SCG1500	SCG3500
County	Webster	Webster	Carroll	Carroll	Phelps	Phelps	Moore	Moore	Clarendon	Clarendon
<b>Total Cropland</b>	760	1500	1250	2400	800	1575	1600	4500	1500	3500
Acres Owned	140	132	550	840	400	1040	320	900	500	1400
Acres Leased	620	1368	700	1560	400	535	1280	3600	1000	2100
<b>Pastureland</b>										
Acres Owned	0	0	0	0	0	0	0	0	300	1400
<b>Assets (\$1,000)</b>										
Total	490	707	911	1490	1167	2547	680	1528	842	2770
Real Estate	308	287	566	922	809	1934	168	489	529	1823
Machinery	133	339	306	436	240	427	404	809	243	707
Other & Livestock	50	81	39	133	117	187	108	230	70	240
<b>Debt/Asset Ratios*</b>										
Total	0.25	0.36	0.28	0.27	0.21	0.21	0.26	0.31	0.25	0.26
Intermediate	0.40	0.48	0.43	0.42	0.27	0.32	0.31	0.37	0.36	0.40
Long Run	0.17	0.18	0.18	0.18	0.18	0.18	0.15	0.19	0.19	0.19
<b>1995 Livestock</b>										
Beef Cows	0	0	0	0	100	0	0	0	0	0
<b>1995 Gross Receipts</b>										
Total	202.2	277.2	240.5	489.4	347.3	629.3	372.4	911.3	551.2	1159.4
Cattle	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	44.2 12.7%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%
Corn	113.7 56.3%	144.0 52.0%	82.6 34.3%	175.9 35.9%	290.2 83.6%	629.3 100.0%	177.0 47.5%	373.6 41.0%	180.9 32.8%	435.4 37.6%
Sorghum	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	64.5 17.3%	195.2 21.4%	0.0 0.0%	0.0 0.0%
Wheat	0.0 0.0%	0.0 0.0%	27.4 11.4%	51.8 10.6%	0.0 0.0%	0.0 0.0%	130.9 35.1%	342.5 37.6%	187.1 34.0%	228.6 19.7%
Soybeans	88.4 43.7%	133.2 48.0%	130.5 54.3%	261.8 53.5%	12.3 3.6%	0.0 0.0%	0.0 0.0%	0.0 0.0%	183.2 33.2%	381.0 32.9%
Hay	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.5 0.1%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%
Cotton	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	114.4 9.9%
<b>1995 Planted Acres</b>										
Total	693.0	1399.1	1123.9	2247.5	746.0	1387.6	1356.8	4621.4	2193.8	4491.3
Corn	333.0 48.1%	629.3 45.0%	323.8 28.8%	647.5 28.8%	666.0 89.3%	1387.6 100.0%	434.8 32.0%	969.4 21.0%	581.3 26.5%	1416.3 31.5%
Sorghum	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	280.0 20.6%	847.0 18.3%	0.0 0.0%	0.0 0.0%
Wheat	0.0 0.0%	0.0 0.0%	168.8 15.0%	337.5 15.0%	0.0 0.0%	0.0 0.0%	642.0 47.3%	1680.0 36.4%	750.0 34.2%	1100.0 24.5%
Soybeans	360.0 51.9%	769.8 55.0%	631.3 56.2%	1262.5 56.2%	50.0 6.7%	0.0 0.0%	0.0 0.0%	0.0 0.0%	862.5 39.3%	1750.0 39.0%
Hay	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	30.0 4.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%
Cotton	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	225.0 5.0%
Fallow	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	1125.0 24.3%	0.0 0.0%	0.0 0.0%

\*Receipts for 1995 are included to indicate the relative importance of each enterprise to the farm. Percents indicate the percentage of the total receipts accounted for by the livestock categories and the crops.

\*\*Acreages for 1995 are included to indicate the relative importance of each enterprise to the farm; these values reflect acreage reduction percentages that year. Total planted acreage may exceed total cropland available due to double cropping. Percents indicate the percentage of total planted acreage accounted for by the crop.

Table A2 Characteristics of Panel Farms in Washington, North Dakota, Kansas, and Colorado Producing Wheat.

	WAW1276	WAW4250	NDW1600	NDW4000	KSW1175	KSW2800	COW2500	COW4000
County	Whitman	Whitman	Barnes	Barnes	Sumner	Sumner	Washington	Washington
<b>Total Cropland</b>	1276	4250	1600	4000	1175	2800	2500	4000
Acres Owned	638	1700	400	1600	388	250	1650	2000
Acres Leased	638	2550	1200	2400	787	2550	850	2000
<b>Assets (\$1000)</b>								
Total	1136	3208	492	1736	568	749	828	1211
Real Estate	882	2343	199	816	300	339	685	937
Machinery	237	744	255	852	257	364	115	269
Other	17	121	37	69	11	46	28	5
<b>Debt/Asset Ratios*</b>								
Total	0.21	0.20	0.36	0.33	0.33	0.24	0.19	0.20
Intermediate	0.23	0.26	0.47	0.47	0.48	0.29	0.22	0.25
Long Run	0.20	0.18	0.18	0.18	0.19	0.19	0.18	0.18
<b>1995 Gross Receipts</b>								
Total	296.0	904.2	255.2	686.9	151.7	311.7	166.3	270.7
Wheat	189.1 63.9%	577.2 63.8%	125.0 49.0%	383.3 55.8%	143.7 94.7%	301.2 96.6%	129.8 78.1%	225.0 83.1%
Sorghum	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	8.0 5.3%	10.5 3.4%	0.0 0.0%	0.0 0.0%
Barley	24.3 8.2%	66.6 7.4%	64.3 25.2%	173.9 25.3%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%
Dry Peas	82.6 27.9%	260.4 28.8%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%
Sunflowers	0.0 0.0%	0.0 0.0%	65.9 25.8%	129.7 18.9%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%
Millet	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	36.5 21.9%	45.7 16.9%
<b>1995 Planted Acres</b>								
Total	1250.1	4200.0	1600.0	4000.0	1175.0	2800.0	2500.0	3500.0
Wheat	611.8 48.9%	1915.2 45.6%	800.0 50.0%	2200.0 55.0%	1100.0 93.6%	2680.0 95.7%	1100.0 44.0%	1600.0 45.7%
Sorghum	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	75.0 6.4%	120.0 4.3%	0.0 0.0%	0.0 0.0%
Barley	140.3 11.2%	394.8 9.4%	400.0 25.0%	1000.0 25.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%
Dry Peas	498.0 39.8%	1640.0 39.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%
Sunflowers	0.0 0.0%	0.0 0.0%	400.0 25.0%	800.0 20.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%
Millet	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	300.0 12.0%	400.0 11.4%
Fallow	0.0 0.0%	250.0 6.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	1100.0 44.0%	1500.0 42.9%

\*Receipts for 1995 are included to indicate the relative importance of each enterprise to the farm. Percents indicate the percentage of the total receipts accounted for by the crop.

\*\*Acreages for 1995 are included to indicate the relative importance of each enterprise to the farm; these values reflect acreage reduction percentages that year. Total planted acreage may exceed total cropland available due to double cropping. Percents indicate the percentage of total planted acreage accounted for by the crop.



Table A3. Characteristics of Panel Farms in Texas, California, and Mississippi Producing Cotton.

	TXSP1682	TXSP3697	TXRP1700	TXRP2500	TXBL1200	TXCB1700	CAC900	MSC1635	MSC3620
County	Dawson	Dawson	Jones	Jones	Williamson	San Patricio	Kern	Washington	Washington
<b>Total Cropland</b>	1682	3697	1700	2500	1200	1700	900	1635	3620
Acres Owned	653	705	170	400	250	300	600	735	1650
Acres Leased	1029	2992	1530	2100	950	1400	300	900	1970
<b>Pastureland</b>									
Acres Leased	0	0	250	0	0	0	0	0	0
Non-Fed AUM"S Leas	0	0	0	500	0	0	0	0	0
<b>Assets (\$1000)</b>									
Total	648	1395	316	504	596	551	2191	1455	3266
Real Estate	293	372	75	219	243	264	1661	888	1897
Machinery	315	770	187	215	310	203	428	548	1155
Other & Livestock	39	253	54	70	43	85	102	19	214
<b>Debt/Asset Ratios*</b>									
Total	0.24	0.29	0.29	0.22	0.35	0.24	0.18	0.22	0.24
Intermediate	0.29	0.33	0.32	0.24	0.47	0.29	0.15	0.27	0.32
Long Run	0.18	0.18	0.19	0.19	0.18	0.19	0.18	0.18	0.19
<b>1995 Livestock</b>									
Beef Cows	0	0	50	75	0	0	0	0	0
<b>1995 Gross Receipts</b>									
Total	293.1	954.1	199.6	305.4	234.3	450.4	956.2	724.4	1503.0
Cattle	0.0 0.0%	0.0 0.0%	14.5 7.3%	21.7 7.1%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%
Cotton	230.7 78.7%	879.5 92.2%	162.5 81.4%	246.2 80.6%	165.5 70.6%	334.3 74.2%	715.9 74.9%	616.3 85.1%	1209.9 80.5%
Sorghum	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	68.8 29.4%	116.1 25.8%	0.0 0.0%	0.0 0.0%	0.0 0.0%
Wheat	0.0 0.0%	0.0 0.0%	22.6 11.3%	37.5 12.3%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%
Soybeans	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	108.1 14.9%	293.1 19.5%
Hay	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	240.2 25.1%	0.0 0.0%	0.0 0.0%
Additional Peanuts	52.1 17.8%	66.1 6.9%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%
CRP	7.3 2.5%	8.6 0.9%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%
<b>1995 Planted Acres</b>									
Total	1239.0	3164.0	1270.0	1933.0	1180.0	1700.0	865.0	1565.0	3320.0
Cotton	961.0 77.6%	2822.0 89.2%	902.5 71.1%	1340.5 69.3%	640.0 54.2%	935.0 55.0%	640.0 74.0%	925.0 59.1%	1700.0 51.2%
Sorghum	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	540.0 45.8%	765.0 45.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%
Wheat	0.0 0.0%	0.0 0.0%	367.5 28.9%	592.5 30.7%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%
Soybeans	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	640.0 40.9%	1620.0 48.8%
Hay	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	225.0 26.0%	0.0 0.0%	0.0 0.0%
Additional Peanuts	95.0 7.7%	128.0 4.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%
CRP	183.0 14.8%	214.0 6.8%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%

\*Receipts for 1995 are included to indicate the relative importance of each enterprise to the farm. Percents indicate the percentage of the total receipts accounted for by the livestock categories and the crops.

\*\*Acreages for 1995 are included to indicate the relative importance of each enterprise to the farm; these values reflect acreage reduction percentages that year. Total planted acreage may exceed total cropland available due to double cropping. Percents indicate the percentage of total planted acreage accounted for by the crop.

Table A4. Characteristics of Panel Farms in California, Texas, Missouri, Arkansas, and Louisiana Producing Rice

	CAR424	CAR1300	TXR2118	TXR3750	MOR1900	MOR4000	ARR1260	LAR1100
County	Sutter	Yuba	Wharton	Wharton	Butler	Butler	Poinsett	Acadia
<b>Total Cropland</b>	424	1300	2118	3750	1900	4000	1260	1100
Acres Owned	212	500	318	1688	200	2000	440	50
Acres Leased	212	800	1800	2062	1700	2000	820	1050
<b>Pastureland</b>								
Acres Owned	0	0	0	200	0	0	0	0
<b>Assets</b>								
Total	663	1627	546	1815	1138	5247	1326	288
Real Estate	450	1305	196	1131	473	3686	695	73
Machinery	161	291	291	488	530	1262	592	193
Other & Livestock	52	32	59	197	135	298	39	22
<b>Debt/Asset Ratios*</b>								
Total	0.20	0.23	0.20	0.18	0.19	0.23	0.28	0.16
Intermediate	0.22	0.38	0.21	0.17	0.20	0.34	0.38	0.15
Long Run	0.19	0.19	0.18	0.18	0.18	0.18	0.18	0.18
<b>1995 Livestock</b>								
Beef Cows	0	0	0	200	0	0	0	0
<b>1995 Gross Receipts</b>								
Total	316.1	835.8	427.5	1202.4	569.8	1483.1	476.5	274.6
Cattle	0.0	0.0	0.0	43.4	0.0	0.0	0.0	0.0
	0.0%	0.0%	0.0%	3.6%	0.0%	0.0%	0.0%	0.0%
Medium Grain Rice	316.1	835.8	0.0	0.0	0.0	0.0	181.2	78.2
	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	38.0%	28.5%
Long Grain Rice	0.0	0.0	420.5	1139.0	229.4	611.7	160.7	145.2
	0.0%	0.0%	98.4%	94.7%	40.3%	41.2%	33.7%	52.9%
Soybeans	0.0	0.0	0.0	0.0	120.4	318.4	111.0	48.3
	0.0%	0.0%	0.0%	0.0%	21.1%	21.5%	23.3%	17.6%
Corn	0.0	0.0	0.0	0.0	220.0	417.3	0.0	0.0
	0.0%	0.0%	0.0%	0.0%	38.6%	28.1%	0.0%	0.0%
Wheat	0.0	0.0	0.0	0.0	0.0	0.0	22.5	0.0
	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.7%	0.0%
Cotton	0.0	0.0	0.0	0.0	0.0	135.7	0.0	0.0
	0.0%	0.0%	0.0%	0.0%	0.0%	9.2%	0.0%	0.0%
Other Income	0.0	0.0	7.0	20.0	0.0	0.0	1.0	3.0
	0.0%	0.0%	1.6%	1.7%	0.0%	0.0%	0.2%	1.1%
<b>1995 Planted Acres</b>								
Total	380.0	960.0	564.8	1612.0	1821.3	3880.0	1254.4	875.1
Medium Grain Rice	380.0	960.0	0.0	0.0	0.0	0.0	297.3	166.3
	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	23.7%	19.0%
Long Grain Rice	0.0	0.0	564.8	1412.0	480.0	960.0	275.5	308.8
	0.0%	0.0%	100.0%	87.6%	26.4%	24.7%	22.0%	35.3%
Soybeans	0.0	0.0	0.0	0.0	650.0	1600.0	558.3	400.0
	0.0%	0.0%	0.0%	0.0%	35.7%	41.2%	44.5%	45.7%
Corn	0.0	0.0	0.0	0.0	691.3	1020.0	0.0	0.0
	0.0%	0.0%	0.0%	0.0%	38.0%	26.3%	0.0%	0.0%
Wheat	0.0	0.0	0.0	0.0	0.0	0.0	123.3	0.0
	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	9.8%	0.0%
Cotton	0.0	0.0	0.0	0.0	0.0	300.0	0.0	0.0
	0.0%	0.0%	0.0%	0.0%	0.0%	7.7%	0.0%	0.0%
Hay	0.0	0.0	0.0	200.0	0.0	0.0	0.0	0.0
	0.0%	0.0%	0.0%	12.4%	0.0%	0.0%	0.0%	0.0%

\*Receipts for 1995 are included to indicate the relative importance of each enterprise to the farm. Percents indicate the percentage of the total receipts accounted for by the livestock categories and the crops.

\*\*Acreages for 1995 are included to indicate the relative importance of each enterprise to the farm; these values reflect acreage reduction percentages that year. Total planted acreage may exceed total cropland available due to double cropping. Percents indicate the percentage of total planted acreage accounted for by the crop.

Table A5 Characteristics of Panel Farms in Washington, California, Texas, Wisconsin, and Missouri Producing Milk

	CAD2150	WAD175	WAD850	TXCD300	TXCD720	TXED200	TXED812	WID55	WID190	MOD77	MOD220
County	Tulare	Whatcom	Whatcom	Erath	Erath	Hopkins	Hopkins	Winnebago	Winnebago	Christian	Christian
<b>Total Cropland</b>	320	120	428	303	190	400	500	195	685	161	600
Acres Owned	320	60	225	150	190	200	500	152	411	130	402
Acres Leased	0	60	203	153	0	200	0	43	274	31	198
<b>Pastureland</b>											
Acres Owned	0	0	0	0	155	0	300	30	0	30	0
Acres Leased	0	0	0	150	0	0	0	0	0	80	0
<b>Assets (\$1,000)</b>											
Total	7113	784	3232	1068	2519	915	2928	514	1181	454	1322
Real Estate	3334	455	1968	533	849	349	1485	281	561	215	755
Machinery	103	76	270	172	332	178	293	135	257	112	250
Other & Livestock	3676	253	993	363	1338	387	1150	99	363	127	316
<b>Debt/Asset Ratios*</b>											
Total	0.27	0.26	0.28	0.35	0.29	0.48	0.27	0.30	0.30	0.30	0.30
Intermediate	0.27	0.26	0.27	0.25	0.29	0.24	0.26	0.33	0.32	0.32	0.33
Long Run	0.28	0.27	0.29	0.46	0.29	0.87	0.29	0.28	0.28	0.28	0.27
<b>1996 Livestock</b>											
Dairy Cows	2150	175	850	300	720	200	812	55	190	77	220
Cwt Milk/Cow	233	243	252	166	198	169	188	201	214	203	210
<b>1995 Gross Receipts</b>											
Total	6208.1	556.2	2714.0	732.1	2111.8	500.6	2148.6	169.2	586.5	230.6	682.2
Milk	5495.4 88.5%	512.4 92.1%	2527.8 93.1%	672.1 91.8%	1927.7 91.3%	441.8 88.3%	1965.2 91.5%	142.6 84.3%	524.4 87.9%	202.9 88.0%	599.6 87.9%
Dairy Cattle	677.7 10.9%	33.5 6.0%	151.7 5.6%	60.1 8.2%	184.1 8.7%	58.8 11.7%	183.4 8.5%	18.4 10.9%	57.6 9.7%	27.8 12.0%	51.6 7.6%
Hay	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	2.3 1.3%	4.5 0.7%	0.0 0.0%	0.0 0.0%
Silage	0.0 0.0%	10.4 1.9%	34.6 1.3%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.7 0.4%	0.0 0.0%	0.0 0.0%	14.8 2.2%
Haylage	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.3 0.2%	0.0 0.0%	0.0 0.0%	16.1 2.4%
Other Income	35.0 0.6%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	4.1 2.4%	0.0 0.0%	0.0 0.0%	0.0 0.0%
<b>1995 Planted Acres</b>											
Total	0.0	114.0	385.0	303.0	380.0	450.0	790.0	187.0	672.2	161.0	1002.0
Hay	0.0 0.0%	0.0 0.0%	0.0 0.0%	136.0 44.9%	0.0 0.0%	250.0 55.6%	337.0 42.7%	43.0 23.0%	120.0 17.9%	161.0 100.0%	452.0 45.1%
Corn	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	37.0 19.8%	133.2 19.8%	0.0 0.0%	0.0 0.0%
Soybeans	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	15.0 8.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%
Silage	0.0 0.0%	114.0 100.0%	385.0 100.0%	167.0 55.1%	380.0 100.0%	0.0 0.0%	163.0 20.6%	20.0 10.7%	90.0 13.4%	0.0 0.0%	160.0 16.0%
Improved Pasture	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	200.0 44.4%	290.0 36.7%	0.0 0.0%	0.0 0.0%	0.0 0.0%	350.0 34.9%
Haylage	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	72.0 38.5%	242.0 36.0%	0.0 0.0%	40.0 4.0%

\*Receipts for 1995 are included to indicate the relative importance of each enterprise to the farm. Percents indicate the percentage of the total receipts accounted for by the livestock categories and the crops.

\*\*Acreages for 1995 are included to indicate the relative importance of each enterprise to the farm; these values reflect acreage reduction percentages that year. Total planted acreage may exceed total cropland available due to double cropping. Percents indicate the percentage of total planted acreage accounted for by the crop.



Table A6. Characteristics of Panel Farms in New York, Vermont, Georgia, Florida, and New Mexico Producing Milk.

	NYWD600	NYWD1000	NYCD110	NYCD225	VTD70	VTD186	GAD160	GAD600	FLD375	FLD1500	NMD2000
County	Wyoming	Wyoming	Cayuga	Cayuga	Washington	Washington	Putnam	Putnam	Lafayette	Lafayette	Dona Ana
<b>Total Cropland</b>	875	1510	355	413	140	285	0	350	590	300	150
Acres Owned	600	967	205	309	100	225	0	300	440	300	150
Acres Leased	275	543	150	104	40	60	0	50	150	0	0
<b>Pastureland</b>											
Acres Owned	200	200	50	300	100	50	200	150	60	800	0
Acres Leased	0	0	0	0	25	50	0	0	0	0	0
<b>Assets (\$1,000)</b>											
Total	2238	4265	623	984	665	1181	684	2151	1260	5453	6252
Real Estate	1052	1895	409	494	382	606	417	887	732	2862	2832
Machinery	373	928	105	232	183	345	77	330	101	233	540
Other & Livestock	813	1443	109	257	100	229	189	933	427	2359	2880
<b>Debt/Asset Ratios*</b>											
Total	0.30	0.28	0.34	0.32	0.34	0.37	0.29	0.27	0.27	0.24	0.28
Intermediate	0.33	0.31	0.22	0.37	0.36	0.41	0.31	0.27	0.27	0.19	0.28
Long Run	0.26	0.24	0.40	0.26	0.33	0.33	0.27	0.28	0.26	0.28	0.29
<b>1995 Livestock</b>											
Dairy Cows	600	1000	110	225	70	186	160	600	375	1500	2000
Cwt Milk/Cow	211	211	212	211	220	204	192	206	173	180	219
<b>1995 Gross Receipts</b>											
Total	1830.7	3026.7	308.4	660.5	222.5	541.8	470.9	1909.2	1108.6	4629.0	5472.3
Milk	1659.9 90.7%	2721.7 89.9%	280.1 90.8%	609.2 92.2%	200.9 90.3%	495.6 91.5%	434.4 92.3%	1745.2 91.4%	1039.5 93.8%	4253.7 91.9%	4975.3 90.9%
Dairy Cattle	151.7 8.3%	212.5 7.0%	28.3 9.2%	51.3 7.8%	19.2 8.6%	41.9 7.7%	36.5 7.7%	138.5 7.3%	69.1 6.2%	338.8 7.3%	497.0 9.1%
Hay	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	26.7 0.6%	0.0 0.0%
Silage	19.1 1.0%	92.6 3.1%	0.0 0.0%	0.0 0.0%	0.9 0.4%	4.3 0.8%	0.0 0.0%	25.5 1.3%	0.0 0.0%	0.0 0.0%	0.0 0.0%
Improved Pasture	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	9.8 0.2%	0.0 0.0%
Other Income	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	1.5 0.7%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%
<b>1995 Planted Acres</b>											
Total	875	1510	365	415	138	284	150	700	1180	1100	180
Hay	0.0 0.0%	0.0 0.0%	88.0 24.1%	99.0 23.9%	32.0 23.2%	67.0 23.6%	0.0 0.0%	150.0 21.4%	590.0 50.0%	300.0 27.3%	0.0 0.0%
Corn	0.0 0.0%	0.0 0.0%	120.0 32.9%	89.0 21.4%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%
Silage	470.0 53.7%	850.0 56.3%	80.0 21.9%	99.0 23.9%	50.0 36.2%	117.0 41.2%	0.0 0.0%	400.0 57.1%	0.0 0.0%	0.0 0.0%	180.0 100.0%
Improved Pasture	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	150.0 100.0%	150.0 21.4%	590.0 50.0%	800.0 72.7%	0.0 0.0%
Haylage	405.0 46.3%	660.0 43.7%	77.0 21.1%	128.0 30.8%	56.0 40.6%	100.0 35.2%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%

\*Receipts for 1995 are included to indicate the relative importance of each enterprise to the farm. Percents indicate the percentage of the total receipts accounted for by the livestock categories and the crops.

\*\*Acreages for 1995 are included to indicate the relative importance of each enterprise to the farm; these values reflect acreage reduction percentages that year. Total planted acreage may exceed total cropland available due to double cropping. Percents indicate the percentage of total planted acreage accounted for by the crop.

Table A7 Characteristics of Panel Farms in Montana, Wyoming, Colorado, Texas, and Missouri Producing Beef Cattle.

	MTB400	WYB300	COB250	STB400	MOSB150	MONB150
County	Custer	Washakie	Routt	Gonzales	Dade	Nodaway
<b>Total Cropland</b>	0	200	300	400	440	900
Acres Owned	0	200	300	400	320	450
Acres Leased	0	0	0	0	120	450
<b>Pastureland</b>						
Acres Owned	14000	1000	1800	2000	320	300
Acres Leased	0	0	0	1200	80	300
Non-Fed AUM'S	450	160	380	0	0	0
Federal AUM'S	1350	1500	250	0	0	0
<b>Assets (\$1000)</b>						
Total	1144	637	1407	2324	659	1204
Real Estate	775	343	1104	2081	386	845
Machinery	78	72	108	47	146	175
Other & Livestock	291	222	196	196	128	184
<b>Debt/Asset Ratios*</b>						
Total	0.04	0.04	0.05	0.05	0.08	0.05
Intermediate	0.03	0.04	0.06	0.03	0.13	0.06
Long Run	0.05	0.05	0.05	0.05	0.04	0.05
<b>1995 Livestock</b>						
Beef Cows	400	300	250	400	150	150
Sows	0	0	0	0	0	80
<b>1995 Gross Receipts</b>						
Total	138.7	111.1	100.3	150.8	111.2	278.6
<b>Cattle</b>	138.7 100.0%	111.1 100.0%	91.8 91.5%	148.6 98.5%	54.6 49.1%	65.8 23.6%
<b>Hogs</b>	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	128.5 46.1%
<b>Hay</b>	0.0 0.0%	0.0 0.0%	5.6 5.5%	2.2 1.5%	6.0 5.4%	2.5 0.9%
<b>Sorghum</b>	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	13.1 11.8%	0.0 0.0%
<b>Corn</b>	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	9.2 3.3%
<b>Wheat</b>	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	15.1 13.6%	0.0 0.0%
<b>Soybeans</b>	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	22.4 20.1%	72.6 26.1%
<b>Other Income</b>	0.0 0.0%	0.0 0.0%	3.0 3.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%
<b>1995 Planted Acres</b>						
Total	300.0	200.0	300.0	480.0	520.0	817.5
<b>Hay</b>	300.0 100.0%	200.0 100.0%	300.0 100.0%	400.0 83.3%	200.0 38.5%	150.0 18.3%
<b>Sorghum</b>	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	80.0 15.4%	0.0 0.0%
<b>Corn</b>	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	232.5 28.4%
<b>Wheat</b>	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	80.0 15.4%	0.0 0.0%
<b>Soybeans</b>	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	160.0 30.8%	435.0 53.2%
<b>Oats</b>	0.0 0.0%	0.0 0.0%	0.0 0.0%	80.0 16.7%	0.0 0.0%	0.0 0.0%

\*Receipts for 1995 are included to indicate the relative importance of each enterprise to the farm. Percents indicate the percentage of the total receipts accounted for by the livestock categories and the crops.

\*\*Acreages for 1995 are included to indicate the relative importance of each enterprise to the farm; these values reflect acreage reduction percentages that year. Total planted acreage may exceed total cropland available due to double cropping. Percents indicate the percentage of total planted acreage accounted for by the crop.

Table A8. Characteristics of Panel Farms in Illinois, Indiana, North Carolina, and Missouri Producing Hogs.

	ILH200	ILH450	INH150	INH600	NCH350	MOH75	MOH225
County	Knox	Knox	Carroll	Carroll	Wayne	Carroll	Carroll
<b>Total Cropland</b>	1200	1600	800	2250	50	330	1020
Acres Owned	350	850	280	800	50	220	520
Acres Leased	850	750	520	1450	0	110	500
<b>Pastureland</b>							
Acres Owned	0	0	0	0	0	100	0
<b>Assets (\$1,000)</b>							
Total	1399	2861	1334	3565	1092	459	1168
Real Estate	908	2051	955	2382	767	329	770
Machinery	311	476	277	813	74	71	264
Other & Livestock	179	334	102	369	251	58	134
<b>Debt/Asset Ratios*</b>							
Total	0.39	0.37	0.45	0.40	0.32	0.40	0.42
Intermediate	0.35	0.26	0.41	0.33	0.24	0.37	0.40
Long Run	0.42	0.42	0.47	0.43	0.36	0.42	0.42
<b>1995 Livestock</b>							
Beef Cows	0	0	0	0	0	25	0
Sows	200	450	150	600	350	75	225
<b>1995 Gross Receipts</b>							
Total	546.4	1144.5	437.8	1719.7	727.0	163.9	488.3
Cattle	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	8.6 5.2%	0.0 0.0%
Hogs	355.8 65.1%	955.8 83.5%	272.4 62.2%	1189.9 69.2%	719.9 99.0%	122.5 74.7%	358.9 73.5%
Corn	49.2 9.0%	14.2 1.2%	107.7 24.6%	258.5 15.0%	0.0 0.0%	2.1 1.3%	3.9 0.8%
Soybeans	127.7 23.4%	169.5 14.8%	51.1 11.7%	252.6 14.7%	0.0 0.0%	16.8 10.3%	62.5 12.8%
Wheat	6.0 1.1%	0.0 0.0%	6.7 1.5%	18.7 1.1%	0.0 0.0%	13.8 8.4%	62.9 12.9%
Hay	5.2 1.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	7.1 1.0%	0.1 0.1%	0.0 0.0%
Other Income	2.5 0.5%	5.0 0.4%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%
<b>1995 Planted Acres</b>							
Total	1104.9	1528.0	755.0	2137.5	30.0	348.0	974.0
Corn	555.0 50.2%	888.0 58.1%	555.0 73.5%	1387.5 64.9%	0.0 0.0%	160.0 46.0%	358.0 36.8%
Soybeans	500.0 45.3%	640.0 41.9%	175.0 23.2%	700.0 32.7%	0.0 0.0%	80.0 23.0%	333.0 34.2%
Wheat	25.0 2.3%	0.0 0.0%	25.0 3.3%	50.0 2.3%	0.0 0.0%	68.0 19.5%	283.0 29.1%
Hay	24.9 2.3%	0.0 0.0%	0.0 0.0%	0.0 0.0%	30.0 100.0%	40.0 11.5%	0.0 0.0%

\*Receipts for 1995 are included to indicate the relative importance of each enterprise to the farm. Percents indicate the percentage of the total receipts accounted for by the livestock categories and the crops.

\*\*Acreages for 1995 are included to indicate the relative importance of each enterprise to the farm; these values reflect acreage reduction percentages that year. Total planted acreage may exceed total cropland available due to double cropping. Percents indicate the percentage of total planted acreage accounted for by the crop.



Category	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022																																																																											
Count	1200	1300	1400	1500	1600	1700	1800	1900	2000	2100	2200	2300	2400	2500	2600	2700	2800	2900	3000	3100	3200	3300	3400	3500	3600	3700	3800	3900	4000	4100	4200	4300	4400	4500	4600	4700	4800	4900	5000	5100	5200	5300	5400	5500	5600	5700	5800	5900	6000																																																																				
Area Covered	1000	1100	1200	1300	1400	1500	1600	1700	1800	1900	2000	2100	2200	2300	2400	2500	2600	2700	2800	2900	3000	3100	3200	3300	3400	3500	3600	3700	3800	3900	4000	4100	4200	4300	4400	4500	4600	4700	4800	4900	5000	5100	5200	5300	5400	5500	5600	5700	5800	5900	6000																																																																		
Area Leased	800	850	900	950	1000	1050	1100	1150	1200	1250	1300	1350	1400	1450	1500	1550	1600	1650	1700	1750	1800	1850	1900	1950	2000	2050	2100	2150	2200	2250	2300	2350	2400	2450	2500	2550	2600	2650	2700	2750	2800	2850	2900	2950	3000	3050	3100	3150	3200	3250	3300	3350	3400																																																																
Area Owned	200	250	300	350	400	450	500	550	600	650	700	750	800	850	900	950	1000	1050	1100	1150	1200	1250	1300	1350	1400	1450	1500	1550	1600	1650	1700	1750	1800	1850	1900	1950	2000	2050	2100	2150	2200	2250	2300	2350	2400	2450	2500	2550	2600	2650	2700	2750	2800	2850	2900	2950	3000	3050	3100	3150	3200	3250	3300	3350	3400	3450	3500	3550	3600	3650	3700	3750	3800	3850	3900	3950	4000	4050	4100	4150	4200	4250	4300	4350	4400	4450	4500	4550	4600	4650	4700	4750	4800	4850	4900	4950	5000	5050	5100	5150	5200	5250	5300	5350	5400	5450	5500	5550	5600	5650	5700	5750	5800	5850	5900	5950	6000

# APPENDIX B:

## LIST OF PANEL FARM COOPERATORS

State	Facilitator	Panel Participants
Washington	Mr. Jack [Name]	Mr. Richard [Name] Mr. John [Name] Mr. Harry [Name] Mr. Earl [Name] Mr. Earl [Name]
North Dakota	Mr. Dwight [Name]	Mr. Mike [Name] Mr. Arvid [Name] Mr. Jon [Name] Mr. Jon [Name] Mr. Jack [Name]
Kansas	Mr. Tim [Name]	Mr. Gerald [Name] Dr. Fred [Name] Mr. Paul [Name] Mr. Lee [Name] Mr. Jim [Name] Mr. [Name]
Colorado	Mr. Dan [Name]	Mr. [Name] Mr. [Name] Mr. [Name] Mr. [Name] Mr. [Name]
South Carolina	Mr. [Name]	Mr. [Name] Mr. [Name] Mr. [Name] Mr. [Name] Mr. [Name]
Texas - Northern High Plains	Dr. Steve [Name]	Mr. [Name] Mr. [Name] Mr. [Name] Mr. [Name] Mr. [Name]

## FEED GRAIN FARMS

### Iowa

#### *Facilitators*

Dr. William Edwards - Professor and Extension Economist, Iowa State University

#### *Panel Participants*

Mr. Phil Naeve	Mr. Dennis Ammen
Mr. Larry Lynch	Mr. John Ricke
Mr. Don Sandell	Mr. Britt Shelton
Mr. Bob Anderson	Mr. Virgil Gordon
Mr. Larry Lane	

### Nebraska

#### *Facilitators*

Mr. Gary Hall - Phelps County Agricultural Extension Agent

Dr. Roger Selley - Extension Farm Management Specialist, University of Nebraska

#### *Panel Participants*

Mr. Frank Hadley	Mr. Tom Schwarz
Mr. Gary Robinson	Mr. Scott Davis
Mr. Kerry Blythe	Mr. Johnny Nelson
Mr. Brian Johnson	Mr. Dave High
Mr. Charles Wohlgemuth	

### Missouri

#### *Facilitator*

Mr. Parman Green - Farm Management Specialist, University of Missouri - Columbia

#### *Panel Participants*

Mr. Larry Davies	Mr. D.J. Tweedie
Mr. Clifford Lyons	Mr. Ron Gibson
Mr. Ron Linneman	Mr. Ron Venable
Mr. Glenn Kaiser	Mr. Charles Reid
Mr. Gerald Kitchen	Mr. Jack Harriman
Mr. John Vogelsmeier	Mr. Tommie Tweedie

### Texas - Northern High Plains

#### *Facilitators*

Dr. Steve Amosson - Extension Economist - Management, Texas A&M University

Mr. Brad Johnson - Sunray Cooperative, Sunray, Texas

#### *Panel Participants*

Mr. Wesley Spurlock	Mr. Kenneth Keisling
Mr. Marion Garland	Mr. Ronnie Williams
Mr. Gary Keisling	Mr. Tom Moore
Mr. Charles Dooley	

### South Carolina

#### *Facilitators*

Mr. Toby Boring - Extension Agricultural Economist, Clemson University

Dr. Johnny Jordan - Professor, Clemson University

#### *Panel Participants*

Mr. Harry Durant	Mr. Steve Lowder
Mr. John Ducworth	Mr. Billy Davis
Mr. Tom Jackson	Mr. John Spann
Mrs. Vikki Brogdon	



## WHEAT FARMS

### Washington

#### Facilitators

Mr. John Burns - Whitman County Agricultural Extension Agent  
Dr. Herb Hinman - Extension Economist, Washington State University  
Mr. Earl Aehlschlaeger - Adult Farm Management, Community College of  
Spokane

#### Panel Participants

Mr. Richard Largent	Mr. Peter Collins
Mr. John Whitman	Mr. Asa Clark
Mr. Henry Suess	Mr. David Harlow
Mr. Earl Crowe	

### North Dakota

#### Facilitators

Mr. Dwight Aakre - Extension Associate - Farm Management, North Dakota State University  
Mr. Lester Stuber - Barnes County Agricultural Extension Agent

#### Panel Participants

Mr. Mike Clemens	Mr. Ray Haugen
Mr. Arvid Winkler	Mr. Greg Mueller
Mr. Jon Owen	Mr. Wade Bruns
Mr. Jim Broten	Mr. Lloyd Thilmony
Mr. Jack Formo	Mr. Greg Shanenko

### Kansas

#### Facilitators

Mr. Tim Stuckey - Extension Agricultural Economist, Kansas State University  
Mr. Gerald Le Valley - Sumner County Agricultural Extension Agent  
Dr. Fred Delano - Administrator of Farm Management Association Program,  
Kansas State University

#### Panel Participants

Mr. Paul Nye	Mr. Thomas Ostrander
Mr. Leroy Hoopes	Mr. Ronald Frazier
Mr. Jim Mathes	Mr. Nick Steffen
Mr. Lauren Ostrander	Mr. Donald Applegate
Mr. Harold Hainsworth	Mr. David Messenger
Mr. Rae Reuser	Mr. Don Casner
Mr. Arlen Suderman	

### Colorado

#### Facilitators

Mr. Don Nitchie - Director, Farm Management/Marketing, Colorado State University Cooperative  
Extension  
Dr. Paul H. Gutierrez - Associate Professor, Colorado State University

#### Panel Participants

Mr. Terry Kuntz	Mr. John Hickert
Mr. Calvin Schaffert	Mr. Marlin E. Snyder
Mr. John Wright	Mr. Bill Rodwell
Mr. Cliff Fletcher	Mr. Gerry Ohr
Mr. David Foy	Mr. Rick Lewton

## COTTON FARMS

### California

#### Facilitators

Mr. Bruce A. Roberts - County Director and Farm Advisor, University of California Cooperative Extension  
Mr. Ron Vargas - County Director/Farm Advisor, Agronomic Crops and Weed Control, University of California Cooperative Extension

#### Panel Participants

Mr. Jerry Davis	Mr. Hubert Holterman
Mr. Larry Starrh	Mr. Fred Starrh
Mr. Jim Crettol	Mr. Jim Nickel
Mr. Wayne Waldrip	Mr. Richard Young
Mr. Ken Kirschenman	Mr. Roger Frantz

### Mississippi

#### Facilitator

Dr. David Laughlin - Professor, Mississippi State University

#### Panel Participants

Mr. Harley Metcalfe	Mr. W.P. Brown
Mr. Ellis Palasini	Mr. Robert Carson
Mr. Steve Skelton	Mr. Rives Carter
Mr. Kenneth Hood	Mr. Lawrence Long
Mr. Ralph Owens	Mr. Rick Smyth

### Texas - Southern High Plains

#### Facilitators

Mr. John Farris - Dawson County Agricultural Extension Agent  
Dr. Jackie Smith - Extension Economist - Management, Texas A&M University

#### Panel Participants

Mr. Donald Love	Mr. Nolan Vogler
Mr. Donald Vogler	Mr. Tom Anderson
Mr. Milton Schneider	Mr. Bradley Boyd
Mr. Kent Nix	Mr. Dave Nix
Mr. Mark Fuller	

### Texas - Rolling Plains

#### Facilitators

Mr. Nathan Anderson - Ellis County Agricultural Extension Agent  
Mr. Stan Bevers - Extension Economist - Management, Texas A&M University

#### Panel Participants

Mr. Steve Blankenship	Mr. Mark Lundgren
Mr. James Seidenberger	Mr. B.C. Spraberry
Mr. Ronnie Richmond	Mr. and Mrs. Darrell Richards
Mr. Mike Gray	Mr. David Cook
Mr. Glen Gilbreath	

### Texas - Blacklands

#### Facilitators

Mr. Ronald Leps - Williamson County Agricultural Extension Agent  
Mr. Christopher Sansone - Williamson County Extension Entomologist

#### Panel Participants

Mr. Wilbert Vorwerk	Mr. Emzy Boehm
Mr. James Stone	Mr. Wilburn Beckhusen
Mr. Ron Schlabach	

### Texas - Coastal Bend

#### Facilitators

Dr. Darwin Anderson - San Patricio-Aransas Counties Agricultural Extension Agent  
Dr. Larry Falconer - Extension Economist - Management, Texas A&M University

#### Panel Participants

Mr. Jess Person	Mr. Darby Salge
Mr. Howard Salge	Mr. Wesley Schmidt

## RICE FARMS

### Texas

#### Facilitator

Dr. Ed Rister - Professor, Texas A&M University

#### Panel Participants

Mr. W. A. "Billy" Hefner, III

Mr. Ronald Gertson

Mr. Danny Gertson

Mr. John Waligura

Mr. Glen Rod

Mr. Kenneth "Peter" Stelzel

Mr. Jason Hlavinka

Mr. Andy Anderson

Mr. Madison H. Smith

Mr. Bryan Wiese

Mr. Bob Thornton

Mr. Layton Raun

Mr. Hal Koop

### California

#### Facilitator

Mr. Jack Williams - Farm Advisor, Sutter and Yuba Counties, University of California Cooperative Extension

#### Panel Participants

Mr. Bill Baggett

Mr. Alan Catlet

Mr. Jack DeWitt

Mr. Gordon Galloway

Mr. Bill McLaughlin

Mr. Jeff Norton

Mr. Frank Rosa

Mr. Brett Scheidel

Mr. Walt Trevethan

Mr. Wayne Vineyard

Mr. Don Staas

### Arkansas

#### Facilitators

Dr. Bob Coats - Extension Specialist - Management, University of Arkansas

#### Panel Participants

Mr. Joe Rennie

Mr. Roger Pohlner

Mr. Jerry Don Clark

Mr. Gary Sitzer

### Missouri

#### Facilitators

Bruce Beck - Farmer's Agronomy Specialist - Rice and Horticulture, University of Missouri - Columbia

David Reinbott - Farm Management Specialist, University of Missouri - Columbia

#### Panel Participants

Elvin Kingree

Vance Madison

J. O. Sifford

Mike Mick

Rick Spargo

Sonny Martin

Rusty Eaker

C. P. Johnson

Davis Minten

### Louisiana

#### Facilitators

Eddie Eskew - County Agent, Louisiana Cooperative Extension Service

Howard J. Cormier - County Agent, Louisiana Cooperative Extension Service

Ronnie Levy - County Agent/Parrish Chairman, Louisiana Cooperative Extension Service

D. L. Eugene (Gene) Johnson - Specialist in Marketing, Louisiana Cooperative Extension Service, Natural Resources and Economic Development

#### Panel Participants

Alden Horten

Tommy Faulk

Jackie Loewes

Brian Wild

Allan McLain



## DAIRY FARMS

### Washington

#### Facilitator

Mr. David C. Grusenmeyer - Professor and Extension Dairy Specialist, Washington State University

#### Panel Participants

Mrs. Star Hovander  
Mr. Keith Boon  
Mr. Rod DeJong  
Mr. Dick Bengen  
Mr. Ed Pomeroy  
Mr. Greg McKay

Mr. & Mrs. Ron Bronsema  
Mr. Dave Buys  
Mr. Duane Vander Griend  
Mr. Jim Heeringa  
Mr. & Mrs. Pete DeJager  
Mr. Mr. Dale DeVries

### California

#### Facilitator

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#### Panel Participants

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Mr. Bill Van Beek  
Mr. John Zonneveld

Mr. Joe Pires  
Mr. Bob Wilbur

### New Mexico

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Mr. Butch Latture - Western Division Manager, Associated Milk Producers, Inc., El Paso, Texas

#### Panel Participants

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Mr. Joe Gonzalez  
Mr. Steve Bos

Mr. Joe Segura  
Mr. Von Hilburn

### Texas - Central

#### Facilitators

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Dr. Ashley Lovell - Professor, Tarleton State University  
Mr. Jay Hicks - Zone Manager, Associated Milk Producers, Inc., Stephenville, Texas

#### Panel Participants

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Mr. Leonard Moncrief  
Mr. Jack Parks  
Mr. Owen Sieperda

Mr. Robert Ervin  
Mr. Bob Strona  
Mr. Jake Van Vliet

### Texas - Eastern

#### Facilitators

Dr. Robert Schwart - Professor and Extension Economist, Texas A&M University  
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Mr. Al Minter  
Mr. Tommy Potts

Mr. Tim Spiva  
Mr. Hershel Kelsoe  
Mr. Douwe Plantinga

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Mr. & Mrs. Doug Owen  
Mr. & Mrs. Ray Schooley  
Mr. & Mrs. Phil Barnhart  
Mr. John Atkinson

Mr. Allen Sulgrove  
Mr. Dan Clemens  
Mr. Chris Young  
Mr. & Mrs. Freddie Martin  
Mr. Wayne Whitehead

## Georgia

### Facilitators

Mr. Bill Thomas - Professor and Extension Economist, University of Georgia  
Mr. David B. Lowe - Putnam County Agricultural Extension Director

### Panel Participants

Mr. Carlton McMichael  
Mr. Mike Rainey  
Mr. Ronny Parham  
Mr. Ray Ward  
Mr. Earnest Turk

## Florida

### Facilitators

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Mr. Art Darling - Dairy Farms, Inc.

### Panel Participants

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Mr. Louis Shiver  
Mr. Bill Shaw  
Mr. Edward Thomas  
Mr. Glynn Rutledge  
Mr. Brad Hester  
Mr. Kevin Jackson  
Mr. Boyd Rucks  
Mr. Everett Kerby  
Mr. Ray Melear

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Dr. Gary Frank - Extension Farm Management Specialist, University of Wisconsin

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Mr. Larry Engel  
Mr. Ronald Miller  
Mr. Pete Knigge  
Mr. Edwin Davis  
Mr. Dean Hughes  
Mr. Jeff Key  
Mr. Joe Bonlender  
Mr. Pete Van Wychen  
Mr. Doug Hodorff  
Mr. Fred Kasten  
Mr. Jerome Schmidt  
Mr. Terry Madigan

## New York - Western

### Facilitator

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Cornell University

### Panel Participants

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Mr. Willard DeGolyer  
Mr. George Mueller  
Mr. Dale Van Erden  
Mr. Dick Popp  
Mr. Bill Fitch  
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Mr. Bill Head  
Mr. David Shurtleff  
Mr. & Mrs. Tom Brown  
Mr. Ron Space, Jr.  
Mr. Mike Learn  
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Mr. Dennis Kauppila - Caledonia County Agricultural Extension Agent  
Ms. Pat Duffy - Farm Management Association of Vermont and New Hampshire

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Mr. Richard Hall  
Mr. John Osha  
Mr. Tim Bisson  
Mr. Ray Bisson  
Mr. Kim Harvey  
Mr. David Conant  
Mr. Dave Tooley  
Mr. Stanley Scribner  
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Mr. Paul Gingue  
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Dr. Alan Baquet - Farm Management Specialist, Montana State University

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Mr. Art Drange

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Mr. Orval Wright - Gonzales County Agricultural Extension Agent  
Mr. Billy Kniffen - DeWitt County Agricultural Extension Agent  
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Mr. Winford Matthew  
Mr. Jim Selman

### Missouri - Northwest

#### Facilitator

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Mr. Roger Vest  
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#### Facilitator

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Mr. Chuck Daniel  
Mr. Mike Theurer  
Mr. Steve Allison  
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### Colorado

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Dr. Paul H. Gutierrez - Associate Professor, Colorado State University  
Mr. C.J. Mucklow - Routt County Agricultural Extension Agent

#### Panel Participants

Mr. Doug Carlson  
Mr. Charlie Cammer  
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### Wyoming

#### Facilitators

Dr. Larry Van Tassell - University of Wyoming

#### Panel Participants

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Ray Rice  
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Gary Rice  
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## HOG FARMS

### Illinois

#### Facilitators

Mr. Don Teel - Knox County Agricultural Extension Agent, Galesburg, Illinois  
Dr. Dick Kessler - Agricultural Economist, University of Illinois

#### Panel Participants

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Mr. Dale Carlson	Mr. Don Erickson
Mr. Gary Bowman	Mr. Lance Humphreys
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Dr. Chris Hurt - Extension Farm Management Specialist, Purdue University

#### Panel Participants

Mr. Glenn Brown	Mr. Ernie Wyant
Mr. Larry Trapp	Mr. Brad Burton
Mr. Sam Zook	Mr. Fred Wise
Mr. Ed Nelson	Mr. Bill Pickard

### Missouri

#### Facilitator

Mr. Parman Green - Farm Management Specialist, University of Missouri - Columbia

#### Panel Participants

Mr. Larry Charles	Mr. R. David Hemme
Mr. Dale Miles	Mr. Gary L. Sanders
Mr. Vernon Thoeni	Mr. Robert S. Mayden
Mr. John Vogelsmeier	Mr. Matt Reichert
Mr. Herbert Kiehl	Mr. Richard Clemens

### North Carolina

#### Facilitator

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#### Panel Participants

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Mr. David John Overman	Mr. Mark Rix
Mr. Charlie McClenny	Ms. Mary Ann Martin
Mr. Ronald Parks	Mr. R.H. Mohesky
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[Name] - [Address]

Year: 2000  
 Farm Type: High  
 Alternative: Flat Tax

# APPENDIX C:

## SIMULATED RESULTS FOR THE

## REPRESENTATIVE FARMS UNDER THE

## CURRENT INCOME TAX PROVISIONS

## AND THE FLAT TAX ALTERNATIVE

Year	Current Law	Flat Tax Alternative	Current Law	Flat Tax Alternative	Current Law	Flat Tax Alternative
2000	14,891.1	12,950.0	2,941.1	2,941.1	17,832.2	15,891.1
2001	17,832.2	15,891.1	1,941.1	1,941.1	19,773.3	17,832.2
2002	20,773.3	18,832.2	1,941.1	1,941.1	21,714.4	20,773.3
2003	23,714.4	21,773.3	1,941.1	1,941.1	24,655.5	23,714.4
2004	26,655.5	24,714.4	1,941.1	1,941.1	27,596.6	26,655.5
2005	29,596.6	27,655.5	1,941.1	1,941.1	30,537.7	29,596.6
2006	32,537.7	30,596.6	1,941.1	1,941.1	33,478.8	32,537.7
2007	35,478.8	33,537.7	1,941.1	1,941.1	36,419.9	35,478.8
2008	38,419.9	36,478.8	1,941.1	1,941.1	39,361.0	38,419.9
2009	41,361.0	39,419.9	1,941.1	1,941.1	42,302.1	41,361.0
2010	44,302.1	42,361.0	1,941.1	1,941.1	45,243.2	44,302.1



**Table C1. Comparison of Federal Income and Employment Taxes Under Current and Flat Tax Provisions for Representative Feed Grain Farms, 1996-2002.**

	Moderate Debt		High Debt	
	Current Tax	Flat Tax	Current Tax	Flat Tax
-----(\$1,000)-----				
<b>IAG760</b>				
Federal Income Taxes (\$1000)	0.84	0.02	0.42	0.02
Self-Employment Taxes	3.00	3.90	2.43	3.90
Income & Self-Employment Taxes	3.84	3.93	2.85	3.93
<b>IAG1500</b>				
Federal Income Taxes (\$1000)	12.12	9.48	10.50	9.48
Self-Employment Taxes	9.05	8.22	8.54	8.22
Income & Self-Employment Taxes	21.16	17.70	19.04	17.70
<b>MOG1250</b>				
Federal Income Taxes (\$1000)	4.38	1.61	2.80	1.61
Self-Employment Taxes	4.98	5.76	3.99	5.76
Income & Self-Employment Taxes	9.36	7.37	6.79	7.37
<b>MOG2400</b>				
Federal Income Taxes (\$1000)	34.08	15.07	27.95	15.07
Self-Employment Taxes	10.94	9.64	9.84	9.64
Income & Self-Employment Taxes	45.02	24.71	37.79	24.71
<b>NEG800</b>				
Federal Income Taxes (\$1000)	2.56	2.48	1.06	2.48
Self-Employment Taxes	4.26	5.94	2.82	5.94
Income & Self-Employment Taxes	6.82	8.42	3.87	8.42
<b>NEG1575</b>				
Federal Income Taxes (\$1000)	22.85	12.10	14.99	12.10
Self-Employment Taxes	9.39	8.63	7.55	8.63
Income & Self-Employment Taxes	32.24	20.73	22.54	20.73
<b>TXNP1600</b>				
Federal Income Taxes (\$1000)	1.79	1.13	0.91	1.13
Self-Employment Taxes	3.44	4.46	2.53	4.46
Income & Self-Employment Taxes	5.23	5.58	3.44	5.58
<b>TXNP4500</b>				
Federal Income Taxes (\$1000)	24.40	17.40	19.04	17.40
Self-Employment Taxes	9.34	10.39	8.21	10.39
Income & Self-Employment Taxes	33.74	27.78	27.25	27.78
<b>SCG1500</b>				
Federal Income Taxes (\$1000)	8.36	3.60	6.83	3.60
Self-Employment Taxes	5.37	5.74	4.66	5.74
Income & Self-Employment Taxes	13.72	9.33	11.49	9.33
<b>SCG3500</b>				
Federal Income Taxes (\$1000)	56.26	23.46	44.09	23.46
Self-Employment Taxes	12.29	10.74	10.59	10.74
Income & Self-Employment Taxes	68.55	34.20	54.68	34.20

Table C2. Comparison of Federal Income and Employment Taxes Under Current and Flat Tax Provisions for Representative Wheat Farms, 1996-2002.

	Moderate Debt		High Debt	
	Current Tax	Flat Tax	Current Tax	Flat Tax
-----(\$1,000)-----				
<b>WAW1276</b>				
Federal Income Taxes (\$1000)	1.63	1.94	0.93	1.94
Self-Employment Taxes	2.30	3.93	1.45	3.93
Income & Self-Employment Taxes	3.93	5.88	2.37	5.88
<b>WAW4250</b>				
Federal Income Taxes (\$1000)	18.77	12.09	11.52	12.09
Self-Employment Taxes	6.63	8.15	4.67	8.15
Income & Self-Employment Taxes	25.40	20.23	16.19	20.23
<b>NDW1600</b>				
Federal Income Taxes (\$1000)	1.92	0.13	1.54	0.13
Self-Employment Taxes	2.38	4.11	2.07	4.11
Income & Self-Employment Taxes	4.30	4.24	3.61	4.24
<b>NDW4000</b>				
Federal Income Taxes (\$1000)	11.97	1.46	9.33	1.46
Self-Employment Taxes	4.60	4.27	3.80	4.27
Income & Self-Employment Taxes	16.57	5.73	13.13	5.73
<b>KSW1175</b>				
Federal Income Taxes (\$1000)	-0.17	0.06	-0.01	0.06
Self-Employment Taxes	0.82	2.59	0.51	2.59
Income & Self-Employment Taxes	0.65	2.65	0.50	2.65
<b>KSW2800</b>				
Federal Income Taxes (\$1000)	1.04	0.00	0.73	0.00
Self-Employment Taxes	1.92	2.77	1.42	2.77
Income & Self-Employment Taxes	2.97	2.77	2.14	2.77
<b>COW2500</b>				
Federal Income Taxes (\$1000)	2.87	1.86	1.44	1.86
Self-Employment Taxes	4.69	5.23	3.40	5.23
Income & Self-Employment Taxes	7.56	7.09	4.83	7.09
<b>COW4000</b>				
Federal Income Taxes (\$1000)	2.33	1.69	1.30	1.69
Self-Employment Taxes	2.72	4.88	1.78	4.88
Income & Self-Employment Taxes	5.05	6.57	3.08	6.57

Table C3. Comparison of Federal Income and Employment Taxes Under Current and Flat Tax Provisions for Representative Cotton Farms, 1996-2002.

	Moderate Debt		High Debt	
	Current Tax	Flat Tax	Current Tax	Flat Tax
-----(\$1,000)-----				
<b>TXSP1682</b>				
Federal Income Taxes (\$1000)	11.54	6.16	9.81	6.16
Self-Employment Taxes	7.32	7.16	6.67	7.16
Income & Self-Employment Taxes	18.86	13.32	16.48	13.32
<b>TXSP3697</b>				
Federal Income Taxes (\$1000)	41.72	20.40	37.62	20.40
Self-Employment Taxes	9.58	10.09	9.02	10.09
Income & Self-Employment Taxes	51.29	30.49	46.64	30.49
<b>TXRP1700</b>				
Federal Income Taxes (\$1000)	7.40	3.32	6.75	3.32
Self-Employment Taxes	5.32	5.67	5.13	5.67
Income & Self-Employment Taxes	12.72	8.99	11.87	8.99
<b>TXRP2500</b>				
Federal Income Taxes (\$1000)	12.43	6.60	11.17	6.60
Self-Employment Taxes	5.97	6.27	5.69	6.27
Income & Self-Employment Taxes	18.40	12.87	16.86	12.87
<b>TXBL1200</b>				
Federal Income Taxes (\$1000)	8.72	6.25	7.15	6.25
Self-Employment Taxes	6.46	7.32	5.89	7.32
Income & Self-Employment Taxes	15.18	13.57	13.04	13.57
<b>TXCB1700</b>				
Federal Income Taxes (\$1000)	16.46	8.78	14.66	8.78
Self-Employment Taxes	6.41	7.15	6.06	7.15
Income & Self-Employment Taxes	22.86	15.93	20.72	15.93
<b>CAC900</b>				
Federal Income Taxes (\$1000)	13.49	15.14	8.46	15.14
Self-Employment Taxes	6.30	8.10	4.71	8.10
Income & Self-Employment Taxes	19.79	23.24	13.17	23.24
<b>MSC1635</b>				
Federal Income Taxes (\$1000)	2.78	2.65	1.69	2.65
Self-Employment Taxes	2.88	4.48	2.01	4.48
Income & Self-Employment Taxes	5.65	7.13	3.70	7.13
<b>MSC3620</b>				
Federal Income Taxes (\$1000)	16.12	2.80	9.52	2.80
Self-Employment Taxes	5.33	4.71	3.94	4.71
Income & Self-Employment Taxes	21.46	7.51	13.45	7.51



Table C4. Comparison of Federal Income and Employment Taxes Under Current and Flat Tax Provisions for Representative Rice Farms, 1996-2002.

	Moderate Debt		High Debt	
	Current Tax	Flat Tax	Current Tax	Flat Tax
-----(\$1,000)-----				
<b>CAR424</b>				
Federal Income Taxes (\$1000)	2.66	1.91	1.42	1.91
Self-Employment Taxes	4.35	4.75	3.21	4.75
Income & Self-Employment Taxes	7.02	6.66	4.63	6.66
<b>CAR1300</b>				
Federal Income Taxes (\$1000)	6.28	5.64	5.07	5.64
Self-Employment Taxes	2.98	5.37	2.24	5.37
Income & Self-Employment Taxes	9.26	11.01	7.31	11.01
<b>TXR2118</b>				
Federal Income Taxes (\$1000)	7.67	7.61	5.83	7.61
Self-Employment Taxes	7.42	8.46	6.50	8.46
Income & Self-Employment Taxes	15.09	16.07	12.33	16.07
<b>TXR3750</b>				
Federal Income Taxes (\$1000)	4.26	6.05	2.19	6.05
Self-Employment Taxes	3.05	6.35	1.96	6.35
Income & Self-Employment Taxes	7.31	12.40	4.15	12.40
<b>MOR1900</b>				
Federal Income Taxes (\$1000)	5.64	1.78	3.67	1.78
Self-Employment Taxes	5.29	4.59	4.14	4.59
Income & Self-Employment Taxes	10.93	6.37	7.81	6.37
<b>MOR4000</b>				
Federal Income Taxes (\$1000)	15.18	8.67	6.50	8.67
Self-Employment Taxes	6.36	9.22	3.49	9.22
Income & Self-Employment Taxes	21.54	17.89	9.99	17.89
<b>ARR1260</b>				
Federal Income Taxes (\$1000)	-0.10	1.38	-0.19	1.38
Self-Employment Taxes	1.47	4.18	0.53	4.18
Income & Self-Employment Taxes	1.37	5.55	0.35	5.55
<b>LAR1100</b>				
Federal Income Taxes (\$1000)	0.12	0.31	-0.02	0.31
Self-Employment Taxes	1.66	2.31	1.27	2.31
Income & Self-Employment Taxes	1.77	2.62	1.25	2.62

Table C5. Comparison of Federal Income and Employment Taxes Under Current and Flat Tax Provisions for Representative Dairy Farms, 1996-2002.

	Moderate Debt		High Debt	
	Current Tax	Flat Tax	Current Tax	Flat Tax
-----(\$1,000)-----				
<b>CAD2150</b>				
Federal Income Taxes (\$1000)	683.45	335.47	608.04	335.47
Self-Employment Taxes	56.52	59.15	52.28	59.15
Income & Self-Employment Taxes	739.97	394.62	660.32	394.62
<b>NMD2000</b>				
Federal Income Taxes (\$1000)	85.44	73.51	39.22	73.51
Self-Employment Taxes	13.37	19.76	7.76	19.76
Income & Self-Employment Taxes	98.81	93.27	46.98	93.27
<b>WAD175</b>				
Federal Income Taxes (\$1000)	14.25	12.40	9.42	12.40
Self-Employment Taxes	9.67	10.59	8.14	10.59
Income & Self-Employment Taxes	23.92	22.99	17.56	22.99
<b>WAD850</b>				
Federal Income Taxes (\$1000)	59.31	43.50	37.38	43.50
Self-Employment Taxes	12.32	14.89	9.35	14.89
Income & Self-Employment Taxes	71.63	58.40	46.73	58.40
<b>TXCD300</b>				
Federal Income Taxes (\$1000)	-0.12	0.26	-0.14	0.26
Self-Employment Taxes	0.22	3.23	0.44	3.23
Income & Self-Employment Taxes	0.10	3.49	0.31	3.49
<b>TXCD720</b>				
Federal Income Taxes (\$1000)	123.95	79.54	93.53	79.54
Self-Employment Taxes	18.40	21.04	15.85	21.04
Income & Self-Employment Taxes	142.35	100.58	109.38	100.58
<b>TXED200</b>				
Federal Income Taxes (\$1000)	-0.02	0.00	-0.03	0.00
Self-Employment Taxes	0.01	0.72	0.03	0.72
Income & Self-Employment Taxes	-0.01	0.72	0.00	0.72
<b>TXED812</b>				
Federal Income Taxes (\$1000)	36.22	28.67	18.97	28.67
Self-Employment Taxes	8.67	11.88	5.50	11.88
Income & Self-Employment Taxes	44.89	40.55	24.47	40.55
<b>WID55</b>				
Federal Income Taxes (\$1000)	3.58	3.24	1.71	3.24
Self-Employment Taxes	6.39	7.46	4.81	7.46
Income & Self-Employment Taxes	9.98	10.70	6.52	10.70
<b>WID190</b>				
Federal Income Taxes (\$1000)	9.88	11.10	5.31	11.10
Self-Employment Taxes	7.86	9.38	5.74	9.38
Income & Self-Employment Taxes	17.74	20.48	11.04	20.48

Table C6. Comparison of Federal Income and Employment Taxes Under Current and Flat Tax Provisions for Representative Dairy Farms, 1996-2002 (Continued).

	Moderate Debt		High Debt	
	Current Tax	Flat Tax	Current Tax	Flat Tax
-----(\$1,000)-----				
<b>NYWD600</b>				
Federal Income Taxes (\$1000)	93.72	50.46	80.59	50.46
Self-Employment Taxes	16.26	16.24	14.90	16.24
Income & Self-Employment Taxes	109.97	66.70	95.48	66.70
<b>NYWD1000</b>				
Federal Income Taxes (\$1000)	305.90	143.71	276.41	143.71
Self-Employment Taxes	31.28	30.53	29.52	30.53
Income & Self-Employment Taxes	337.18	174.24	305.93	174.24
<b>NYCD110</b>				
Federal Income Taxes (\$1000)	-0.25	0.00	-0.14	0.00
Self-Employment Taxes	0.31	2.18	0.20	2.18
Income & Self-Employment Taxes	0.06	2.18	0.06	2.18
<b>NYCD225</b>				
Federal Income Taxes (\$1000)	9.43	6.77	5.65	6.77
Self-Employment Taxes	6.53	8.15	4.89	8.15
Income & Self-Employment Taxes	15.97	14.92	10.54	14.92
<b>VTD70</b>				
Federal Income Taxes (\$1000)	-0.09	1.26	-0.97	1.26
Self-Employment Taxes	3.24	6.01	0.83	6.01
Income & Self-Employment Taxes	3.16	7.27	-0.14	7.27
<b>VTD186</b>				
Federal Income Taxes (\$1000)	-0.29	0.04	-0.03	0.04
Self-Employment Taxes	0.41	3.02	0.04	3.02
Income & Self-Employment Taxes	0.12	3.06	0.00	3.06
<b>GAD160</b>				
Federal Income Taxes (\$1000)	8.14	8.59	4.38	8.59
Self-Employment Taxes	7.85	9.52	5.92	9.52
Income & Self-Employment Taxes	16.00	18.11	10.30	18.11
<b>GAD600</b>				
Federal Income Taxes (\$1000)	76.44	49.19	58.76	49.19
Self-Employment Taxes	15.46	16.33	13.67	16.33
Income & Self-Employment Taxes	91.90	65.52	72.43	65.52
<b>MOD77</b>				
Federal Income Taxes (\$1000)	6.52	5.06	4.12	5.06
Self-Employment Taxes	8.18	7.86	6.81	7.86
Income & Self-Employment Taxes	14.70	12.92	10.93	12.92
<b>MOD220</b>				
Federal Income Taxes (\$1000)	24.19	16.79	15.32	16.79
Self-Employment Taxes	11.27	11.38	9.36	11.38
Income & Self-Employment Taxes	35.46	28.18	24.68	28.18
<b>FLD375</b>				
Federal Income Taxes (\$1000)	4.21	10.90	0.34	10.90
Self-Employment Taxes	5.19	9.40	2.41	9.40
Income & Self-Employment Taxes	9.40	20.30	2.75	20.30
<b>FLD1500</b>				
Federal Income Taxes (\$1000)	159.74	120.30	100.06	120.30
Self-Employment Taxes	21.39	27.10	16.49	27.10
Income & Self-Employment Taxes	181.13	147.41	116.55	147.41



Table C7. Comparison of Federal Income and Employment Taxes Under Current and Flat Tax Provisions for Representative Cattle Ranches, 1996-2002.

	Moderate Debt		High Debt	
	Current Tax	Flat Tax	Current Tax	Flat Tax
-----(\$1,000)-----				
<b>MTB400</b>				
Federal Income Taxes (\$1000)	1.26	0.45	0.77	0.45
Self-Employment Taxes	3.91	5.26	3.37	5.26
Income & Self-Employment Taxes	5.17	5.71	4.14	5.71
<b>WYB300</b>				
Federal Income Taxes (\$1000)	-0.75	0.00	-0.74	0.00
Self-Employment Taxes	1.35	2.07	1.10	2.07
Income & Self-Employment Taxes	0.60	2.07	0.36	2.07
<b>COB250</b>				
Federal Income Taxes (\$1000)	-0.34	0.00	-0.93	0.00
Self-Employment Taxes	2.27	2.87	1.41	2.87
Income & Self-Employment Taxes	1.93	2.87	0.48	2.87
<b>STB400</b>				
Federal Income Taxes (\$1000)	-0.65	0.00	-0.58	0.00
Self-Employment Taxes	1.31	3.29	0.49	3.29
Income & Self-Employment Taxes	0.66	3.29	-0.09	3.29
<b>MOSB150</b>				
Federal Income Taxes (\$1000)	-0.51	0.00	-0.73	0.00
Self-Employment Taxes	2.67	2.84	2.35	2.84
Income & Self-Employment Taxes	2.16	2.84	1.62	2.84
<b>MONB150</b>				
Federal Income Taxes (\$1000)	-0.34	0.64	-0.36	0.64
Self-Employment Taxes	1.17	3.93	0.88	3.93
Income & Self-Employment Taxes	0.83	4.57	0.52	4.57

**Table C8. Comparison of Federal Income and Employment Taxes Under Current and Flat Tax Provisions for Representative Hog Farms, 1996-2002.**

	Moderate Debt		High Debt	
	Current Tax	Flat Tax	Current Tax	Flat Tax
-----(\$1,000)-----				
<b>ILH200</b>				
Federal Income Taxes (\$1000)	30.35	16.55	21.35	16.55
Self-Employment Taxes	10.66	9.77	8.65	9.77
Income & Self-Employment Taxes	41.00	26.32	30.00	26.32
<b>ILH450</b>				
Federal Income Taxes (\$1000)	70.36	26.60	52.43	26.60
Self-Employment Taxes	14.07	11.31	12.07	11.31
Income & Self-Employment Taxes	84.42	37.91	64.50	37.91
<b>INH150</b>				
Federal Income Taxes (\$1000)	4.87	3.54	2.12	3.54
Self-Employment Taxes	5.05	4.73	3.23	4.73
Income & Self-Employment Taxes	9.92	8.27	5.35	8.27
<b>INH600</b>				
Federal Income Taxes (\$1000)	52.03	46.39	30.94	46.39
Self-Employment Taxes	11.70	14.43	8.59	14.43
Income & Self-Employment Taxes	63.73	60.82	39.53	60.82
<b>NCH350</b>				
Federal Income Taxes (\$1000)	6.58	15.38	4.55	15.38
Self-Employment Taxes	4.39	9.99	3.51	9.99
Income & Self-Employment Taxes	10.96	25.37	8.06	25.37
<b>MOH75</b>				
Federal Income Taxes (\$1000)	1.14	2.31	-0.12	2.31
Self-Employment Taxes	4.21	6.69	2.73	6.69
Income & Self-Employment Taxes	5.35	9.00	2.60	9.00
<b>MOH225</b>				
Federal Income Taxes (\$1000)	10.58	10.87	5.65	10.87
Self-Employment Taxes	7.50	9.43	5.37	9.43
Income & Self-Employment Taxes	18.08	20.29	11.02	20.29



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