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Swine - Cash Flow Analysis

Cash Flow Analysis for Total Confinement Swine Producing Operation Texas High Plains



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CASH FLOW ANALYSIS
FOR
TOTAL CONFINEMENT SWINE PRODUCING OPERATION
TEXAS HIGH PLAINS

by

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SUMMARY

The major objective of this study was to develop a guideline to analyze and evaluate flow of cash over time for use by people who are interested in complete confinement swine producing operations on the Texas High Plains. This guideline will provide assistance for sound management of swine producing operations and financial institutions in evaluating the soundness of loans.

The analysis dealt with six selected sizes of swine producing operations ranging from 200 sows to 1,200 sows in 200-sow increments. Budgets used in estimating costs of swine producing operations were derived primarily from a study conducted by Owens, Snodgrass and Lee.

The following set of major assumptions were made in the study:

1. A feed conversion efficiency of 3.56:1,
2. A farrowing rate of 2.34 litters per year,
3. An average of 8.5 pigs born per litter with an average of 8 pigs marketed per litter,
4. An average marketing weight of 225 pounds for market hogs,
5. An annual interest rate of 12% on all loans,
6. Market prices of \$4.50/cwt for sorghum, \$250.00/ton for soybean meal and \$40.00/cwt for market hogs,
7. Fifty percent of capital necessary for fixed facilities including land and breeding stocks is provided by the owner.

The buildings and other necessary facilities were acquired according to a plan designed to accommodate incremental acquisition of gilts ready to farrow within a week from the time of delivery. All six selected sizes of operations were in full producing operation cycle by the seventh month from the start and the first cash income was realized during the sixth month for all six selected sizes of operation.

A live market hog price of \$40.00/cwt and assumed prices of \$4.50/cwt

seventh month from the start and the first cash income was realized during the sixth month for all six selected sizes of operation.

A live market hog price of \$40.00/cwt and assumed prices of \$4.50/cwt for sorghum and \$250.00/ton for soybean-meal was estimated to generate sufficient income for total liquidation of the loan for operating capital in 14 to 17 months depending on size of operation. Total liquidation of the loan for fixed facilities could also be realized in 2.5 to 3 years, depending on the size of the operation. If an operation decided not to completely liquidate the loan for fixed facilities in advance then a cash balance of \$170,751 for a 200-sow unit and \$1,462,168 for a 1,200-sow unit could be realized by the end of the fourth-year of operation.

The management of a hog producing operation must secure a loan for initial capital outlays ranging from \$144,030 for a 200-sow unit to \$692,717 for a 1,200-sow unit. The management also must secure a line of credit to meet operating expenses ranging from \$59,851 for a 200-sow unit to \$259,813 for a 1,200 sow-unit. Throughout the study neither depreciation nor opportunity cost of the investment of the owner were calculated because these do not affect the cash flow directly.

INTRODUCTION

In recent years, many new developments and changes have taken place in swine producing operations. S.P.F. (specific-pathogen-free) hogs and complete confinement swine producing operations have shifted swine production from a part of a diversified farming operation to a larger and more specialized type of operation. A larger and more specialized hog producing operation of today requires a substantial amount of capital for both fixed facilities and operation. Large capital requirements for a modern swine producing operation, in most cases, necessitates the financing of part or all of the operation by a financial institution.

Although the 42 county area of the Texas High Plains has many advantages to become a major swine producing area^{1/} such as a large quantity of surplus feed grain and a good access to markets for live hogs, the actual growth in swine production has been slow and loans for swine producing operations are relatively new to the Texas High Plains. Since large sums of capital are required to finance today's large commercial swine producing operations, potential swine producers and lending institutions on the Texas High Plains need a detailed guideline to determine, plan, and evaluate capital requirements and their flow over time.

Objectives

The major objective of the study was to develop a cash flow for selected sizes of complete confinement swine producing operations for the Texas High Plains through the first four years of operation. More specific objectives were to:

^{1/} See "Swine Marketing Potential in Texas," by Hong Y. Lee and John S. Perrin, Proceedings for the Twentieth Annual Swine Short Course, Texas Tech University, July 6-7, 1972, pp. 30-42.

1. determine building and acquisition plans for buildings, land, improvements, vehicles, and breeding stock on a monthly basis;
2. determine operating expense requirements on a monthly basis;
3. set up loans on building, land, and improvements; vehicles; breeding stock; and operating expenses;
4. determine expected monthly income for a selected price of market hogs to estimate repayment capacity for interest, expenses and principal payments on loans;
5. determine the cash balance on a monthly basis.

Methodology

A synthetic model technique was employed for this study. Costs and the basic framework for each selected size of operation were obtained from a study by Owens, Snodgrass and Lee.^{2/} The model was developed to accommodate the specific acquisition schedule of gilts. All phases of building construction and acquisition of other facilities were dictated by the acquisition schedule of gilts. Monthly cash requirements were computed on the basis of gilts acquired, pigs on hand, and necessary facilities to accommodate these hogs. Next, loan requirements were estimated based on monthly cash requirements.

Monthly cash income-flow was estimated based on the number of market hogs and culled breeding stock that enter the market during the month, priced at \$40.00 and \$37.00 per hundred weight, respectively. Estimated monthly income and monthly cash requirements were used to determine the monthly interest expense, repayment of loans, and cash balance.

^{2/} T. R. Owens, J. C. Snodgrass, and H. Y. Lee, Input Requirements and Production Costs, Complete Confinement Swine Rearing Operation, Texas High Plains, 1971, ICASALS Special Report No. 46, Texas Tech University, May, 1971.

Basic Assumptions

The new-born pigs will reach a marketing weight of 225 pounds in 168 days - 39 days in the farrowing house, 35 days in the nursery and 94 days in the finishing house. Each sow is assumed to have 2.34 farrowings per year, a litter every 156 days.

A seven-year loan, with seven equal annual principal payments payable at the end of each year, was established to finance building construction, land acquisition and improvements. A three-year loan, with one third of the loan due at the end of each year, was assumed for vehicles. A three-year loan, renewable every six months, with three equal payments at the end of each year, was set up for breeding stock. Fifty percent owner equity was assumed for each of the three category loans - buildings, land, and improvement; vehicles; and breeding stock. Equities in each category were exhausted before the capital available through loans was utilized. An annual interest rate of 12 percent was assumed for all loans and interest payments were computed on a monthly basis except for the loan on breeding stock which was computed on a semi-annual basis.

Except for the repayment of the loan for fixed facilities, it was assumed that all income from the sale of hogs would be applied to the repayment of the loan for operating expenses. As the cash balance increases, all the remaining loans for fixed facilities can be paid off ahead of schedule.

Depreciation and the payment of corporate and/or personal income taxes were omitted from consideration.

FIXED EXPENDITURES

Buildings, Land and Improvements

Basically, four types of buildings (farrowing houses, nurseries, finishing floors, and gestation barns) were employed in the production process in addition to an auxiliary building, an office building, and a building for feed mill and grain storage along with fencing and wells. The building requirements, acquisition schedule, and costs by size of operation are summarized in Table 1. The monthly cash expenditures for buildings, land, and improvements along with expenditures for other fixed facilities, operating expenses, interest expenses, cash income and cash balance by size of operations are shown in Appendix Table 1-6.

To allow for pouring of concrete for foundation and plumbing in computing monthly costs for buildings, land, and improvements, twenty percent of all building costs of those buildings scheduled for construction after the first month was included in the cost for the first month along with 100 percent of the cost of buildings scheduled for construction during the first month. The auxiliary building was considered adequate to house office facilities during the first year of operation. The construction of gestation barns was assumed to be delayed until the second year of operation since they were not considered as absolute necessity in production process during the early part of operation. All swine houses were built as required by the number of breeding stock on hand.

Vehicles

The vehicle requirements, costs, and acquisitions scheduled for the selected sizes of operation are also summarized in Table 1. The acquisition of the grain truck and golf cart was delayed until the second year of operation. However, the acquisition of all other vehicles was deemed necessary at the beginning of the operation.

Breeding Stock

The purchasing scheme of breeding stock for the selected sizes of operation is shown in Table 1. The acquisition of breeding stock was scheduled to utilize the buildings to the greatest extent possible. All buildings are constantly occupied except for cleaning. For a 200-sow unit, the scheme calls for an arrival of 20 bred gilts, ready to farrow within a span of a few days, every 14 days. For a 1,200-sow unit, 40 bred gilts were scheduled to be received every 5 days until all 1,200 bred gilts are in stock. The ratio of boars to sows was set at 1:16

Bred gilts were priced at \$175 each and boars were priced at \$350 each. Productive life of breeding stock was set at three years. It was assumed that ten percent of the sows would be replaced with gilts at each breeding due to failure of sows to conceive. During the first 12 months of operation, sows which failed to conceive were replaced by acquiring additional gilts. Thus, the total number of bred gilts acquired during the first year of operation would exceed the number indicated by the size of operation. After the first year of operation, gilts from the internal operation would be used as replacements.

OPERATING EXPENDITURES

Feed

Monthly feed expense was based on the number of head days on feed. Four different rations were employed for production as shown in Table 2.

The cost of each ration was determined on the basis of percentages of the ingredients - milo, soybean meal, salt, poly-phos, and vitamin and mineral pre-mix - used in each ration.^{3/} The feed ingredients were priced at milo-\$4.50/cwt.; soybean meal-\$12.50/cwt.; salt-\$1.80/cwt.;

^{3/} See Owens, Snodgrass, and Lee, pp. 16-17 for the percentages of ingredients used in each ration.

TABLE 1. FIXED ASSETS & BREEDING STOCK ACQUISITION PLAN, UNIT COSTS, BY SIZE OF OPERATION^{1/}

ITEMS FIXED ASSETS	Cost Per Unit	Size of Operation (Sows)					
		200	400	600	800	1000	1200
Farrowing House A ^{2/}	16,000	3-1	6-1	2-1	8-1; 4-2	10-1; 4-2	12-1; 4-2
Farrowing House B ^{3/}	17,600	-0-	-0-	6-1	-0-	-0-	-0-
Nursing Floors	16,000	3-2	3-2; 3-3	4-1; 4-2	6-2; 4-3	4-2; 5-3; 3-4	10-2; 5-3
Finishing Floors	17,000	2-3; 2-4; 1-5	3-3; 2-4; 3-5; 2-6	4-3; 5-4; 3-5; 3-6	4-3; 6-4; 6-5; 3-6	5-3; 8-4; 8-5; 3-6	7-3; 9-4; 10-5; 3-1
Gestation Barn	55,000	1-13	1-13; 1-15	1-13; 1-18; 1-24	1-7; 1-13; 1-19; 1-25	1-7; 1-13; 2-19; 1-25	2-7; 2-13; 2-19
Office	5,000	1-13	1-18	1-13	1-13	1-13	1-13
Auxiliary Building	8,400	1-1	1-1	1-1	1-1	1-1	1-1
Well	3,500	1-1	1-1	1-1	2-1	2-1	2-1
Fence (100')	250	21-1	23.6-1	27.6-1	30.2-1	33.0-1	36.8-1
Land	300	6.8-1	9.8-1	12.9-1	15.0-1	17.1-1	20.1-1
Mill	10,000	1-1	1-1	1-1	1.17-1	1.17-1	1.17-1
Grain Storage	5,000	1-1	1.35-1	1.6-1	2.0-1	2.2-1	2.5-1
Manager's Car	4,500	1-1	1-1	1-1	1-1	1-1	1-1
1/2 Ton Pick-up	3,500	1-1	1-1	1-1	1-1	1-1	1-1
Grain Truck-2-T.	10,000	1-13	1-13	1-13	-0-	-0-	-0-
Grain Truck-3-T.	13,000	-0-	-0-	-0-	1-1	1-6	1-6
Tractor-30 H.P.	5,000	1-1	1-1	1-1	1-1	1-1	1-1
Stock Trailer-16'	1,000	1-1	1-1	1-1	1-1; 1-5	1-1	1-1
Golf Cart	1,200	-0-	1-13	1-3		1-1; 1-5	1-1; 1-5
Sows ^{4/}	175	60-1; 40-2; 40-3; 40-4; 20-5	80-1; 80-2; 80-3; 80-4; 60-5; 20-6	128-1; 128-2; 128-3; 88-4; 128-5	160-1; 160-2; 160-3; 120-4; 160-5; 40-6	200-1; 200-2; 200-3; 200-4; 200-5	240-1; 240-2; 240-3; 240-4; 240-5

Boars	350	3-2; 3-3; 3-4; 3-5	5-2; 5-3; 5-4; 5-5; 4-6	8-2; 8-3; 8-4; 6-5; 6-6	8-2; 10-3; 10-4; 8-5; 10-6; 2-7	12-2; 12-3; 12-4; 12-5; 12-6	16-2; 14-3; 14-4; 14-5; 14-6
Total Fixed Cost: ^{5/}		343,465	631,840	843,070	1,159,400	1,414,730	1,682,530

^{1/} The first of the two numbers refers to the No. of units acquired whereas the second No. refers the month of acquisition.

^{2/} 20 Sows

^{3/} 22 Sows

^{4/} 200 - 20 Sows every 14 days; 400-20 Sows every 8 days; 600 - 40, 44, 44, 44, 40, ... on every 11 days interval; 800 - 40 Sows every 8 days;
1,000 - 40 Sows every 6 days; 1200 - 40 Sows every 5 days;

^{5/} Includes costs of buying replacement gilts until replacements can be had from operation.

poly-phos-\$5.00/cwt.; and vitamin and mineral pre-mix \$25.00/cwt.

Table 2. FEED RATION: USES AND UNIT COSTS BY TYPE OF OPERATION, COMPLETE CONFINEMENT SWINE PRODUCING OPERATION, TEXAS HIGH PLAINS, 1974.

Feed Ration	Cost/cwt.	Uses
Growing and Lactation Ration	\$6.64	Pigs in Nursery, Replacement Gilts, Sows in Farrowing House
Finishing Ration	6.00	Pigs in Finishing Floor
Creep Ration	7.30	Pigs in Farrowing House
Gestation and Boar Ration	7.07	Sows in Gestation Barns, Boars

The annual total feed expenses for the first three years of operation for the selected size of operations are summarized in Table 3. The first year feed expenditure ranged from \$142,519 for a 200-sow unit operation to \$829,290 for a 1,200-sow unit.

Labor

Labor requirements for the selected sizes of operation were determined based on a study by Owens, Snodgrass, and Lee.^{4/} Labor was classified into three categories - manager, regular employees, and office workers. The manager's annual salary varied according to the size of operation, from \$11,800 for a 200-sow operation to \$16,800 for a 1,200-sow operation. Regular employees were paid an annual salary of \$7,290 and office workers were paid an annual salary of \$4,800.

Requirements of labor by category and size of operation and annual labor expense for the first three years of operation are shown in Table 4.

^{4/} T. R. Owens, J. Carter Snodgrass, and Hong Y. Lee, Labor Utilization, Confinement Swine Rearing of Swine, Texas High Plains, ICASALS Special Report No. 45, Texas Tech University, March, 1971.

The first year expense for labor ranged from \$21,117 for a 200-sow operation to \$80,837 for a 1,200-sow operation.

Table 3. ANNUAL FEED EXPENSE, FIRST THREE YEARS OF OPERATION, BY SIZE OF OPERATION, COMPLETE CONFINEMENT SWINE PRODUCING OPERATION, TEXAS HIGH PLAINS, 1974.

Size of Operation	Annual Feed Expense		
	First year	Second year	Third year
	(Dollars)		
200 sow	142,519	187,549	187,428
400 sow	247,643	381,846	381,660
600 sow	415,447	563,016	563,028
800 sow	538,232	750,995	750,994
1,000 sow	692,348	938,349	938,352
1,200 sow	829,290	1,126,849	1,171,830

Table 4. LABOR REQUIREMENTS AND ANNUAL LABOR EXPENSE, THE FIRST THREE YEARS OF OPERATION BY SIZE OF OPERATION, COMPLETE CONFINEMENT SWINE PRODUCING OPERATION, TEXAS HIGH PLAINS, 1974.

	Size of Operation (Number of Sows)					
	200	400	600	800	1,000	1,200
	(Man unit equivalent)					
Labor Requirement:						
Manager	1	1	1	1	1	1
Regular Employee	1	3	5	7	9	11
Office Worker	.25	.5	1	1	1	2
	(Dollars)					
Annual Expense						
First year	21,117	29,181	43,370	57,075	67,314	80,837
Second year	21,492	35,280	51,396	66,360	79,260	99,036
Third year	21,492	35,280	52,396	66,360	79,260	99,036

Other Operating Expenditures

Included under the classification of "other operating expenditures" were expenses for (1) office equipment and furniture, (2) shop equipment, (3) repair and maintenance, (4) taxes, (5) insurance, including insurance on animals, (6) utilities, (7) veterinary service, (8) supplies, and (9) miscellaneous expenses such as legal and auditing fees. Repair and maintenance were not considered necessary until after the first six months of operation. Annual "other operating expenses" for the first three years of operation for the selected sizes of operation are shown in Table 5.

Table 5. "OTHER OPERATING EXPENDITURES," THE FIRST THREE YEARS OF OPERATION, BY SIZE OF OPERATION, COMPLETE CONFINEMENT SWINE PRODUCING OPERATION, TEXAS HIGH PLAINS, 1974

Size of Operation	Annual Other Operating Expenditures		
	First year	Second year	Third year
		(Dollars)	
200 sow	23,377	25,393	24,468
400 sow	36,701	42,000	43,044
600 sow	49,754	57,414	57,444
800 sow	63,301	73,267	76,126
1,000 sow	73,829	87,901	89,832
1,200 sow	88,111	105,853	106,582

Income

Monthly income was computed based on a live market hog price of \$40.00 per hundred weight f.o.b. farm. Included in the income were receipts from the sale of market hogs at an average weight of 225 pounds and receipts from the sale of culled breeding stocks at an average weight of 360 pounds for sows and 450 pounds for boars. Culled breeding stock was

priced at \$3.00/cwt. below the price for market hogs. The entire production process (farrowing to marketing) was assumed to take 168 days. Thus, no income was realized until the sixth month of operation as summarized in Table 6.

Table 6. ANNUAL INCOME FROM SALE OF HOGS, BY SIZE OF OPERATION, COMPLETE CONFINEMENT SWINE PRODUCING OPERATION, TEXAS HIGH PLAINS, 1974.

Size of Operation	Annual Income		
	First year	Second year	Third year
		(Dollars)	
200 sow	185,763	347,244	347,244
400 sow	359,983	695,106	695,148
600 sow	542,390	1,003,701	1,003,554
800 sow	724,275	1,361,637	1,361,652
1,000 sow	927,027	1,709,389	1,709,300
1,200 sow	1,100,908	2,056,963	2,056,956

Income during the first year of operation was estimated to range from \$185,763 for a 200-sow unit to \$1,100,908 for a 1,200-sow unit operation, sufficient to meet operating expenses. However, due to large capital outlay during the first year of operation the income from the sale of hogs would cover only 39 percent to 43 percent of total expense. During the second year of operation when full production of market hogs is achieved, the income generated will more than cover the total expense for the year, allowing the operation to reduce the outstanding loan balance. By the end of the third year's operation sufficient income will have been generated from the sale of hogs to repay the total loan.

INTEREST EXPENSE

Interest expense on the loan for operating capital was not calculated until income from the sale of hogs was first computed and applied to pay the loans on operating capital. As noted earlier, all income was first applied to repay the loan on operating capital.

Interest expense on the loan for fixed outlay was computed on the basis of 12 percent per year interest rate, payable semi-annually on the loan for the breeding stock and annually on the loan for other fixed outlays. Payment of interest expense on the loan for the fixed outlay and the payment of principles were met by increasing the loan for operating expenses for the month when the payments were due so long as there were outstanding loans for the operating expenses.

Annual interest expenses during the first four years of operation for the selected sizes of operations are summarized in Table 7. Interest expense for the first year of operation ranges from \$15,476 for a 200-sow unit to \$75,782 for a 1,200-sow unit operation. Interest expense reaches the highest level during the second year of operation then starts to decrease. Since sufficient cash balance would be available by the end of the third year of operation for all selected sizes of operation except a 200-sow unit interest expense can be eliminated in the fourth year if the management selects to pay off the outstanding loans for the fixed outlays.

REPAYMENT OF LOANS

Loans for fixed facilities including vehicles and breeding stock were secured with a rigid repayment schedule. The loan for buildings, land and improvements was assumed to be a seven-year loan with one-seventh of the principal and the interest payable at the end of each year's operation. The loan for breeding stock is a three-year loan with

three equal annual payments.

Table 7. ANNUAL INTEREST EXPENSE FOR THE FIRST FOUR YEARS OF OPERATION BY SIZE OF OPERATION, COMPLETE CONFINEMENT SWINE PRODUCING OPERATION, TEXAS HIGH PLAINS, 1974

Size of Operation	Annual Interest Expense			
	First year	Second year	Third year	Fourth year
200 sow	15,476	19,461	13,560	9,835
400 sow	26,433	32,026	24,978	18,296
600 sow	37,533	40,633	35,157	25,729
800 sow	50,373	53,394	45,017	35,743
1,000 sow	60,783	63,663	54,839	39,817
1,200 sow	75,782	83,631	65,301	47,475

Since all cash income was to be used to repay the loan for operating capital as long as an outstanding loan balance remains, the repayment of loans for fixed facilities would be financed through acquiring additional loans in the form of operating capital. However, after 16 months of operation, a sufficient cash income would be forthcoming to enable the operation to meet the payments of loans for fixed facilities without an additional loan for operating expenses.

Repayment of loans for operating capital is to be carried out on a monthly basis. Actual payment of the loan is made at the end of each month. All incomes received during a month are held until the end of the month at which time they are used to defray the loans for operating capital and fixed facilities, if any cash remains.

APPENDIX TABLE 1
ESTIMATED EXPENSES AND INCOME FOR COMPLETE CONFINEMENT
SWINE REARING OPERATION BY MONTHS, 200 SOW OPERATION, TEXAS HIGH PLAINS, 1974

ITEMS:	1 Mo.	2 Mo.	3 Mo.	4 Mo.	5 Mo.	6 Mo.	7 Mo.	8 Mo.	9 Mo.	10 Mo.	11 Mo.	12 Mo.	13 Mo.	14 Mo.
<u>FIXED EXPENSES:</u>														
B. L. I. ^{a/}	120,790	38,400	27,200	27,200	13,600	-0-	-0-	-0-	-0-	-0-	-0-	-0-	48,000	-0-
Vehicles	14,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	10,000	-0-
Breeding Stock	10,500	8,050	8,050	8,050	4,550	1,225	700	1,050	700	350	700	350	-0-	-0-
Sub-Total	145,290	46,450	35,250	35,250	18,150	1,225	700	1,050	700	350	700	350	58,000	-0-
<u>OPERATING EXPENSES:</u>														
Feed	753	2,803	5,939	9,911	13,658	15,898	15,861	15,354	15,304	15,246	15,133	16,659	15,832	15,367
Labor	1,716	1,716	1,716	1,716	1,716	1,791	1,791	1,791	1,791	1,791	1,791	1,791	1,791	1,791
Others	5,096	940	1,304	2,047	1,550	1,719	1,782	1,785	1,787	1,788	1,789	1,790	2,964	2,039
Sub-Total	7,565	5,459	8,959	13,674	16,924	19,408	19,434	18,930	18,882	18,825	18,713	20,240	20,587	19,197
<u>INTEREST EXPENSES:</u>														
Fixed Loan	-0-	-0-	-0-	-0-	-0-	523	-0-	-0-	-0-	-0-	-0-	10,119	-0-	-0-
Operating Loan	-0-	-0-	-0-	-0-	-0-	2,056	793	559	464	367	269	326	624	533
Sub-Total	-0-	-0-	-0-	-0-	-0-	2,579	793	559	464	367	269	10,445	624	533
<u>INCOME:</u>	-0-	-0-	-0-	-0-	-0-	14,717	43,157	28,937	28,937	28,937	14,717	28,937	28,937	43,157
<u>LOAN PAYMENTS:</u>														
Fixed	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	27,702	-0-	-0-
Operating	-0-	-0-	-0-	-0-	-0-	12,138	42,364	28,378	28,473	28,570	14,448	-0-	28,313	42,624
Sub-Total	-0-	-0-	-0-	-0-	-0-	12,138	42,364	28,378	28,473	28,570	14,448	27,702	28,313	42,624
<u>OUTSTANDING LOAN</u>														
<u>BALANCE:</u>														
Fixed	2,000	23,595	55,258	90,508	108,658	109,883	110,583	113,633	112,333	112,683	113,383	86,031	144,050	144,030
Operating	7,565	13,024	21,983	35,657	52,581	59,851	36,921	27,473	17,882	8,137	12,402	41,852	34,126	10,699
Sub-Total	9,565	36,619	77,241	126,165	161,239	169,734	147,504	141,106	130,215	120,820	125,785	147,883	178,156	154,729
<u>CASH BALANCE:</u>	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

ITEMS:	15 Mo.	16 Mo.	17 Mo.	18 Mo.	19 Mo.	20 Mo.	21 Mo.	22 Mo.	23 Mo.	24 Mo.	25-30 Mo.	31-36 Mo.	37-48 Mo.
<u>FIXED EXPENSES:</u>													
B.L.I. ^{a/}	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Vehicles	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Breeding Stock	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Sub-Total	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<u>OPERATING EXPENSES:</u>													
Feed	15,280	15,901	15,935	15,520	15,619	15,619	15,619	15,619	15,619	15,619	93,714	93,714	187,428
Labor	1,791	1,791	1,791	1,791	1,791	1,791	1,791	1,791	1,791	1,791	10,746	10,746	21,492
Others	2,039	2,039	2,039	2,039	2,039	2,039	2,039	2,039	2,039	2,039	12,234	12,234	24,468
Sub-Total	19,110	19,731	19,765	19,350	19,449	19,449	19,449	19,449	19,449	19,449	116,694	116,694	233,388
<u>INTEREST EXPENSES:</u>													
Fixed Loan	-0-	-0-	-0-	885	-0-	-0-	-0-	-0-	-0-	16,398	443	13,117	9,835
Operating Loan	298	209	262	168	84	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Sub-Total	298	209	262	1,053	84	-0-	-0-	-0-	-0-	16,398	443	13,117	9,835
<u>INCOME:</u>	28,937	14,717	28,937	28,937	28,937	28,937	28,937	28,937	28,937	28,937	173,622	173,622	347,244
<u>LOAN PAYMENTS:</u>													
Fixed	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	31,036	-0-	31,036	22,990
Operating	28,639	14,508	26,159	19,350	8,399	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Sub-Total	28,639	14,508	26,159	19,350	8,399	-0-	-0-	-0-	-0-	31,036	-0-	31,036	22,990
<u>OUTSTANDING LOAN</u>													
<u>BALANCE:</u>													
Fixed	144,030	144,030	144,030	144,030	144,030	144,030	144,030	144,030	144,030	112,994	112,994	81,958	58,968
Operating	1,171	6,394	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Sub-Total	145,201	150,424	144,030	144,030	144,030	144,030	144,030	144,030	144,030	112,994	112,994	81,958	58,968
<u>CASH BALANCE:</u>	-0-	-0-	2,516	11,050	20,454	29,942	39,430	48,918	58,406	20,460	76,945	89,720	170,751

a/ B. L. I. is for Buildings, Land and Improvements.

APPENDIX TABLE 2
ESTIMATED EXPENSES AND INCOME FOR COMPLETE CONFINEMENT
SWINE REARING OPERATION BY MONTHS, 400 SOW OPERATION, TEXAS HIGH PLAINS, 1974

ITEMS:	1 Mo.	2 Mo.	3 Mo.	4 Mo.	5 Mo.	6 Mo.	7 Mo.	8 Mo.	9 Mo.	10 Mo.	11 Mo.	12 Mo.	13 Mo.	14 Mo.
FIXED EXPENSES:														
B.L.I. ^{a/}	214,690	38,400	79,200	27,200	40,800	27,200	-0-	-0-	-0-	-0-	-0-	-0-	48,000	-0-
Vehicles	14,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	11,200	-0-
Breeding Stock	14,000	15,750	15,750	15,750	12,250	6,300	1,400	1,050	1,400	1,400	1,400	700	-0-	-0-
Sub-Total	242,690	54,150	94,950	42,950	53,050	33,500	1,400	1,050	1,400	1,400	1,400	700	59,200	-0-
OPERATING EXPENSES:														
Feed	1,260	4,614	9,805	16,729	23,672	29,581	31,028	31,440	31,695	31,802	31,630	31,387	31,760	32,060
Labor	1,660	1,660	1,660	2,320	2,320	2,320	2,807	2,807	2,807	2,940	2,940	2,940	2,940	2,940
Others	4,595	1,861	1,968	3,400	2,579	2,859	3,330	3,157	3,161	3,289	3,168	3,334	3,413	3,413
Sub-Total	7,515	8,135	13,433	22,449	28,571	34,760	37,165	37,404	37,663	38,031	37,738	37,661	38,113	38,413
INTEREST EXPENSES:														
Fixed Loan	-0-	-0-	-0-	-0-	-0-	857	-0-	-0-	-0-	-0-	-0-	17,481	-0-	-0-
Operating Loan	-0-	-0-	-0-	-0-	-0-	3,025	1,267	1,079	894	850	661	328	972	786
Sub-Total	-0-	-0-	-0-	-0-	-0-	3,882	1,267	1,079	894	850	661	17,809	972	786
INCOME:	-0-	-0-	-0-	-0-	-0-	29,221	57,482	57,242	43,352	57,482	71,612	43,592	57,962	57,842
LOAN PAYMENTS:														
Fixed	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	52,098	-0-	-0-
Operating	-0-	-0-	-0-	-0-	-0-	25,339	56,215	56,163	42,458	56,632	66,057	-0-	56,990	57,056
Sub-Total	-0-	-0-	-0-	-0-	-0-	25,339	56,215	56,163	42,458	56,632	66,057	52,098	56,990	57,056
OUTSTANDING LOAN														
BALANCE:														
Fixed	1,400	1,400	75,870	118,820	171,870	205,370	206,770	207,820	209,220	210,620	212,020	160,622	219,822	219,822
Operating	7,515	15,650	29,083	51,532	80,103	89,524	70,474	51,715	46,920	28,319	-0-	59,082	40,205	21,562
Sub-Total	8,915	17,050	104,953	180,352	251,973	294,894	277,244	259,535	256,140	238,939	212,020	219,704	260,027	241,384
CASH BALANCE:	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	4,894	-0-	-0-	-0-

ITEMS:	15 Mo.	16 Mo.	17 Mo.	18 Mo.	19 Mo.	20 Mo.	21 Mo.	22 Mo.	23 Mo.	24 Mo.	25-30 Mo.	31-36 Mo.	37-48 Mo.
FIXED EXPENSES:													
B.L.I. ^a	-0-	-0-	-0-	-0-	44,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Vehicles	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Breeding Stock	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Sub-Total	-0-	-0-	-0-	-0-	44,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
OPERATING EXPENSES:													
Feed	32,107	31,954	31,350	31,785	31,805	31,805	31,805	31,805	31,805	31,805	190,830	190,830	381,660
Labor	2,940	2,940	2,940	2,940	2,940	2,940	2,940	2,940	2,940	2,940	17,640	17,640	35,280
Others	3,473	3,413	3,413	4,013	3,587	3,587	3,587	3,587	3,587	3,587	21,522	21,522	43,044
Sub-Total	38,520	38,307	37,703	38,738	38,332	38,332	38,332	38,332	38,332	38,332	229,992	229,992	459,984
INTEREST EXPENSES:													
Fixed Loan	-0-	-0-	-0-	1,743	-0-	-0-	-0-	-0-	-0-	27,275	871	24,106	18,296
Operating Loan	601	413	212	22	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Sub-Total	601	413	212	1,765	-0-	-0-	-0-	-0-	-0-	27,275	871	24,106	18,296
INCOME:	57,722	58,202	57,842	57,962	57,929	57,929	57,929	57,929	57,929	57,929	347,574	347,574	695,148
LOAN PAYMENTS:													
Fixed	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	55,676	-0-	55,676	41,151
Operating	57,121	41,267	21,181	2,289	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Sub-Total	57,121	41,267	21,181	2,289	-0-	-0-	-0-	-0-	-0-	55,676	-0-	55,676	41,151
OUTSTANDING LOAN													
BALANCE:													
Fixed	219,822	219,822	219,822	219,822	263,822	263,822	263,822	263,822	263,822	208,146	208,146	152,470	111,319
Operating	2,960	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Sub-Total	322,782	219,822	219,822	219,822	263,822	263,822	263,822	263,822	263,822	208,146	208,146	152,470	111,319
CASH BALANCE:	-0-	-0-	-0-	16,522	73,506	93,104	112,701	132,298	151,895	88,541	205,250	243,048	418,765

^{a/} B.L.I. is for Buildings, Land, and Improvements.

APPENDIX TABLE 3
ESTIMATED EXPENSES AND INCOME FOR COMPLETE CONFINEMENT
SWINE REARING OPERATION BY MONTHS, 600 SOW OPERATION, TEXAS HIGH PLAINS, 1974

ITEMS:	1 Mo.	2 Mo.	3 Mo.	4 Mo.	5 Mo.	6 Mo.	7 Mo.	8 Mo.	9 Mo.	10 Mo.	11 Mo.	12 Mo.	13 Mo.	14 Mo.
<u>FIXED EXPENSES:</u>														
B.L.I. ^a	265,710	79,360	105,600	68,000	40,800	40,800	-0-	-0-	-0-	-0-	-0-	-0-	48,000	-0-
Vehicles	14,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	11,200	-0-
Breeding Stock	22,400	25,200	25,200	18,200	24,500	4,375	3,150	875	2,275	3,150	1,575	700	-0-	-0-
Sub-Total	302,110	104,560	130,800	86,200	65,300	45,175	3,150	875	2,275	3,150	1,575	700	59,200	-0-
<u>OPERATING EXPENSES:</u>														
Feed	2,105	7,252	15,783	26,400	37,170	46,046	46,234	46,810	46,873	46,988	46,918	46,868	47,018	46,926
Labor	1,760	2,420	2,907	3,395	3,395	3,795	4,283	42,83	4,283	4,283	4,283	4,283	4,283	4,283
Others	6,230	2,032	2,961	3,690	3,622	4,269	4,636	4,378	4,384	4,392	4,396	4,763	5,257	4,637
Sub-Total	10,095	11,704	21,651	33,485	44,187	54,110	55,153	55,471	55,540	55,663	55,597	55,914	56,558	55,846
<u>INTEREST EXPENSES:</u>														
Fixed Loan	-0-	-0-	-0-	-0-	-0-	1,360	-0-	-0-	-0-	-0-	-0-	24,363	-0-	-0-
Operating Loan	-0-	-0-	-0-	-0-	-0-	4,541	1,769	1,718	1,380	1,040	695	667	1,294	954
Sub-Total	-0-	-0-	-0-	-0-	-0-	5,901	1,769	1,718	1,380	1,040	695	25,030	1,294	954
<u>INCOME:</u>	-0-	-0-	-0-	-0-	-0-	59,401	62,281	91,081	91,081	91,081	59,401	93,962	91,081	59,401
<u>LOAN PAYMENTS:</u>														
Fixed	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	74,991	-0-	-0-
Operating	-0-	-0-	-0-	-0-	-0-	53,500	60,512	89,363	89,701	90,042	58,706	-0-	89,787	58,447
Sub-Total	-0-	-0-	-0-	-0-	-0-	53,500	60,512	89,363	89,701	90,042	58,706	74,991	89,787	58,447
<u>OUTSTANDING LOAN</u>														
<u>BALANCE:</u>														
Fixed	1,400	1,400	90,935	177,135	242,435	287,610	290,760	291,635	293,910	297,060	298,635	224,344	283,544	283,544
Operating	10,095	21,799	43,451	76,936	121,123	121,733	116,374	82,482	48,321	13,942	10,833	72,806	39,577	36,976
Sub-Total	11,495	23,199	134,386	254,071	363,558	409,343	407,134	374,117	342,231	311,002	309,468	297,150	323,121	323,520
<u>CASH BALANCE:</u>	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

ITEMS:	15 Mo.	16 Mo.	17 Mo.	18 Mo.	19 Mo.	20 Mo.	21 Mo.	22 Mo.	23 Mo.	24 Mo.	25-30 Mo.	31-36 Mo.	37-48 Mo.
<u>FIXED EXPENSES:</u>													
B.L.I. ^{a/}	-0-	-0-	-0-	-0-	44,000	-0-	-0-	-0-	-0-	-0-	44,000	-0-	-0-
Vehicles	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Breeding Stock	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Sub-Total	-0-	-0-	-0-	-0-	44,000	-0-	-0-	-0-	-0-	-0-	44,000	-0-	-0-
<u>OPERATING EXPENSES:</u>													
Feed	46,731	46,965	47,102	46,920	46,721	46,876	47,148	46,882	46,832	46,895	281,514	281,514	563,028
Labor	4,283	4,283	4,283	4,283	4,283	4,283	4,283	4,283	4,283	4,283	25,698	25,698	51,398
Others	4,637	4,637	4,637	4,652	4,907	4,807	4,807	4,807	4,807	4,822	28,722	28,722	37,444
Sub-Total	55,651	55,885	56,022	55,855	55,911	55,966	56,238	55,972	55,922	56,000	335,934	335,934	671,870
<u>INTEREST EXPENSES:</u>													
Fixed Loan	-0-	-0-	-0-	2,632	-0-	-0-	-0-	-0-	-0-	34,033	1,316	33,841	25,729
Operating Loan	926	555	239	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Sub-Total	926	555	239	2,632	-0-	-0-	-0-	-0-	-0-	34,033	1,316	33,841	25,729
<u>INCOME:</u>	93,961	88,202	93,961	59,901	91,082	93,962	88,202	62,281	91,082	91,082	501,777	501,777	1,003,554
<u>LOAN PAYMENTS:</u>													
Fixed	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	78,568	-0-	78,568	56,635
Operating	92,626	55,477	23,853	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Sub-Total	92,626	55,477	23,853	-0-	-0-	-0-	-0-	-0-	-0-	78,568	-0-	78,568	56,635
<u>OUTSTANDING LOAN</u>													
<u>BALANCE:</u>													
Fixed	283,544	283,544	283,544	283,544	327,544	327,544	327,544	327,544	327,544	248,976	292,976	214,407	157,772
Operating	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Sub-Total	283,544	283,544	283,544	283,544	327,544	327,544	327,544	327,544	327,544	248,976	292,976	214,407	157,772
<u>CASH BALANCE:</u>	408	32,170	69,870	70,784	105,955	143,950	175,914	182,223	217,383	139,863	304,390	357,824	607,146

^{a/} B.L.I. is for Buildings, Land and Improvements.

APPENDIX TABLE 4
ESTIMATED EXPENSES AND INCOME FOR COMPLETE CONFINEMENT
SWINE REARING OPERATION BY MONTHS, 800 SOW OPERATION, TEXAS HIGH PLAINS, 1974

ITEMS:	1 Mo.	2 Mo.	3 Mo.	4 Mo.	5 Mo.	6 Mo.	7 Mo.	8 Mo.	9 Mo.	10 Mo.	11 Mo.	12 Mo.	13 Mo.	14 Mo.
FIXED EXPENSES:														
B.L.I. ^{2/}	337,400	128,000	105,600	81,600	81,600	40,800	44,000	-0-	-0-	-0-	-0-	-0-	48,000	-0-
Vehicles	15,200	-0-	-0-	-0-	1,200	-0-	13,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Breeding Stock	28,000	30,800	31,500	24,500	30,800	13,300	2,800	2,800	2,800	2,800	2,800	2,100	-0-	-0-
Sub-Total	380,600	158,800	137,100	106,100	113,600	54,100	59,800	2,800	2,800	2,800	2,800	2,100	48,000	-0-
OPERATING EXPENSES:														
Feed	2,524	9,001	19,610	33,235	47,104	59,221	61,495	62,599	56,096	62,929	62,761	61,657	62,400	63,003
Labor	2,348	2,835	3,982	4,470	5,130	5,130	5,530	5,530	5,530	5,530	5,530	5,536	5,530	5,530
Others	7,074	2,790	3,685	4,037	5,436	4,708	5,782	5,729	5,796	5,743	5,749	5,754	6,816	5,951
Sub-Total	11,946	14,626	27,277	41,742	57,670	69,059	72,807	73,858	67,422	74,202	74,040	72,941	74,746	74,484
INTEREST EXPENSES:														
Fixed Loan	-0-	-0-	-0-	-0-	-0-	1,596	-0-	-0-	-0-	-0-	-0-	34,519	-0-	-0-
Operating Loan	-0-	-0-	-0-	-0-	-0-	5,703	2,445	2,049	1,585	1,474	1,070	361	1,611	1,214
Sub-Total	-0-	-0-	-0-	-0-	-0-	7,299	2,445	2,049	1,585	1,474	1,070	34,880	1,611	1,214
INCOME:	-0-	-0-	-0-	-0-	-0-	57,942	115,884	115,884	86,913	115,884	144,855	86,913	115,884	115,884
LOAN PAYMENTS:														
Fixed	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	102,281	-0-	-0-
Operating	-0-	-0-	-0-	-0-	-0-	50,643	113,439	113,835	85,328	114,410	106,993	-0-	114,273	114,670
Sub-Total	-0-	-0-	-0-	-0-	-0-	50,643	113,439	113,835	85,328	114,410	106,993	102,281	114,273	114,670
OUTSTANDING LOAN BALANCE:														
Fixed	500	500	96,800	202,900	316,500	370,600	430,400	433,200	436,000	438,800	441,600	341,419	389,419	389,419
Operating	11,946	26,572	53,849	95,591	153,261	171,677	131,045	91,068	73,162	32,953	-0-	86,397	46,870	6,684
Sub-Total	12,446	27,072	150,649	298,491	469,761	542,277	561,445	524,268	509,162	471,753	441,600	427,816	436,289	396,103
CASH BALANCE:	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	36,792	-0-	-0-	-0-

ITEMS:	15 Mo.	16 Mo.	17 Mo.	18 Mo.	19 Mo.	20 Mo.	21 Mo.	22 Mo.	23 Mo.	24 Mo.	25-30 Mo.	31-36 Mo.	37-48 Mo.
FIXED EXPENSES:													
B.L.I. ^{a/}	-0-	-0-	-0-	-0-	44,000	-0-	-0-	-0-	-0-	-0-	44,000	-0-	-0-
Vehicles	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Breeding Stock	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Sub-Total	-0-	-0-	-0-	-0-	44,000	-0-	-0-	-0-	-0-	-0-	44,000	-0-	-0-
OPERATING EXPENSES:													
Feed	63,093	62,798	61,520	62,493	62,939	62,929	63,230	61,390	62,187	63,013	375,497	375,497	750,994
Labor	5,530	5,530	5,530	5,530	5,530	5,530	5,530	5,530	5,530	5,530	33,180	33,180	66,360
Others	5,951	5,951	5,951	5,951	6,116	6,116	6,116	6,116	6,116	6,116	37,973	37,973	76,126
Sub-Total	74,574	74,279	73,001	73,974	74,585	74,575	74,876	73,036	73,833	74,659	446,650	446,650	893,480
INTEREST EXPENSES:													
Fixed Loan	-0-	-0-	-0-	3,500	-0-	-0-	-0-	-0-	-0-	45,870	1,750	43,267	32,743
Operating Loan	813	405	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Sub-Total	813	405	-0-	3,500	-0-	-0-	-0-	-0-	-0-	45,870	1,750	43,267	32,743
INCOME:	115,884	115,884	115,884	115,884	86,913	115,884	114,855	86,913	115,884	115,884	680,824	680,824	361,648
LOAN PAYMENTS:													
Fixed	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	102,281	-0-	102,281	68,214
Operating	81,258	40,465	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Sub-Total	81,258	40,465	-0-	-0-	-0-	-0-	-0-	-0-	-0-	102,281	-0-	102,281	68,214
OUTSTANDING LOAN													
BALANCE:													
Fixed	389,414	389,414	389,414	389,414	433,419	433,419	433,419	433,419	433,419	331,138	375,138	272,857	204,643
Operating	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Sub-Total	389,414	389,414	389,414	389,414	433,419	433,419	433,419	433,419	433,419	331,138	375,138	272,857	204,643
CASH BALANCE:	33,813	75,014	117,897	156,307	168,636	209,945	279,924	293,801	335,852	228,926	461,350	549,976	917,365

^{a/} B.L.I. is for Buildings, Land, and Improvements.

APPENDIX TABLE 5
ESTIMATED EXPENSES AND INCOME FOR COMPLETE CONFINEMENT
SWINE REARING OPERATION BY MONTHS, 1000 SOW OPERATION, TEXAS HIGH PLAINS, 1974

ITEMS:	1 Mo.	2 Mo.	3 Mo.	4 Mo.	5 Mo.	6 Mo.	7 Mo.	8 Mo.	9 Mo.	10 Mo.	11 Mo.	12 Mo.	13 Mo.	14 Mo.
FIXED EXPENSES:														
B.L.I. ^{a/}	406,130	102,400	132,000	147,200	108,800	40,800	44,000	-0-	-0-	-0-	-0-	-0-	48,000	-0-
Vehicles	15,200	-0-	13,000	-0-	1,200	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Breeding Stock	35,000	39,200	39,200	39,200	39,200	8,575	4,375	4,375	4,375	4,375	3,500	2,625	-0-	-0-
Sub-Total	456,330	141,600	184,200	186,400	149,200	49,375	48,375	4,375	4,375	4,375	3,500	2,625	48,000	-0-
OPERATING EXPENSES:														
Feed	3,150	11,606	25,652	43,740	62,151	76,995	78,423	78,025	77,617	77,841	78,276	78,872	78,233	77,842
Labor	2,448	3,595	4,083	5,230	5,717	6,605	6,605	6,605	6,605	6,605	6,605	6,605	6,605	6,605
Others	7,207	3,029	4,320	5,408	6,094	5,962	7,300	6,871	7,106	6,897	6,900	6,906	7,817	7,102
Sub-Total	12,625	18,230	34,055	54,378	73,962	89,562	92,328	91,501	91,328	91,338	91,781	92,383	92,655	91,549
INTEREST EXPENSES:														
Fixed Loan	-0-	-0-	-0-	-0-	-0-	2,102	-0-	-0-	-0-	-0-	-0-	41,077	-0-	-0-
Operating Loan	-0-	-0-	-0-	-0-	-0-	7,121	2,975	2,471	1,961	1,445	928	703	1,850	1,336
Sub-Total	-0-	-0-	-0-	-0-	-0-	9,223	2,975	2,471	1,961	1,445	928	41,780	1,850	1,336
INCOME:	-0-	-0-	-0-	-0-	-0-	86,913	144,855	144,855	144,855	144,855	115,884	144,855	144,855	144,853
LOAN PAYMENTS:														
Fixed	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	125,185	-0-	-0-
Operating	-0-	-0-	-0-	-0-	-0-	77,690	141,880	142,384	142,894	143,410	92,848	-0-	143,005	133,584
Sub-Total	-0-	-0-	-0-	-0-	-0-	77,690	141,880	142,384	142,894	143,410	92,848	125,185	143,005	133,584
OUTSTANDING LOAN														
BALANCE:														
Fixed	500	500	74,765	261,165	410,365	459,740	508,115	512,490	516,865	521,240	524,740	402,180	450,180	450,180
Operating	12,645	30,875	64,930	119,308	193,270	205,142	155,590	104,707	53,139	1,067	-0-	92,385	42,035	-0-
Sub-Total	13,145	31,375	139,695	380,473	603,635	664,882	663,705	617,197	570,004	522,307	524,740	494,565	492,215	450,180
CASH BALANCE:	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	22,108	-0-	-0-	9,935

ITEMS:	15 Mo.	16 Mo.	17 Mo.	18 Mo.	19 Mo.	20 Mo.	21 Mo.	22 Mo.	23 Mo.	24 Mo.	25-30 Mo.	31-36 Mo.	37-48 Mo.
FIXED EXPENSES:													
B.L.I. ^{a/}	-0-	-0-	-0-	-0-	88,000	-0-	-0-	-0-	-0-	-0-	44,000	-0-	-0-
Vehicles	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Breeding Stock	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Sub-Total	-0-	-0-	-0-	-0-	88,000	-0-	-0-	-0-	-0-	-0-	44,000	-0-	-0-
OPERATING EXPENSES:													
Feed	77,842	78,130	79,006	78,304	77,838	77,841	78,011	79,094	78,374	77,834	469,176	469,176	938,352
Labor	6,605	6,605	6,605	6,605	6,605	6,605	6,605	6,605	6,605	6,605	39,630	39,630	79,260
Others	7,102	7,102	7,102	7,102	7,429	7,429	7,429	7,429	7,429	7,429	44,916	44,916	89,832
Sub-Total	91,549	91,837	92,713	92,011	91,872	91,875	92,045	93,128	92,408	91,868	553,722	553,722	1,107,444
INTEREST EXPENSES:													
Fixed Loan	-0-	-0-	-0-	4,480	-0-	-0-	-0-	-0-	-0-	54,822	2,240	52,599	39,817
Operating Loan	816	294	65	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Sub-Total	816	294	65	4,480	-0-	-0-	-0-	-0-	-0-	54,822	2,240	52,599	39,817
INCOME:	144,855	115,884	144,855	144,855	144,855	144,855	144,855	144,855	144,855	144,855	854,650	854,650	1,709,300
LOAN PAYMENTS:													
Fixed	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	125,185	-0-	125,185	82,952
Operating	81,614	29,412	6,535	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Sub-Total	81,614	29,412	6,535	-0-	-0-	-0-	-0-	-0-	-0-	125,185	-0-	125,185	82,952
OUTSTANDING LOAN													
BALANCE:													
Fixed	450,180	450,180	450,180	450,180	538,180	538,180	538,180	538,180	538,180	412,335	456,994	331,809	248,857
Operating	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Sub-Total	450,180	450,180	450,180	450,180	538,180	538,180	538,180	538,180	538,180	412,335	456,994	331,809	248,857
CASH BALANCE:	62,425	86,178	138,255	186,619	239,603	292,583	345,393	397,120	449,567	322,547	621,235	794,738	1,309,162

^{a/} B.L.I. is for Building, Land, and Improvements

APPENDIX TABLE 6
ESTIMATED EXPENSES AND INCOME FOR COMPLETE CONFINEMENT
SWINE REARING OPERATION BY MONTHS, 1200 SOW OPERATION, TEXAS HIGH PLAINS, 1974

ITEMS:	1 Mo.	2 Mo.	3 Mo.	4 Mo.	5 Mo.	6 Mo.	7 Mo.	8 Mo.	9 Mo.	10 Mo.	11 Mo.	12 Mo.	13 Mo.	14 Mo.
FIXED EXPENSES:														
B.L.I. ^{a/}	479,080	179,200	159,200	122,400	136,000	40,800	88,000	-0-	-0-	-0-	-0-	-0-	92,000	-0-
Vehicles	15,200	-0-	13,000	-0-	1,200	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Breeding Stock	42,000	47,600	46,900	46,900	46,900	10,150	5,250	5,250	5,250	5,250	4,375	2,625	-0-	-0-
Sub-Total	536,280	226,800	219,100	169,300	184,100	50,950	93,250	5,250	5,250	5,250	4,375	2,625	92,000	-0-
OPERATING EXPENSES														
Feed	3,659	13,698	30,462	52,110	74,219	91,843	94,148	93,675	93,410	93,410	93,992	94,664	93,865	93,409
Labor	2,548	3,695	4,843	6,390	6,878	7,365	7,853	8,253	8,253	8,253	8,253	8,253	8,253	8,253
Others	7,595	3,862	5,572	6,437	7,498	7,110	8,676	8,309	8,247	8,259	8,270	8,276	9,356	8,641
Sub-Total	13,802	21,255	40,877	64,937	88,595	106,318	110,677	110,237	109,910	109,922	110,515	111,193	111,474	110,303
INTEREST EXPENSES:														
Fixed Loan	-0-	-0-	-0-	-0-	-0-	2,537	-0-	-0-	-0-	-0-	-0-	51,434	-0-	-0-
Operating Loan	-0-	-0-	-0-	-0-	-0-	8,405	3,704	3,106	2,497	1,884	1,269	946	2,331	1,719
Sub-Total	-0-	-0-	-0-	-0-	-0-	10,942	3,704	3,106	2,497	1,884	1,269	52,380	2,331	1,719
INCOME:	-0-	-0-	-0-	-0-	-0-	86,913	173,828	173,828	173,828	173,828	144,855	173,828	173,828	173,828
LOAN PAYMENTS:														
Fixed	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	148,597	-0-	-0-
Operating	-0-	-0-	-0-	-0-	-0-	75,971	170,124	170,722	171,331	171,944	143,586	-0-	171,497	171,939
Sub-Total	-0-	-0-	-0-	-0-	-0-	75,971	170,124	170,722	171,331	171,944	143,586	148,597	171,497	171,939
OUTSTANDING LOAN														
BALANCE:														
Fixed	500	500	140,915	310,215	494,315	545,200	638,515	643,765	649,015	654,265	658,640	512,718	604,717	604,717
Operating	13,802	35,057	75,934	140,871	229,466	259,813	200,366	139,881	78,460	16,438	-0-	121,659	61,636	-0-
Sub-Total	14,302	35,557	216,849	451,086	723,781	805,013	838,881	783,646	727,475	670,703	658,640	634,377	666,353	604,717
CASH BALANCE:	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	16,633	-0-	-0-	171

ITEMS:	15 Mo.	16 Mo.	17 Mo.	18 Mo.	19 Mo.	20 Mo.	21 Mo.	22 Mo.	23 Mo.	24 Mo.	25-30 Mo.	31-36 Mo.	37-48 Mo.
FIXED EXPENSES:													
B.L.I. ^{a/}	-0-	-0-	-0-	-0-	88,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Vehicles	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Breeding Stock	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Sub-Total	-0-	-0-	-0-	-0-	88,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
OPERATING EXPENSES:													
Feed	93,404	93,756	94,785	94,883	93,404	93,409	93,522	94,931	94,077	93,399	585,915	585,915	1,171,830
Labor	8,253	8,253	8,253	8,253	8,253	8,253	8,253	8,253	8,253	8,253	49,515	49,515	99,030
Others	8,641	8,641	8,641	8,641	8,882	8,882	8,882	8,882	8,882	8,882	53,291	53,291	106,582
Sub-Total	1,330,318	1,440,968	1,552,647	1,664,424	110,539	110,544	110,657	112,065	111,212	110,534	688,721	688,721	1,377,442
INTEREST EXPENSES:													
Fixed Loan	-0-	-0-	-0-	5,369	-0-	-0-	-0-	-0-	-0-	72,477	2,685	62,616	47,475
Operating Loan	1,101	480	154	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Sub-Total	1,101	480	154	5,369	-0-	-0-	-0-	-0-	-0-	72,477	2,685	62,616	47,475
INCOME:	173,828	144,855	173,828	173,828	173,828	173,828	173,828	173,828	173,828	173,828	1,028,478	1,028,478	2,056,956
LOAN PAYMENTS:													
Fixed	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	148,547	-0-	148,547	98,906
Operating	110,133	48,056	15,360	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Sub-Total	110,133	48,056	15,360	-0-	-0-	-0-	-0-	-0-	-0-	148,547	-0-	148,547	98,906
OUTSTANDING LOAN BALANCE:													
Fixed	604,717	604,717	604,717	604,717	692,717	692,717	692,717	692,717	692,717	544,170	544,170	396,000	297,094
Operating	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Sub-Total	604,717	604,717	604,717	604,717	692,717	692,717	692,717	692,717	692,717	544,170	544,170	396,000	297,094
CASH BALANCE:	62,594	96,319	158,314	214,996	278,285	341,569	404,740	466,503	529,119	371,389	731,456	883,045	1,462,168

^{a/} B.L.I. is for Buildings, Land, and Improvements.