



May 28, 2015
FINAL VALUES- 2015

2015 CURRENT AGRICULTURAL USE VALUE OF LAND TABLES

EXPLANATION OF THE CALCULATION OF VALUES FOR VARIOUS SOIL MAPPING UNITS FOR TAX YEAR 2015

The annual current agricultural use values of land are calculated by the capitalization of net income from agricultural products assuming typical management, cropping and land use patterns, and yields for given types of soils. The necessary information is available for approximately 3,500 map units, which are the soils with slopes of 25 percent or less. The information used for a capitalized net income approach is as follows:

YIELD INFORMATION
CROPPING PATTERN
CROP PRICES
NON-LAND PRODUCTION COSTS
CAPITALIZATION RATE

Each of these factors is explained below.

A. YIELD INFORMATION

For each of the soil mapping units, data regarding typical yields of each of the major field crops (corn, soybeans and wheat) were last published in 1984. In order to reflect more accurate yields, those yields of record have been updated annually since 2006. The yields are updated by a factor based on ten years of statewide yield information published by the Ohio Department of Agriculture. For 2015, yield data from calendar years 2005-2014 were averaged and divided by the 1984 yield for each crop (Exhibit A, page 5). This factor is applied to the 1984 crop yield of record for each soil. The table below shows the average yields used to develop the factor for each of the crops.

| | | TY 2012 | TY 2013 | TY 2014 | TY 2015 |
|----------|-----------|-----------|-----------|-----------|-----------|
| Crop | 1984 Base | 2001-2010 | 2002-2011 | 2003-2012 | 2005-2014 |
| Corn | 118.0 bu | 146.5 bu | 148.5 bu | 151.9 bu | 155.2 bu |
| Soybeans | 36.5 bu | 43.1 bu | 43.7 bu | 45.0 bu | 46.7 bu |
| Wheat | 44.0 bu | 66.2 bu | 65.3 bu | 66.0 bu | 67.1 bu |

B. CROPPING PATTERNS

The cropping pattern for each map unit is assigned a rotation based on the most recent five-year average of crop acres harvested in Ohio: 40.0% corn, 52.6% beans, and 7.4% wheat. This rotation is based on data from 2010-2014 and closely reflects current agricultural production in Ohio. The acres harvested in each year are shown in Exhibit B (page 6).

There are two exceptions as follows:

- 1.) Soil map units with a productivity index of 55 or less are assumed to be most profitably used as pasture; in 2015, a minimum value of \$350 is used for these soils. In 2012, the minimum value was increased from \$300 to \$350 per acre.
- 2.) A pattern of 50% corn and 50% soybeans is used for organic soils.

C. CROP PRICES

The crop prices used for the field crops are five-year weighted average prices. Crop price data is collected for seven years with the highest and lowest prices eliminated, and the average calculated using the remaining five years' data. The prices are weighted based on the statewide production for each year. For this calculation, the seven-year period is 2008 through 2014. The annual production and price per unit for each of these crops for the 2008 through 2014 period are shown in Exhibit C (page 7).

The table shows average weighted prices for this period as well as prices for the three previous years. Each weighted price is reduced by 5% to allow for management.

| | | TY 2012 | TY 2013 | TY 2014 | TY 2015 |
|----------|--------|-----------|-----------|-----------|-----------|
| Crop | Unit | 2004-2010 | 2005-2011 | 2006-2012 | 2008-2014 |
| Corn | Bushel | \$3.19 | \$3.91 | \$4.48 | \$4.55 |
| Soybeans | Bushel | \$7.74 | \$8.98 | \$10.13 | \$11.09 |
| Wheat | Bushel | \$3.98 | \$4.54 | \$5.16 | \$5.67 |

D. NON-LAND PRODUCTION COSTS

Data on crop production costs are used to estimate average non-land production costs. The data are taken from the Ohio Crop Enterprise Budgets prepared by The Ohio State University Department of Agricultural, Environmental, and Development Economics for 2009-2015, inclusive. Again, data are collected for the seven-year period and the highest and lowest costs for each category are eliminated from the array. Five-year average costs per unit of specific non-land production cost items are computed from the remaining data as shown in Exhibit D (pages 8-9).

The budgets are computed for each crop at a base yield equal to the lowest yield reported and for each additional unit above the base yield based on information from the Ohio Crop Budgets (Exhibits D-1 through Exhibit D-3, pages 10-12). The five year average non-land production costs for tax year 2015 are summarized below and compared with the costs used for tax years 2012 and 2014:

| NON-LAND PRODUCTION COSTS | | | | |
|---------------------------|---------------|----------|----------|----------|
| Crop Base Cost | Base Yld/2015 | TY 2012 | TY 2014 | TY 2015 |
| Corn | 124 bu | \$350.71 | \$437.85 | \$516.99 |
| Soybeans | 36 bu | \$227.51 | \$275.21 | \$325.42 |
| Wheat | 54 bu | \$211.52 | \$255.48 | \$296.98 |
| Additional Cost per Unit | | | | |
| Corn | 1 bu | \$ 0.90 | \$ 1.18 | \$ 1.36 |
| Soybeans | 1 bu | \$ 0.93 | \$ 1.27 | \$ 1.24 |
| Wheat | 1 bu | \$ 1.41 | \$ 1.80 | \$ 1.77 |

E. CAPITALIZATION RATE

Five-year averaging is used to derive the Farm Credit Service interest rate of 6.15% assuming an 80% loan for a 25-year term, payable annually, and an interest rate of 5.25% for the 20 percent equity portion (Exhibit E, page 13). A five percent appreciation over a period of 5 years is included to address the increase in farmland values due to the demand for additional land in an increasingly efficient operation.

The capitalization rate for typical Ohio farmland is computed by the Akerson mortgage-equity method as follows:

| | | |
|--|---|----------------|
| 80% loan x annual debt service of 0.079345 | = | 0.063476 |
| 20% equity x equity yield rate of .0525 | = | 0.010500 |
| Subtotal | | 0.073976 |
| <u>Less: equity buildup for 5 years</u> | | |
| % loan x % mortgage paid off x sinking fund factor | | |
| at equity rate for 5 years | | |
| (0.80) [1 - (11.3315/12.6032)] (0.180073) | = | (0.01454) |
| <u>Less: 5% appreciation times sinking fund factor</u> | | |
| @ equity yield rate of .0525 | | |
| .05 x 0.180073 | = | (0.00900) |
| Capitalization Rate before Taxes = | | 0.0504 or 5.0% |

For tax year 2014 the statewide average effective tax rate after application of the reduction factors, (Section 319.301 Ohio Revised Code), levied on agricultural property was 49.58 mills. The 9.7 percent non-business credit rollback authorized by section 319.302 of the Revised Code reduced this rate further to 44.77 mills. As a percent of market value the effective tax rate to be used in this year's capitalization formula is 1.6%, $(.35 \times 44.77)/1000$.

The capitalization rate, including R.E. taxes, is 6.6% for typical Ohio farmland.

F. CROPLAND VALUES

The current agricultural use cropland value equals the rotational net return per acre of the soil map unit divided by the capitalization rate. However, the minimum value for cropland is \$350 per acre for soils with 25 percent slope or less regardless of this calculated amount. In tax year 2012, the minimum value was increased from \$300 to \$350 per acre.

G. WOODLAND VALUE

1. The woodland value, with slopes of 25% or less, equals the cropland value less the costs to convert the woodland to cropland. The conversion costs used in the formula are as follows:

- a. Clearing - \$1,000 per acre for all soils

- b. Drainage

- a.) Excessively drained, well drained, moderately well drained, (E, W, MW) - No Conversion Cost

- b.) Somewhat poorly drained, poorly drained, very poorly drained, saturated (SWP, P, VP) - \$770 for Tile Drainage

- c.) For the following soil series, a \$380 adjustment for surface drainage was used: Allis, Atkins, Blanchester, Bono, Canadice, Clermont, Condit, Conneaut, Darien, Delmar, Frenchtown, Fries, Ginat, Ilion, Latty, Lorain, McGuffey, Mill, Miner, Montgomery, Muskego, Pauling, Peoga, Piopolis, Purdy, Roselms, Sheffield, Swanton, Toledo, Trumbull, Valley, Wabash, Wabasha, Warners, Wayland, Willette, and Zipp.

2. The minimum value for woodland with slopes of 25% or less is \$230.

H. PASTURELAND VALUE

Where soil map units listed in these tables or comparable soils are used for permanent pasture, the land should be valued as cropland.

I. MINIMUM VALUES

Slopes of 25% or less:

| | |
|--------------------|-------|
| Cropland & pasture | \$350 |
| Woodland | \$230 |

Slopes greater than 25%:

| | |
|--------------------|-------|
| Woodland & pasture | \$230 |
|--------------------|-------|

Exhibit A - Average Crop Yields by Year in Ohio

USDA, National Agricultural Statistics Service
Crop Production 2014 Summary, January 2015

| <u>Year</u> | <u>Corn</u> | <u>Soybeans</u> | <u>Wheat</u> |
|-------------------|-------------|-----------------|--------------|
| 1984 | 118 | 36.5 | 44 |
| 1985 | 127 | 41.5 | 62 |
| 1986 | 128 | 40.5 | 46 |
| 1987 | 120 | 37 | 58 |
| 1988 | 85 | 27 | 50 |
| 1989 | 118 | 31.5 | 51 |
| 1990 | 121 | 39 | 59 |
| 1991 | 96 | 36 | 49 |
| 1992 | 143 | 40 | 53 |
| 1993 | 110 | 38 | 52 |
| 1994 | 139 | 44 | 58 |
| 1995 | 121 | 38 | 61 |
| 1996 | 111 | 35 | 39 |
| 1997 | 134 | 44 | 63 |
| 1998 | 141 | 44 | 64 |
| 1999 | 126 | 36 | 70 |
| 2000 | 147 | 42 | 72 |
| 2001 | 138 | 41 | 67 |
| 2002 | 89 | 32 | 62 |
| 2003 | 156 | 38.5 | 68 |
| 2004 | 158 | 47 | 62 |
| 2005 | 143 | 45 | 71 |
| 2006 | 159 | 47 | 68 |
| 2007 | 150 | 47 | 61 |
| 2008 | 135 | 36 | 68 |
| 2009 | 174 | 49 | 72 |
| 2010 | 163 | 48 | 61 |
| 2011 | 158 | 47.5 | 58 |
| 2012 | 120 | 45 | 68 |
| 2013 | 174 | 49.5 | 70 |
| 2014 | 176 | 52.5 | 74 |
| Average 2005-2014 | 155.2 | 46.7 | 67.1 |
| 1984 Base | 118 | 36.5 | 44 |
| Average/1984 Base | 1.315254 | 1.279452 | 1.525000 |
| % increase | 31.53% | 27.95% | 52.50% |

1/15/2015

USDA/National Agricultural Statistics Service
for use in TY 2015 CAUV land values: update the PIDAT on mainframe

**Exhibit B - Acres Harvested, 2010-2014
TY 2015 Crop Rotation**

| <u>Year</u> | <u>Corn</u> | <u>% of Total</u> | <u>Soybeans</u> | <u>% of Total</u> | <u>Wheat</u> | <u>% of Total</u> | <u>Corn, Beans & Wheat Totals</u> |
|------------------------------|-------------|-----------------------|-----------------|-----------------------|--------------|-----------------------|---|
| 2010 | 3,270,000 | 38.0% | 4,590,000 | 53.3% | 750,000 | 8.7% | 8,610,000 |
| 2011 | 3,400,000 | 38.7% | 4,540,000 | 51.6% | 850,000 | 9.7% | 8,790,000 |
| 2012 | 3,650,000 | 42.0% | 4,590,000 | 52.8% | 450,000 | 5.2% | 8,690,000 |
| 2013 | 3,730,000 | 42.1% | 4,490,000 | 50.7% | 640,000 | 7.2% | 8,860,000 |
| 2014 | 3,470,000 | 39.2% | 4,840,000 | 54.7% | 545,000 | 6.2% | 8,855,000 |
| Five Year Average | 3,504,000 | 40.0% | 4,610,000 | 52.6% | 647,000 | 7.4% | 8,761,000 |

USDA, National Agricultural Statistics Service
Crop Production, 2014 Summary, January 2015
1/15/2015

2/24/2015

Exhibit C, FIVE YEAR AVERAGE CROP PRICES, TAX YEAR 2015

USDA, National Agricultural Statistics Service

2014 Summary: Crop Values, February 2015; Crop Production, January 2015

| CORN | Year | Production (1,000 bu) | Price | Value (1,000 dollars) |
|----------------------------------|-------------|------------------------------|--------------------|------------------------------|
| | 2008 | 421,200 | \$ 4.21 | 1,773,252 |
| | 2009 | 546,360 | \$ 3.55 | 1,939,578 |
| | 2010 | 533,010 | \$ 5.45 | 2,904,905 |
| | 2011 | 508,760 | \$ 6.44 | 3,276,414 |
| | 2012 | 438,000 | \$ 7.09 | 3,105,420 |
| | 2013 | 649,020 | \$ 4.41 | 2,862,178 |
| | 2014 | 610,720 | \$ 3.65 | 2,229,128 |
| Totals | | 2,722,710 | | \$ 13,045,877 |
| Weighted Avg. Price | | | \$ 4.79 | |
| After Management Allowance of 5% | | | \$ 4.55 | |

| | | | | |
|----------------------------------|------|-----------|---------------------|---------------|
| SOYBEANS | 2008 | 161,280 | \$ 10.30 | 1,661,184 |
| | 2009 | 221,970 | \$ 9.78 | 2,170,867 |
| | 2010 | 220,320 | \$ 11.50 | 2,533,680 |
| | 2011 | 217,920 | \$ 13.00 | 2,832,960 |
| | 2012 | 206,550 | \$ 14.60 | 3,015,630 |
| | 2013 | 222,255 | \$ 13.00 | 2,889,315 |
| | 2014 | 254,100 | \$ 10.40 | 2,642,640 |
| Totals | | 1,075,875 | | \$ 12,559,779 |
| Weighted Avg. Price | | | \$ 11.67 | |
| After Management Allowance of 5% | | | \$ 11.09 | |

| | | | | |
|----------------------------------|------|---------|--------------------|--------------|
| WHEAT | 2008 | 74,120 | \$ 5.82 | 431,378 |
| | 2009 | 70,560 | \$ 4.41 | 311,170 |
| | 2010 | 45,750 | \$ 5.21 | 238,358 |
| | 2011 | 49,300 | \$ 6.73 | 331,789 |
| | 2012 | 30,600 | \$ 7.94 | 242,964 |
| | 2013 | 44,800 | \$ 6.54 | 292,992 |
| | 2014 | 40,330 | \$ 5.55 | 223,832 |
| Totals | | 254,300 | | \$ 1,518,348 |
| Weighted Avg. Price | | | \$ 5.97 | |
| After Management Allowance of 5% | | | \$ 5.67 | |

Exhibit D, Production Costs, Tax Year 2015
Determination of Five Year Average Costs for the Projected Crop Budgets

| ITEM | | <u>Units</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>5 yr. Avg.</u> |
|--------------------------|----------------------------|--------------|--------------------|--------------------|-------------------|--------------------|--------------------|--------------------|--------------------|-----------------------|
| VARIABLE COSTS | | | | | | | | | | |
| Seed | CORN | 1000k | \$2.50 | \$2.81 | \$2.88 | \$3.13 | \$3.28 | \$3.44 | \$3.44 | \$3.11 |
| | SOYBEANS | 1000s | \$0.29 | \$0.32 | \$0.33 | \$0.36 | \$0.41 | \$0.41 | \$0.43 | \$0.37 |
| | WHEAT | 1000s | \$0.02 | \$0.02 | \$0.02 | \$0.03 | \$0.03 | \$0.03 | \$0.03 | \$0.03 |
| Fertilizer | N Corn | | \$0.55 | \$0.27 | \$0.50 | \$0.53 | \$0.56 | \$0.46 | \$0.46 | \$0.50 |
| | N Wheat | | \$0.71 | \$0.47 | \$0.63 | \$0.71 | \$0.71 | \$0.64 | \$0.57 | \$0.65 |
| | P2O5, Corn/Soybeans | | \$0.77 | \$0.43 | \$0.70 | \$0.66 | \$0.63 | \$0.60 | \$0.57 | \$0.63 |
| | P2O5 Wheat | | \$0.77 | \$0.43 | \$0.70 | \$0.66 | \$0.63 | \$0.43 | \$0.53 | \$0.59 |
| | K2O, Corn/Soybeans | | \$0.72 | \$0.35 | \$0.50 | \$0.53 | \$0.48 | \$0.38 | \$0.40 | \$0.46 |
| | K2O Wheat | | \$0.72 | \$0.35 | \$0.50 | \$0.53 | \$0.48 | \$0.35 | \$0.34 | \$0.44 |
| | LIME | | \$25.00 | \$25.00 | \$25.00 | \$25.00 | \$25.00 | \$25.00 | \$25.00 | \$25.00 |
| Chemicals | CORN | | \$42.00 | \$35.00 | \$35.00 | \$44.28 | \$50.98 | \$55.93 | \$56.08 | \$45.64 |
| | SOYBEANS | | \$30.00 | \$30.00 | \$30.00 | \$33.55 | \$31.40 | \$32.92 | \$33.84 | \$31.57 |
| | WHEAT | | \$13.00 | \$13.00 | \$13.00 | \$21.34 | \$13.00 | \$13.00 | \$13.00 | \$13.00 |
| Fuel, Oil, Grease | CORN | -131 | \$13.48 | \$17.08 | \$19.77 | \$22.59 | \$19.33 | \$20.14 | \$13.52 | \$17.97 |
| | | -163 | \$13.48 | \$17.08 | \$19.77 | \$22.59 | \$19.33 | \$20.14 | \$13.52 | \$17.97 |
| | | -196 | \$13.48 | \$17.08 | \$19.77 | \$22.59 | \$19.33 | \$20.14 | \$13.52 | \$17.97 |
| | SOYBEANS | -38 | \$9.74 | \$9.12 | \$12.27 | \$14.02 | \$12.27 | \$11.42 | \$7.67 | \$10.96 |
| | | -48 | \$9.74 | \$9.12 | \$12.27 | \$14.02 | \$12.27 | \$11.42 | \$7.67 | \$10.96 |
| | | -57 | \$9.74 | \$9.12 | \$12.27 | \$14.02 | \$12.27 | \$11.42 | \$7.67 | \$10.96 |
| | WHEAT | -58 | \$10.37 | \$10.37 | \$10.37 | \$16.64 | \$16.64 | \$15.76 | \$14.63 | \$13.55 |
| | | -73 | \$10.37 | \$10.37 | \$10.37 | \$16.64 | \$16.64 | \$15.76 | \$14.63 | \$13.55 |
| | | -87 | \$10.37 | \$10.37 | \$10.37 | \$16.64 | \$16.64 | \$15.76 | \$14.63 | \$13.55 |
| | | | | | | | | | | |
| Repairs | CORN | -131 | \$10.68 | \$21.11 | \$21.18 | \$21.18 | \$22.66 | \$26.78 | \$26.78 | \$22.58 |
| | | -163 | \$10.68 | \$21.11 | \$21.18 | \$21.18 | \$22.66 | \$26.78 | \$26.78 | \$22.58 |
| | | -196 | \$10.68 | \$21.11 | \$21.18 | \$21.18 | \$22.66 | \$26.78 | \$26.78 | \$22.58 |
| | SOYBEANS | -38 | \$7.59 | \$11.70 | \$14.47 | \$14.47 | \$14.47 | \$20.61 | \$20.61 | \$15.14 |
| | | -48 | \$7.59 | \$11.70 | \$14.47 | \$14.47 | \$14.47 | \$20.61 | \$20.61 | \$15.14 |
| | | -57 | \$7.59 | \$11.70 | \$14.47 | \$14.47 | \$14.47 | \$20.61 | \$20.61 | \$15.14 |
| | WHEAT | -58 | \$9.15 | \$9.15 | \$10.85 | \$14.39 | \$14.39 | \$20.32 | \$20.32 | \$13.82 |
| | | -73 | \$9.15 | \$9.15 | \$10.85 | \$14.39 | \$14.39 | \$20.32 | \$20.32 | \$13.82 |
| | | -87 | \$9.15 | \$9.15 | \$10.85 | \$14.39 | \$14.39 | \$20.32 | \$20.32 | \$13.82 |
| | | | | | | | | | | |
| Crop Insurance | CORN | -131 | \$21.60 | \$19.50 | \$19.50 | \$25.00 | \$29.35 | \$20.00 | \$16.30 | \$21.12 |
| | | -163 | \$21.60 | \$19.00 | \$19.00 | \$25.00 | \$29.35 | \$21.00 | \$17.00 | \$21.12 |
| | | -196 | \$24.50 | \$20.00 | \$20.00 | \$24.00 | \$29.35 | \$21.00 | \$17.80 | \$21.90 |
| | SOYBEANS | -38 | \$20.20 | \$8.00 | \$8.00 | \$16.00 | \$24.00 | \$14.00 | \$9.50 | \$13.54 |
| | | -48 | \$20.80 | \$8.00 | \$8.00 | \$19.00 | \$24.00 | \$15.00 | \$8.50 | \$14.26 |
| | | -57 | \$22.30 | \$8.00 | \$8.00 | \$19.00 | \$24.00 | \$15.00 | \$10.00 | \$14.86 |
| | WHEAT | -58 | \$10.50 | \$5.50 | \$5.50 | \$14.00 | \$14.00 | \$14.00 | \$14.00 | \$11.60 |
| | | -73 | \$10.50 | \$6.00 | \$5.50 | \$14.00 | \$14.00 | \$14.00 | \$14.00 | \$11.70 |
| | | -87 | \$11.00 | \$6.00 | \$6.00 | \$14.00 | \$14.00 | \$14.00 | \$14.00 | \$11.80 |

Exhibit D, Production Costs, Tax Year 2015

| ITEM | | <u>Units</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>5 yr. Avg.</u> |
|----------------------------|----------|--------------|--------------------|--------------------|-------------------|-------------|--------------------|---------------------|---------------------|-----------------------|
| Variable Miscellaneous | CORN | -131 | \$7.00 | \$7.00 | \$8.00 | \$8.00 | \$12.00 | \$12.00 | \$5.00 | \$8.40 |
| | | -163 | \$8.00 | \$8.00 | \$9.00 | \$9.00 | \$12.00 | \$12.00 | \$5.00 | \$9.20 |
| | | -196 | \$9.00 | \$9.00 | \$10.00 | \$10.00 | \$12.00 | \$12.00 | \$12.00 | \$10.60 |
| | SOYBEANS | -38 | \$8.00 | \$8.00 | \$9.00 | \$9.00 | \$10.00 | \$10.00 | \$9.50 | \$9.10 |
| | | -48 | \$8.00 | \$8.00 | \$9.00 | \$9.00 | \$10.00 | \$10.00 | \$8.50 | \$8.90 |
| | | -57 | \$8.00 | \$8.00 | \$9.00 | \$9.00 | \$10.00 | \$10.00 | \$10.00 | \$9.20 |
| | WHEAT | -58 | \$6.00 | \$6.00 | \$6.00 | \$6.00 | \$6.00 | \$6.00 | \$6.00 | \$6.00 |
| | | -73 | \$6.00 | \$6.00 | \$6.00 | \$6.00 | \$6.00 | \$6.00 | \$6.00 | \$6.00 |
| | | -87 | \$6.00 | \$6.00 | \$6.00 | \$6.00 | \$6.00 | \$6.00 | \$6.00 | \$6.00 |
| Drying: | | | | | | | | | | |
| Fuel & Electric | CORN | | \$0.14 | \$0.11 | \$0.11 | \$0.11 | \$0.24 | \$0.21 | \$0.16 | \$0.14 |
| Trucking: | | | | | | | | | | |
| Fuel Only | CORN | | \$0.15 | \$0.02 | \$0.02 | \$0.03 | \$0.02 | \$0.02 | \$0.02 | \$0.02 |
| | SOYBEANS | | \$0.15 | \$0.02 | \$0.02 | \$0.03 | \$0.02 | \$0.02 | \$0.02 | \$0.02 |
| | WHEAT | | \$0.15 | \$0.04 | \$0.02 | \$0.02 | \$0.02 | \$0.02 | \$0.02 | \$0.03 |
| Interest on variable costs | | | 9.00% | 6.00% | 6.00% | 6.00% | 4.00% | 4.00% | 5.00% | 5.40% |
| FIXED COSTS | | | | | | | | | | |
| Labor Charge | CORN | | \$43.20 | \$40.50 | \$40.50 | \$40.50 | \$45.00 | \$45.00 | \$45.00 | \$42.84 |
| | SOYBEANS | | \$27.00 | \$27.00 | \$27.00 | \$27.00 | \$30.00 | \$30.00 | \$30.00 | \$28.20 |
| | WHEAT | | \$27.00 | \$27.00 | \$27.00 | \$27.00 | \$22.50 | \$22.50 | \$22.50 | \$25.20 |
| Machinery & Equipment | CORN | | \$64.45 | \$77.45 | \$92.09 | \$107.46 | \$115.92 | \$123.57 | \$130.45 | \$103.30 |
| | SOYBEANS | | \$52.45 | \$53.42 | \$71.83 | \$85.10 | \$85.10 | \$107.89 | \$107.89 | \$80.67 |
| | WHEAT | | \$55.16 | \$55.53 | \$68.61 | \$99.08 | \$99.08 | \$125.86 | \$125.86 | \$89.63 |
| Fixed Miscellaneous* | CORN | -131 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$24.00 | \$24.00 |
| | | -163 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$24.00 | \$24.00 |
| | | -196 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$24.00 | \$24.00 |
| | SOYBEANS | -38 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$16.50 | \$16.50 |
| | | -48 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$16.50 | \$16.50 |
| | | -57 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$16.50 | \$16.50 |

*The Ohio State University revised budgets making a distinction between fixed and variable miscellaneous costs and increasing the total amount of these costs. Without a recent history of fixed costs, there is no Olympic averaging for this line item.

Source: Field Crop Enterprise Budgets 2015, OSU Extension, Dept. of Agricultural, Environmental, and Development Economics.

5/19/2015

2015 CORN BUDGET
Conservation Tillage

VARIABLE COSTS

| | | Inputs - 5 Yr. Average | | 5 YR. AVG. COST Exhibit D | Costs per Acre | |
|------------------------------|------------------|--|--------|------------------------------------|----------------|--------|
| | UNITS | BASE | @ ADD. | | BASE | @ ADD. |
| | | 124 BUSHEL | BUSHEL | | 124 BUSHEL | BUSHEL |
| SEED | KERNELS (1000's) | 28 | 0.12 | \$3.11 | \$85.84 | \$0.38 |
| FERTILIZER | | | | | | |
| | N* | LB. | 128.8 | \$0.50 | \$64.40 | \$0.39 |
| | P2O5 | LB. | 45.8 | \$0.63 | \$28.85 | \$0.23 |
| | K2O | LB. | 33.4 | \$0.46 | \$15.36 | \$0.12 |
| | LIME | TON | 0.25 | \$25.00 | \$6.25 | \$0.00 |
| CHEMICALS | | | | \$45.64 | \$45.64 | \$0.00 |
| FUEL, OIL, GREASE | | | | \$17.97 | \$17.97 | \$0.00 |
| REPAIRS | | | | \$22.58 | \$22.58 | \$0.00 |
| CROP INSURANCE | | | | \$21.12 | \$21.12 | \$0.00 |
| VARIABLE MISCELLANEOUS | | | | \$8.40 | \$8.40 | \$0.03 |
| DRYING: FUEL & ELECTRIC ONLY | | | | \$0.14 | \$17.36 | \$0.14 |
| TRUCKING: FUEL ONLY | | | | \$0.02 | \$2.48 | \$0.02 |
| SUBTOTAL | | | | | \$336.25 | \$1.32 |
| INTEREST: on Subtotal | | 5.4%/12 X 7 MOS 3.2% int x subtotal | | | \$10.59 | \$0.04 |
| FIXED COSTS | | | | | | |
| LABOR CHARGE | | | | \$42.84 | \$42.84 | \$0.00 |
| MACHINERY & EQUIPMENT CHARGE | | | | \$103.30 | \$103.30 | \$0.00 |
| MISCELLANEOUS | | | | \$24.00 | \$24.00 | \$0.00 |
| TOTAL COSTS | | | | | \$516.99 | \$1.36 |

Source: The Ohio State University College of Food, Agricultural & Environmental Sciences,
 Corn Production Budget 2015, 5/10/2015

DTE, 5/19/2015

2015 SOYBEAN BUDGET

| VARIABLE COSTS | Inputs - 5 Yr. Average | | | 5 YR. AVG. COST Exhibit D | Costs per Acre | |
|------------------------------|------------------------|--|-------------------------|------------------------------------|-----------------------------|-------------------------|
| | UNITS | BASE 36 <u>BUSHEL</u> | @ ADD. <u>BUSHEL</u> | | BASE 36 <u>BUSHEL</u> | @ ADD. <u>BUSHEL</u> |
| SEED | seeds (1000s) | 180.0 | 0 | \$0.37 | \$66.60 | \$0.00 |
| FERTILIZER | | | | | | |
| | N LB. | 0 | 0 | \$0.00 | \$0.00 | \$0.00 |
| | P2O5 LB. | 29 | 0.78 | \$0.63 | \$18.14 | \$0.49 |
| | K2O LB. | 52 | 1.37 | \$0.46 | \$23.92 | \$0.63 |
| | LIME TON | 0.25 | 0 | \$25.00 | \$6.25 | \$0.00 |
| CHEMICALS | | | | \$31.57 | \$31.57 | \$0.00 |
| FUEL, OIL, GREASE | | | | \$10.96 | \$10.96 | \$0.00 |
| REPAIRS | | | | \$15.14 | \$15.14 | \$0.00 |
| CROP INSURANCE | | | | \$13.54 | \$13.54 | \$0.07 |
| VARIABLE MISCELLANEOUS | | | | \$8.80 | \$8.80 | \$0.00 |
| TRUCKING: FUEL ONLY | | | | \$0.02 | \$0.72 | \$0.02 |
| SUBTOTAL | | | | | \$195.64 | \$1.21 |
| INTEREST: ON SUBTOTAL COST | | 5.4%/12 X 5 MOS 2.3% int x subtotal | | | \$4.40 | \$0.03 |
| FIXED COSTS | | | | | | |
| LABOR CHARGE | | | | \$28.20 | \$28.20 | \$0.00 |
| MACHINERY & EQUIPMENT CHARGE | | | | \$80.67 | \$80.67 | \$0.00 |
| MISCELLANEOUS | | | | \$16.50 | \$16.50 | \$0.00 |
| TOTAL COSTS | | | | | \$325.42 | \$1.24 |

Source: The Ohio State University College of Food, Agricultural & Environmental Sciences,
Soybean Production Budget 2015, 5/10/2015

DTE, 5/19/2015

2015 WHEAT BUDGET

| ITEM | UNITS | Inputs - 5 Yr. Average | | 5 YR. AVG. COST Exhibit D | Costs per Acre | |
|-------------------------------|---------------|--|------------------|------------------------------------|-----------------------|------------------|
| | | BASE 54 BUSHELS | @ ADD. BUSHEL | | BASE 54 BUSHELS | @ ADD. BUSHEL |
| SEED: | seeds (1000s) | 1,400 | 0 | \$0.03 | \$42.00 | \$0.00 |
| FERTILIZER: | | | | | | |
| | N LB. | 47 | 1.75 | \$0.65 | \$30.55 | \$1.14 |
| | P2O5 LB. | 34 | 0.63 | \$0.59 | \$20.06 | \$0.37 |
| | K2O LB. | 40 | 0.37 | \$0.44 | \$17.60 | \$0.16 |
| | LIME TON | 0.25 | 0 | \$25.00 | \$6.25 | \$0.00 |
| CHEMICALS: | | | | \$13.00 | \$13.00 | \$0.00 |
| FUEL, OIL, GREASE | | | | \$13.55 | \$13.55 | \$0.00 |
| REPAIRS: | | | | \$13.82 | \$13.82 | \$0.00 |
| CROP INSURANCE: | | | | \$11.60 | \$11.60 | \$0.01 |
| MISCELLANEOUS: | | | | \$6.00 | \$6.00 | \$0.00 |
| TRUCKING: FUEL ONLY | | | | \$0.03 | \$1.62 | \$0.03 |
| SUBTOTAL | | | | | \$176.05 | \$1.71 |
| INTEREST: ON SUBTOTALLED COST | | 5.2%/12 X 8 MOS 3.5% int x subtotal | | | \$6.10 | \$0.06 |
| LABOR CHARGE: | | | | \$25.20 | \$25.20 | \$0.00 |
| MACHINERY & EQUIPMENT CHARGE: | | | | \$89.63 | \$89.63 | \$0.00 |
| TOTAL COSTS | | | | | \$296.98 | \$1.77 |
| 3/3/2015 | | | | | | |

3/10/2015

INTEREST RATES USED IN CAPITALIZATION RATE 2009-2015

| TAX YEAR | INTEREST RATE* | EQUITY RATE** |
|----------|-----------------|-----------------|
| 2009 | 7.10 | 5.25 |
| 2010 | 7.40 | 5.25 |
| 2011 | 6.70 | 5.25 |
| 2012 | 5.15 | 5.25 |
| 2013 | 4.95 | 5.25 |
| 2014 | 6.20 | 5.25 |
| 2015 | 5.60 | 5.25 |
| | 6.15 | 5.25 |

* Fixed multi-flex rate for a 25-year term on a loan \$25,000 and over, Farm Credit Services of Mid-America.

** Equity rate is the prime rate plus 2% at www.bankrate.com from the Wall Street Journal's bank survey.

CAPITALIZATION RATES USED IN CALCULATION 2009-2015

| TAX YEAR | CAPITALIZATION RATE |
|----------|---------------------|
| 2009 | 7.9% |
| 2010 | 7.8% |
| 2011 | 7.6% |
| 2012 | 7.5% |
| 2013 | 6.7% |
| 2014 | 6.2% |
| 2015 | 6.6% |

2015 CAUV SAMPLE CALCULATION

| | |
|---------------------|-----------------------------|
| SOIL: | Millgrove, Silt Loam |
| SLOPE: | 0-2 |
| EROSION: | Slight |
| DRAINAGE: | Very poorly |
| PROD. INDEX: | 100 |

| | <u>CORN</u> | <u>BEANS</u> | <u>WHEAT</u> |
|---------------------------------|----------------|--------------|--------------|
| PI DAT yield/acre (1984) | 144 | 52 | 64 |
| % increased yield | 1.315254 | 1.279452 | 1.525 |
| adjusted yield/acre | 189 | 67 | 98 |
| X Crop Price/Unit | \$4.55 | \$11.09 | \$5.67 |
| = GROSS INCOME / ACRE | \$859.95 | \$743.03 | \$555.66 |
| YIELD / ACRE | 189 | 67 | 98 |
| BASE YIELD | 124 | 36 | 54 |
| = YIELD ABOVE BASE | 65 | 31 | 44 |
| X ADDED UNIT COST | \$1.36 | \$1.24 | \$1.77 |
| ADDED UNIT COST / ACRE | \$88.40 | \$38.44 | \$77.88 |
| BASE YIELD COST | \$516.99 | \$325.42 | \$296.98 |
| = TOTAL NON-LAND PROD. COSTS | \$605.39 | \$363.86 | \$374.86 |
| NET RETURN / ACRE | \$254.56 | \$379.17 | \$180.80 |
| X CROPPING PATTERN | 0.4 | 0.526 | 0.074 |
| = ROTATIONAL NET RETURN / ACRE | \$101.82 | \$199.44 | \$13.38 |
| TOTAL ROTATIONAL NET RETURN | \$314.65 | | |
| BASE CAP RATE | 0.066 | | |
| CAUV LAND VALUE | \$4,767.37 | SAY | \$4,770 |

5/19/2015

2012 CAUV SAMPLE CALCULATION

| | |
|--------------|----------------------|
| SOIL: | Millgrove, Silt Loam |
| SLOPE: | 0-2 |
| EROSION: | Slight |
| DRAINAGE: | Very poorly |
| PROD. INDEX: | 100 |

| | <u>CORN</u> | <u>BEANS</u> | <u>WHEAT</u> |
|--------------------------------|-------------|--------------|----------------|
| PI DAT yield/acre (1984) | 144 | 52 | 64 |
| % increased yield | 1.241525 | 1.180822 | 1.504545 |
| adjusted yield/acre | 179 | 61 | 96 |
| X Crop Price/Unit | \$3.19 | \$7.74 | \$3.98 |
| = GROSS INCOME / ACRE | \$571.01 | \$472.14 | \$382.08 |
| YIELD / ACRE | 179 | 61 | 96 |
| BASE YIELD | 114 | 36 | 51 |
| = YIELD ABOVE BASE | 65 | 25 | 45 |
| X ADDED UNIT COST | \$0.90 | \$0.93 | \$1.41 |
| ADDED UNIT COST / ACRE | \$58.50 | \$23.25 | \$63.45 |
| BASE YIELD COST | \$350.71 | \$227.51 | \$211.52 |
| = TOTAL NON-LAND PROD. COST | \$409.21 | \$250.76 | \$274.97 |
| NET RETURN / ACRE | \$161.80 | \$221.38 | \$107.11 |
| X CROPPING PATTERN | 0.386 | 0.511 | 0.103 |
| = ROTATIONAL NET RETURN / ACRE | \$62.45 | \$113.13 | \$11.03 |
| TOTAL ROTATIONAL NET RETURN | \$186.61 | | |
| BASE CAP RATE | 0.075 | | |
| CAUV LAND VALUE | \$2,488.16 | SAY | \$2,490 |

4/5/2012

2015 CAUV SAMPLE CALCULATION

| | |
|---------------------|------------------------|
| SOIL: | Miami Silt Loam |
| SLOPE: | 2-6 |
| EROSION: | Slight |
| DRAINAGE: | Well |
| PROD. INDEX: | 76 |

| | <u>CORN</u> | <u>BEANS</u> | <u>WHEAT</u> |
|---------------------------------|----------------|--------------|--------------|
| PI DAT yield/acre (1984) | 108 | 38 | 50 |
| % increased yield | 1.315254 | 1.279452 | 1.525 |
| adjusted yield/acre | 142 | 49 | 76 |
| X Crop Price/Unit | \$4.55 | \$11.09 | \$5.67 |
| = GROSS INCOME / ACRE | \$646.10 | \$543.41 | \$430.92 |
| YIELD / ACRE | 142 | 49 | 76 |
| BASE YIELD | 124 | 36 | 54 |
| = YIELD ABOVE BASE | 18 | 13 | 22 |
| X ADDED UNIT COST | \$1.36 | \$1.24 | \$1.77 |
| ADDED UNIT COST / ACRE | \$24.48 | \$16.12 | \$38.94 |
| BASE YIELD COST | \$516.99 | \$325.42 | \$296.98 |
| = TOTAL NON-LAND PROD. COSTS | \$541.47 | \$341.54 | \$335.92 |
| NET RETURN / ACRE | \$104.63 | \$201.87 | \$95.00 |
| X CROPPING PATTERN | 0.4 | 0.526 | 0.074 |
| = ROTATIONAL NET RETURN / ACRE | \$41.85 | \$106.18 | \$7.03 |
| TOTAL ROTATIONAL NET RETURN | \$155.07 | | |
| BASE CAP RATE | 0.066 | | |
| CAUV LAND VALUE | \$2,349.48 | SAY | \$2,350 |

5/19/2015

2012 CAUV SAMPLE CALCULATION

| | |
|--------------|-----------------|
| SOIL: | Miami Silt Loam |
| SLOPE: | 2-6 |
| EROSION: | Slight |
| DRAINAGE: | Well |
| PROD. INDEX: | 76 |

| | <u>CORN</u> | <u>BEANS</u> | <u>WHEAT</u> |
|---------------------------------|----------------|--------------|--------------|
| PI DAT yield/acre (1984) | 108 | 38 | 50 |
| % increased yield | 1.241525 | 1.180822 | 1.504545 |
| adjusted yield/acre | 134 | 45 | 75 |
| X Crop Price/Unit | \$3.19 | \$7.74 | \$3.98 |
| = GROSS INCOME / ACRE | \$427.46 | \$348.30 | \$298.50 |
| YIELD / ACRE | 134 | 45 | 75 |
| BASE YIELD | 114 | 36 | 51 |
| = YIELD ABOVE BASE | 20 | 9 | 24 |
| X ADDED UNIT COST | \$0.90 | \$0.93 | \$1.41 |
| ADDED UNIT COST / ACRE | \$18.00 | \$8.37 | \$33.84 |
| BASE YIELD COST | \$350.71 | \$227.51 | \$211.52 |
| = TOTAL NON-LAND PROD. COST | \$368.71 | \$235.88 | \$245.36 |
| NET RETURN / ACRE | \$58.75 | \$112.42 | \$53.14 |
| X CROPPING PATTERN | 0.386 | 0.511 | 0.103 |
| = ROTATIONAL NET RETURN / ACRE | \$22.68 | \$57.45 | \$5.47 |
| TOTAL ROTATIONAL NET RETURN | \$85.60 | | |
| BASE CAP RATE | 0.075 | | |
| CAUV LAND VALUE | \$1,141.30 | SAY | \$1,140 |

4/5/2012

CAUV Summary Values

5/28/2015

TY 2015 Final Values

| Productivity Index | No. of Units | Net Return/Acre | | | Cropland Value/Acre | | |
|--------------------|--------------|-----------------|--------------|-------------|---------------------|----------------|----------------|
| | | Low | High | Average | Low | High | Average |
| 0-49 | 601 | 0 | 54 | 0 | 350 | 350 | 350 |
| 50-59 | 749 | 0 | 106 | 27 | 350 | 1,610 | 518 |
| 60-69 | 1,114 | 0 | 169 | 90 | 350 | 2,560 | 1,371 |
| 70-79 | 798 | 81 | 239 | 154 | 1,230 | 3,620 | 2,347 |
| 80-89 | 211 | 157 | 284 | 221 | 2,370 | 4,300 | 3,354 |
| 90-99 | 35 | 247 | 314 | 270 | 3,740 | 4,760 | 4,104 |
| 100+ | 6 | 315 | 315 | 315 | 4,770 | 4,770 | 4,770 |
| All Regions | 3,514 | \$0 | \$315 | \$86 | \$350 | \$4,770 | \$1,388 |

TY 2012 Final

| Productivity Index | No. of Units | Net Return/Acre | | | Cropland Value/Acre | | |
|--------------------|--------------|-----------------|--------------|-------------|---------------------|----------------|--------------|
| | | Low | High | Average | Low | High | Average |
| 0-49 | 601 | 0 | 24 | 0 | 350 | 350 | 350 |
| 50-59 | 749 | 0 | 54 | 9 | 350 | 720 | 362 |
| 60-69 | 1,114 | 0 | 95 | 44 | 350 | 1,270 | 610 |
| 70-79 | 798 | 38 | 137 | 86 | 510 | 1,830 | 1,147 |
| 80-89 | 211 | 90 | 169 | 128 | 1,210 | 2,250 | 1,717 |
| 90-99 | 35 | 147 | 185 | 159 | 1,960 | 2,470 | 2,128 |
| 100+ | 6 | 187 | 187 | 187 | 2,490 | 2,490 | 2,490 |
| All Regions | 3,514 | \$0 | \$187 | \$45 | \$350 | \$2,490 | \$719 |

CAUV Summary Values

5/28/2015

TY 2015 Final Values

| Productivity Index | No. of Units | Net Return/Acre | | | Cropland Value/Acre | | |
|--------------------|--------------|-----------------|--------------|-------------|---------------------|----------------|----------------|
| | | Low | High | Average | Low | High | Average |
| 0-49 | 601 | 0 | 54 | 0 | 350 | 350 | 350 |
| 50-59 | 749 | 0 | 106 | 27 | 350 | 1,610 | 518 |
| 60-69 | 1,114 | 0 | 169 | 90 | 350 | 2,560 | 1,371 |
| 70-79 | 798 | 81 | 239 | 154 | 1,230 | 3,620 | 2,347 |
| 80-89 | 211 | 157 | 284 | 221 | 2,370 | 4,300 | 3,354 |
| 90-99 | 35 | 247 | 314 | 270 | 3,740 | 4,760 | 4,104 |
| 100+ | 6 | 315 | 315 | 315 | 4,770 | 4,770 | 4,770 |
| All Regions | 3,514 | \$0 | \$315 | \$86 | \$350 | \$4,770 | \$1,388 |

TY 2014 Final

| Productivity Index | No. of Units | Net Return/Acre | | | Cropland Value/Acre | | |
|--------------------|--------------|-----------------|--------------|--------------|---------------------|----------------|----------------|
| | | Low | High | Average | Low | High | Average |
| 0-49 | 601 | 0 | 87 | 1 | 350 | 350 | 350 |
| 50-59 | 749 | 0 | 129 | 46 | 350 | 2,080 | 700 |
| 60-69 | 1,114 | 0 | 181 | 110 | 350 | 2,930 | 1,778 |
| 70-79 | 798 | 105 | 241 | 169 | 1,690 | 3,890 | 2,728 |
| 80-89 | 211 | 176 | 283 | 230 | 2,840 | 4,570 | 3,718 |
| 90-99 | 35 | 256 | 312 | 274 | 4,130 | 5,030 | 4,428 |
| 100+ | 6 | 312 | 312 | 312 | 5,030 | 5,030 | 5,030 |
| All Regions | 3,514 | \$0 | \$312 | \$100 | \$350 | \$5,030 | \$1,668 |

Average CAUV Value Per Acre 1999-2015

| Productivity Index | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| 0-49 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 108 | 100 | 100 | 176 | 200 | 300 | 350 | 350 | 350 | 350 |
| 50-59 | 114 | 107 | 104 | 102 | 101 | 114 | 106 | 134 | 100 | 100 | 200 | 214 | 328 | 362 | 516 | 700 | 518 |
| 60-69 | 233 | 200 | 181 | 125 | 113 | 104 | 101 | 125 | 123 | 188 | 435 | 436 | 632 | 610 | 1218 | 1778 | 1371 |
| 70-79 | 452 | 417 | 394 | 285 | 244 | 157 | 124 | 241 | 283 | 431 | 746 | 845 | 1126 | 1147 | 1958 | 2728 | 2347 |
| 80-89 | 699 | 666 | 640 | 516 | 467 | 342 | 293 | 465 | 521 | 708 | 1059 | 1278 | 1641 | 1717 | 2743 | 3718 | 3354 |
| 90-99 | 908 | 869 | 842 | 713 | 663 | 533 | 492 | 675 | 747 | 973 | 1368 | 1601 | 2017 | 2128 | 3310 | 4428 | 4104 |
| 100+ | 1060 | 1030 | 1000 | 870 | 820 | 690 | 650 | 880 | 970 | 1200 | 1620 | 1900 | 2380 | 2490 | 3780 | 5030 | 4770 |
| Total | 262 | 242 | 231 | 180 | 163 | 135 | 123 | 177 | 181 | 249 | 459 | 505 | 700 | 719 | 1205 | 1668 | 1388 |
| No. of Soils | 3281 | 3371 | 3279 | 3307 | 3313 | 3313 | 3358 | 3482 | 3510 | 3511 | 3511 | 3514 | 3514 | 3514 | 3514 | 3514 | 3514 |

Average CAUV Value Per Acre by Reappraisal/Update Year

| Productivity Index | 2000 | 2003 | 2006 | 2009 | 2012 | 2015 |
|--------------------|------|------|------|------|------|------|
| 0-49 | 100 | 100 | 108 | 176 | 350 | 350 |
| 50-59 | 107 | 101 | 134 | 200 | 362 | 518 |
| 60-69 | 200 | 113 | 125 | 435 | 610 | 1371 |
| 70-79 | 417 | 244 | 241 | 746 | 1147 | 2347 |
| 80-89 | 666 | 467 | 465 | 1059 | 1717 | 3354 |
| 90-99 | 869 | 663 | 675 | 1368 | 2128 | 4104 |
| 100+ | 1030 | 820 | 880 | 1620 | 2490 | 4770 |
| Total | 242 | 163 | 177 | 459 | 719 | 1388 |
| # Soils | 3371 | 3313 | 3482 | 3511 | 3514 | 3514 |

Comparison of Inputs, Tax Years 2012-2015

Crop Prices

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>Difference</u> | |
|----------|-------------|-------------|-------------|-------------|-------------------|----------------|
| | | | | | <u>2012-15</u> | <u>2014-15</u> |
| Corn | \$3.19 | \$3.91 | \$4.48 | \$4.53 | \$1.34 | \$0.05 |
| Soybeans | \$7.74 | \$8.98 | \$10.13 | \$10.66 | \$2.92 | \$0.53 |
| Wheat | \$3.98 | \$4.54 | \$5.16 | \$5.60 | \$1.62 | \$0.44 |

Non-land Production Costs

Base Cost

| | | | | | | |
|----------|----------|----------|----------|----------|-----------------|---------|
| Corn | \$350.71 | \$391.90 | \$437.85 | \$516.99 | \$166.28 | \$79.14 |
| Soybeans | \$227.51 | \$248.69 | \$275.21 | \$325.42 | \$97.91 | \$50.21 |
| Wheat | \$211.52 | \$230.62 | \$255.48 | \$296.98 | \$85.46 | \$41.50 |

Additional Unit Cost

| | | | | | | |
|----------|--------|--------|--------|--------|---------------|----------|
| Corn | \$0.90 | \$1.04 | \$1.18 | \$1.36 | \$0.46 | \$0.18 |
| Soybeans | \$0.93 | \$1.12 | \$1.27 | \$1.24 | \$0.31 | (\$0.03) |
| Wheat | \$1.41 | \$1.61 | \$1.80 | \$1.77 | \$0.36 | (\$0.03) |

Capitalization Rate

| | | | | | | |
|-----------------------|-------|-------|-------|-------|--------|------|
| Mortgage/Equity Ratio | 60/40 | 60/40 | 60/40 | 80/20 | | |
| Years | 15 | 15 | 15 | 25 | | |
| Interest Rate | 6.79 | 6.19 | 5.89 | 6.15 | | |
| Equity Rate | 6.9 | 6.05 | 5.25 | 5.25 | | |
| Tax Additur | 1.5 | 1.5 | 1.5 | 1.6 | | |
| Capitalization Rate | 7.5 | 6.7 | 6.2 | 6.6 | (0.90) | 0.40 |

