

Illinois Farm Income Outlook

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Executive Summary

Estimates of 2003 financial performance for 885 Illinois grain farms are compared to actual financial performance in 2000, 2001 and 2002. Comparisons indicate that:

- The average net farm income for these farms in 2003 is projected at \$51,821. This is the second highest income for any year in the last six years. The average net farm income for the same farms was \$54,073 in 2000, \$30,935 in 2001 and \$27,060 in 2002. Incomes for 2003 as compared to 2002 are less variable across the state due to fewer variations in crop yields.
- Approximately 8 percent of the farms will have negative net farm incomes during 2003 while 44 percent of the farms are projected to have net incomes greater than \$50,000. Approximately 34 percent of the farms will have net incomes between \$20,000 and \$50,000.
- Projected net farm income levels for 2003 are the highest in the west and central regions of Illinois. Projected incomes are lowest in the southern regions. Projected incomes for 2003 as compared to 2002 are higher for all areas of the state except northwestern Illinois.
- Total government farm program payments may be higher for 2003 than in 2002 due to the potential payment of counter-cyclical payments for corn and wheat. Total farm program payments are estimated to be about \$24,000 in 2003 compared to \$15,000 in 2002. Farm program payments make up about 50 percent of total net farm income.
- Projected 2003 net income levels lead to an overall strengthening of the financial position of Illinois grain farms.
- Over 70 percent of the farms are projected to have increases in net worth with 10 percent of the farms projected to increase their net worth by more than 10 percent between 2002 and 2003.
- Actual net farm income and net worth changes on individual farms will depend on a number of factors, including actual grain yields, the efficiency and equity position of the farm, land ownership and lease arrangements, actual valuation changes in machinery and land, and strategies used in marketing the 2002 and

2003 crops.