



**KANSAS FARM SERVICE AGENCY FARM AND RANCH 2016 PLANNING GUIDE**

The prices included in this Exhibit may be used in completing 2016 Cash Flows. These prices are established for term loans. If you are making an annual loan (LOC) only, it is allowable to use contracted prices, but only on the amount of grain under contract and the file needs to contain documentation to support prices. These prices were obtained by consultation with other agriculture lenders, agricultural agencies and other FSA State Offices.

If the operator is participating in other government programs, the payments need to be described by the type of government program (i.e. CRP). If the payment information is not available from FSA Farm Program staff, then you'll need to work with the customer, to obtain the data via consent to release information. The FSA Farm Loan Programs staff may be able to obtain projections on the payment amounts for the lender, as a routine user, for guaranteed loan applications and/or FSA direct loan refinancing. **NOTE: You may opt to use the estimated program payments from the following website for annual operating loans or non-typical cash flows for your customer's appropriate county where their farm interests are located.**

<http://www.agmanager.info/policy/commodity/Maps/default.asp>

If the estimated program payments are used, the lender **will not** be able to use the planned prices below. Instead, you will use current cash price or future price minus basis if using estimated program payments. Lenders will need to document thoroughly in the loan narrative and loan docket how the prices used were obtained.

**Crop and Livestock Prices:**

Wheat – Bu.	5.00	Cows – cwt.	75.00
Milo – Bu.	3.50	450# calves-cwt. (blended price)	205.00
Corn – Bu.	3.75	750# calves- cwt. (blended price)	170.00
Soybeans – Bu.	8.75	Fat Cattle – cwt.	130.00
Oats – Bu.	2.85	Sows – cwt.	50.00
Pinto Beans – cwt.	22.00	Feeder Pigs (50-60 lbs) per head:	60.00
Sunflowers (oil) – cwt.	17.00	Market Hogs-cwt. (live)	65.00
Sunflowers (confection) – cwt.	19.00	Cull Ewes & Rams – lb.	.85
Alfalfa – ton	130.00	Slaughter Lambs – lb.	1.55
Other Hay – ton	70.00	Cull Goats – lb.	.90
Corn Silage – ton	28.00	Slaughter Goats – lb.	1.50
Other Silage – ton	23.00	Milk – cwt.	17.00
Cotton – lb.	.60		

The prices listed above for livestock are projected for cow/calf and farrowing operations. For example, since a cow/calf operation would normally include steers and heifers to be sold, the price of \$2.05 per pound for 450# calves is blended to cover all calves to be sold at that weight. These prices are not to be used when calves or pigs have been purchased or are being purchased for resale at heavier weights. In those cases, the actual or projected purchase price should be used for the livestock to be bought. When the livestock are sold, the projected price will be based on the appropriate futures market (less basis), contract prices, adjusting current cash prices, etc. The justification for price variance must be documented in the lender's narrative/customer's loan docket. With livestock, as with other commodities, if the individual can provide reliable evidence that a premium price will be received, the higher prices will be allowed in the plan.

Typical price spreads for steers and heifers will be used. The price difference between steers and heifers is generally greater at lighter weights with the gap narrowing as the cattle reach the fat cattle weight. When steers and heifers are to be purchased and sold, the cash flow is to list steers and heifers separately.

Prices for Specialty Commodities (i.e. elk, rabbit, fruits, vegetables, etc.) will be determined by contracts the applicants have with the buyers of the products or otherwise documented by method and reliability in the plan of operation.

***All lenders must use price forecasts that are reasonable and defensible.*** PLP Lenders will follow their CMS Agreement of price projections. Use of these prices set by FSA is optional; however, sources must be documented by the lender and acceptable to the Agency. The lender may use price forecasts from land grant universities, other published prices, forward contracted prices, futures, or price histories of specialty crops on other commodities. The lender should use price forecasts that provide an accurate projection of commodity prices that the borrower will receive.