Representative Peanut Farms 2016 Net Cash Flow

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The University of Georgia National Center for Peanut Competitiveness (NCPC) has maintained peanut representative farms since 2002 ranging from Virginia to New Mexico. On average this data base has been updated every four years where the most recent update was carried out in summer 2017. The representative peanut farms database is used to provide economic analysis of actual farmer derived data for all crops produced on the farm. Comprehensive data collected from producers include variable cost of production, prices received, expected and actual yields, and acreage associated to each crop planted as well as key data related to whole farm costs, federal program participation and other financial data such as financial terms, off farm incomes and other receipts.

The NCPC used this data to analyze the financial state of all peanut representative farms based on their row crops for 2016 relative to their previous 2013 update. Gross income (GI) received for each row crop planted based on prices received, yields achieved and acreage were calculated as well as cash flow expenses (CFE) based on each row crop budget. Net cash flow income (NCFI) is estimated as the difference between GI and CFE. Government program payments (GPP) are considered a positive cash flow and are calculated based on federal program bases and yields data provided for each representative farm. Row crop Net Farm Income (NFI) is calculated as the sum of NCFI and GPP.
On average, a representative peanut farm in the U.S. achieved a negative NCFI of $473K in 2016 compared to a positive NCFI of $240K achieved in 2012. This decrease in income is due mainly to a drop in commodity prices between 2012 and 2016 which translates into a 22% reduction in GI as well as to an increase in CFE of 10%. Government program payments received increased significantly in 2016 going from $80K in 2012 to $292K in 2016. However, these payments were not enough to offset the negative NCFI. Potential changes in the 2018 Farm Bill will be critical for the financial sustainability of peanut farmers in the US.