

GUIDE FOR DETERMINING FARM INCOME

Project Name: _____ **Unit:** _____

Name of Tenant: _____ **Date:** _____

A. Description of farm

1. Crop Acres _____ Pasture Acres _____ Total Acres _____
2. Most recent assessed value of the farm \$ _____
3. Estimated Present Market Value of the farm \$ _____
(if A3 is less than A2 provide the justification on an attachment)

B. Liens against the farm

1. Lienholder _____ Unpaid Debt \$ _____
2. Lienholder _____ Unpaid Debt \$ _____
3. Total debts against the farm B1 + B2 = \$ _____

C. Determining Net Farm Value

1. Estimated Market Value from line A3 \$ _____
2. Total debt from line B3 - \$ _____
3. Broker Fees (5% of line A3) - \$ _____
4. Legal Fees (1% of line A3) - \$ _____
5. Net Farm Value (C1 minus C2, C3 and C4) \$ _____

D. Check One of the following

1. _____ Owner **is not** operating the farm
INCLUDE NET FARM VALUE (C5) IN PART III, LINE 15 OF FORM 3560-8
THEN **SKIP PART E AND GO TO PART F**
2. _____ Owner **is** operating the farm **GO TO PART E**

E. Determining Net Farm Income for the upcoming year

<u>Projected Income</u>		<u>Projected Expenses</u>	
1. Crops	\$ _____	7. Interest	\$ _____
2. Cattle	\$ _____	8. Real Estate Tax	\$ _____
3. Hogs	\$ _____	9. Crop Expense	\$ _____
4. Govt. Pmt.	\$ _____	10. Livestock Expense	\$ _____
5. Other (explain)	\$ _____	11. Other (explain)	\$ _____
6. Total	\$ _____	12. Total	\$ _____

NET FARM INCOME (E6 - E12) \$ _____
INCLUDE NET FARM INCOME IN PART IV LINE 17E OF FORM RD 3560-8
DO NOT IMPUTE A FARM INCOME FOR PART III LINE 15 OF FORM RD 3560-8

F. Determining IMPUTED and ACTUAL farm income when farm is leased

a. IMPUTED:
Net Farm Value (C5) \$ _____ X Passbook Savings Rate _____% = \$ _____
(Check with Rural Development for Passbook Savings Rate to use)

- b. ACTUAL
1. Is farm leased? Yes _____ No _____
 2. If no explain _____
 3. Name of Tenant _____
 4. Address of Tenant _____



5. Type of Lease (check one)
 Crop Share Lease (complete lines F6 through F8)
 Cash Lease (complete lines F9 through F11)

Crop Share Lease

6. Gross value of owner's share \$ _____
7. Minus expenses(attach itemized list) -\$ _____
8. Net Farm Income \$ _____

ENTER THE LARGER of Fa or F8 in part III, line 16 of Form RD 3560-8

Cash Lease

9. Cash Income \$ _____
10. Expenses
a. Real Estate Taxes on Farm \$ _____
b. Farm related Personal Property Taxes \$ _____
c. Farm related Interest \$ _____
d. Other (itemize) \$ _____

- e. Total Expenses (10a + 10b + 10c + 10e) \$ _____
11. Net Farm Income (Line 9 minus line 10e) \$ _____

ENTER THE LARGER of Fa or F11 in part III, line 16 of Form RD 3560-8

G. Supporting Documentation

May include copies of Income tax return, Real Estate Tax Receipt, Lease Forms, most recent Assessment Forms, etc.

Signature _____ Date _____

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