

DRAINAGE: PAY FOR IT NOW SO IT PAYS YOU IN THE FUTURE

ENGINEERED TO OUTPERFORM



Superior Engineering:

Feeding the nation and the world, the American farmer has relied on drainage pipe to maximize land efficiency. Since introducing corrugated pipe to the United States in 1966, ADS has led the industry in providing quality pipe, fittings and other accessories.

More than a billion feet of ADS corrugated polyethylene pipe have been installed in American farmlands for field drainage, soil moisture control, and stock ponds. There is even a specially perforated pipe series for grain aeration. Farmers choose polyethylene for its ruggedness in all temperatures, easy installation, low cost, and long service life.

ADS Agriculture Products

ADS offers a variety of products ideal for any agricultural operation, including N-12® pipe, a wide variety of fittings, Nyloplast® drainage structures, screens/guards, single wall corrugated pipe, lift stations and pumps, PolyFlex® and Water Control Structures.

Field Drainage

Properly drained fields resist flooding, yielding more and better crops. It increases productivity, profitability and reduces risk.

Ag Mains

ADS offers perforated, solid single-wall corrugated pipe, and smooth interior N-12 pipe to create an ag main that fits your needs.

Grain Aeration

Grain-Aire pipe costs less than other aeration materials. Its light weight and flexibility make it easier and less expensive to install.

Agricultural Irrigation/Drainage

By installing the ADS Irri-Drain system, farmers gain better control of the moisture in their fields, yielding more healthy crops.

Animal Feed Operations

ADS manufactures smooth interior N-12 pipe that allows for an efficient transfer of animal effluent, enhancing animal feed operations.

Water Control Structures

Drainage water management uses water control structures to manage the water table elevation and the coordination of releasing water from within surface and subsurface agricultural drainage systems. It is part of a conservation effort to reduce nutrients carried from subsurface agricultural drainage water into our streams, rivers and lakes.



AN INVESTMENT IN DRAINAGE PAYS DIVIDENDS TODAY AND FOR FUTURE GENERATIONS

At \$3.75/ Bu. corn, the payback on the drainage investment is less than 6 years. This estimate uses a 5% annual interest rate and a drainage cost of \$750/ acre. Land is your largest asset. If you wait to drain your land, you are losing a potential 25% gain in yield on your largest asset.

If your land is worth \$7,500/ acre, the cost of improving your crop yield by 25% is only 10% of your land value.

The inputs in the example above can easily be changed by going to www.ads-pipe.com and clicking on the Engineering Resource Tab. Click on the G.R.O.W. Analysis and you can input your own numbers.



ADVANCED DRAINAGE SYSTEMS, INC.											
G.R.O.W. Analysis											
Prepared For:	Roger										
Purchase Price:	\$75,000										
Assumptions:	Product: Corn										
Acres Drained:	100										
Yield Improvement Bushel:	40										
Price Per Bushel:	\$ 3.75	\$ 3.75	\$ 3.75	\$ 3.75	\$ 3.75	\$ 3.75	\$ 3.75	\$ 3.75	\$ 3.75	\$ 3.75	\$ 3.75
Disaster Factor Year 3:	2										
Percent Tax Bracket:	15%										
	1st year	2nd year	3rd year	4th year	5th year	6th year	7th year	8th year	9th year	10th year	
Down Payment - Principal	\$ 5,963	\$ 6,261	\$ 6,574	\$ 6,903	\$ 7,248	\$ 7,610	\$ 7,991	\$ 8,390	\$ 8,810	\$ 9,250	
Income Statement											
Additional Yield	\$ 15,000	\$ 15,000	\$ 30,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	
Operating Expenses	10	10	10	10	10	10	10	10	10	10	
Interest Expense	3,750	3,452	3,139	2,810	2,465	2,103	1,722	1,323	903	463	
Tax Depreciation	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	
Pretax Income	3,740	4,038	19,351	4,680	5,025	5,387	5,768	6,167	6,587	7,027	
Less: Income Taxes	591	606	2,903	702	754	808	865	925	988	1,054	
Net Income After Tax	3,179	3,432	16,448	3,978	4,271	4,579	4,903	5,242	5,599	5,973	
Plus Tax Depreciation	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	
Cash Flow	10,679	10,932	23,949	11,478	11,771	12,079	12,403	12,742	13,099	13,473	
Cumulative Cash Flow	\$ 10,679	\$ 21,611	\$ 45,560	\$ 57,038	\$ 68,809	\$ 80,888	\$ 93,291	\$ 106,034	\$ 119,132	\$ 132,606	
Investment Rate	8%										
Net Cash Flow											
Current Year	\$ 4,716	\$ 4,671	\$ 17,374	\$ 4,575	\$ 4,161	\$ 4,469	\$ 4,412	\$ 4,352	\$ 4,289	\$ 4,223	
Plus : Interest Income	0	321	660	1,887	2,326	2,767	3,259	3,781	4,334	4,920	
Cumulative	\$ 4,716	\$ 9,708	\$ 27,743	\$ 34,205	\$ 40,692	\$ 47,928	\$ 55,599	\$ 63,731	\$ 72,354	\$ 81,497	
Breakeven Bushels/ Acre	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	
Total Return on Investment	177%										
Break Even Year	6										

ADVANCED DRAINAGE SYSTEMS, INC.											
G.R.O.W. Analysis											
Prepared For:	Roger										
Purchase Price:	\$75,000										
Assumptions:	Product: Beans										
Acres Drained:	100										
Yield Improvement Bushel:	13										
Price Per Bushel:	\$ 9.50	\$ 9.50	\$ 9.50	\$ 9.50	\$ 9.50	\$ 9.50	\$ 9.50	\$ 9.50	\$ 9.50	\$ 9.50	\$ 9.50
Disaster Factor Year 3:	2										
Percent Tax Bracket:	15%										
	1st year	2nd year	3rd year	4th year	5th year	6th year	7th year	8th year	9th year	10th year	
Down Payment - Principal	\$ 5,963	\$ 6,261	\$ 6,574	\$ 6,903	\$ 7,248	\$ 7,610	\$ 7,991	\$ 8,390	\$ 8,810	\$ 9,250	
Income Statement											
Additional Yield	\$ 12,350	\$ 12,350	\$ 24,700	\$ 12,350	\$ 12,350	\$ 12,350	\$ 12,350	\$ 12,350	\$ 12,350	\$ 12,350	
Operating Expenses	10	10	10	10	10	10	10	10	10	10	
Interest Expense	3,750	3,452	3,139	2,810	2,465	2,103	1,722	1,323	903	463	
Tax Depreciation	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	
Pretax Income	1,090	1,388	14,051	2,030	2,375	2,737	3,118	3,517	3,937	4,377	
Less: Income Taxes	164	208	2,108	304	356	411	468	528	591	657	
Net Income After Tax	927	1,180	11,944	1,725	2,019	2,327	2,650	2,990	3,346	3,721	
Plus Tax Depreciation	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	
Cash Flow	8,427	8,680	19,444	9,225	9,519	9,827	10,150	10,490	10,846	11,221	
Cumulative Cash Flow	\$ 8,427	\$ 17,106	\$ 36,550	\$ 45,775	\$ 55,294	\$ 65,121	\$ 75,271	\$ 85,761	\$ 96,607	\$ 107,828	
Investment Rate	8%										
Net Cash Flow											
Current Year	\$ 2,464	\$ 2,419	\$ 12,869	\$ 2,323	\$ 1,909	\$ 2,217	\$ 2,159	\$ 2,100	\$ 2,037	\$ 1,971	
Plus : Interest Income	0	168	343	1,242	1,484	1,715	1,882	2,264	2,561	2,873	
Cumulative	\$ 2,464	\$ 5,090	\$ 18,263	\$ 21,828	\$ 25,220	\$ 29,152	\$ 33,294	\$ 37,657	\$ 42,254	\$ 47,098	
Breakeven Bushels/ Acre	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7	
Total Return on Investment	144%										
Break Even Year	7										

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