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# ***Staff Paper***

## **2000 Business Analysis Summary for Dairy Farms**

**Sherrill B. Nott**

**Staff Paper 2001-29**

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# 2000 BUSINESS ANALYSIS SUMMARY FOR DAIRY FARMS

## 2000 Michigan Telfarm/MicroTel Data

Staff Paper No. 2001-29, 58 pages

by

Sherrill B. Nott<sup>1</sup>

### Introduction

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## Data Source

Farm types were assigned using the 1992 Census of Agriculture's Standard Industrial Classification (SIC) definitions. Basically, any farm with 50 percent or more of value of farm sales from one item becomes a farm of that type. Dairy farms have 50 percent or more of value of combined sales from milk and cull dairy animals.

This report is a summary of the financial and production records kept by dairy farmers enrolled in the Telfarm/MicroTel record program through Michigan State University Extension, or were accounting clients of AgriSolutions in Michigan, or of Farm Credit Services of Escanaba. Farm records were included if a Finan<sup>2</sup> summary was completed on 2000 data including beginning and ending balance sheets, plus income and expenses. The summary was included if cash discrepancy was less than 10% of gross cash inflow, and if the debt discrepancy was less than \$1,000. The averages are reported in the tables below; it should be recognized that considerable variability exist in the data. The unweighted mean of the net farm income for the 150 farms was \$83,980; the standard deviation of the mean was \$172,765 and the median was \$52,393. Herd sizes on the 150 farms ranged from 30 to 2,500 cows. The unweighted mean of cows was 203 cows per farm; the standard deviation of the mean was 262 cows and the median was 144 cows. The unweighted mean of pounds of milk sold per cow was 19,726 pounds; the standard deviation of the mean was 4,020 pounds and the median was 19,716 pounds.

This report has three purposes: 1)to provide statistical information about the financial results on dairy farms during 2000; 2)to provide production costs for comparative analysis and forward planning; and 3)to provide information on the trends in resource use, income and costs during the last few years. For dairy farm averages for 1995, see Staff Paper No. 96-86, Michigan Farm Database, New Directions for 1995; it contains averages of 106 dairy farms calculated with Finansum. Staff Paper No. 97-31, Business Analysis Summary for Dairy Farms, contains averages of 146 dairy farms for 1996. Staff Paper No. 98-29, 1997 Business Analysis Summary for Dairy Farms, contains averages of 132 dairy farms for 1997. Staff Paper No. 99-37, 1998 Business Analysis Summary for Dairy Farms, contains averages of 154 dairy farms for 1998. Staff Paper No. 2000-24, 1999 Business Analysis Summary for Dairy Farms, contains averages of 153 dairy farms for 2000. These earlier staff papers are available at:

[http://www.msu.edu/user/nott/Previous\\_Publications.htm](http://www.msu.edu/user/nott/Previous_Publications.htm)

The current report provides some tables with differing format compared to the earlier staff papers. These new report formats were built into the revised software made available. The expense categories have been expanded to more fully show the range of cash outflows on dairy farms.

RankEm<sup>3</sup> allows rapid analysis of group averages with some degree of choice over how the results are presented. The farm was accepted in the average regardless of whether the farm was a proprietorship, partnership, limited liability company, or corporation. RankEm will produce a variety of report options; I included a subset in this publication.

The farms included in the averages below are not a random sample. They kept their financial records with Michigan State University's Telfarm/MicroTel accounting project, or had their accounting

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<sup>2</sup> Finan = financial analysis, one of the parts of Finpack, a financial software package from the Center for Farm Financial Management at the University of Minnesota.

<sup>3</sup> Rankem provides statistical analysis and reports from Finan data sets. It also comes from the Center for Farm Financial Management.

supervised by AgriSolutions, or Wisconsin Farm Credit Services' Escanaba office. A higher percentage of these farms use debt capital than do all farms in the state. The averages may be representative of bigger and better managed dairy farms in Michigan.

This document may be found and downloaded from the following:

<http://www.msu.edu/user/nott>

Table 1.

**Livestock And Crop Production Summary**  
**Michigan Dairy Farms, All Sizes, 2000**  
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 25 %	Average Of High 25 %
	<u>                    </u>	<u>                    </u>	<u>                    </u>
DAIRY			
Number of farms	150	38	38
Average number of Cows	203	231	308
Milk produced per Cow, lbs.	19,726	18,439	22,278
Average milk price per cwt., \$	13.02	13.02	13.14
	Avg. Of		
	<u>All Farms</u>	<u>Low 25%</u>	<u>High 25%</u>
Number of farms	150	37	38
Acreage Summary			
Total acres owned	442	461	587
Total crop acres	532	455	777
Crop acres owned	295	248	477
Crop acres cash rented	236	207	298
Average Price Received (Cash Sales Only)			
Wheat, Winter per bushel, \$	1.78	-	1.79
Soybeans per bushel, \$	4.70	-	4.79
Corn per bushel, \$	1.69	-	1.69

Table 2

**Farm Income Statement**  
**Michigan Dairy Farms, All Sizes, 2000**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	150	37	38
<b>Cash Farm Income</b>			
Cherries	274	-	-
Cordwood	352	1,427	-
Corn	6,039	3,474	9,801
Corn Silage	135	-	534
Hay, Alfalfa	229	9	842
Hay, Mixed	620	750	520
Haylage, Mixed	161	35	601
Soybeans	7,618	2,113	16,667
Straw	107	246	67
Sugar Beets	1,534	-	5,286
Wheat, Winter	2,046	578	4,328
Miscellaneous crop income	164	56	-
Beef, Background Beef	205	-	-
Beef, Finish Beef Calves	412	1,672	-
Dairy, Milk	551,408	581,590	935,866
Dairy, Dairy Calves	5,728	7,071	9,658
Dairy Heifers (for sale)	405	978	352
Dairy Replacement Heifers	334	227	167
Dairy Steers	7,155	8,556	4,368
Cull breeding livestock	30,020	32,473	49,787
Misc. livestock income	733	19	465
Transition payments	2,088	2,806	478
Other government payments	43,615	39,645	64,200
Custom work income	4,148	8,043	5,602
Patronage dividends, cash	5,270	3,674	9,901
Insurance income	1,565	2,532	400
Cash from hedging accts	52	-	184
Other farm income	5,113	6,179	7,717
<b>Gross Cash Farm Income</b>	<b>677,530</b>	<b>704,154</b>	<b>1,127,791</b>

Table 3

**Farm Income Statement, continued**  
**Michigan Dairy Farms, All Sizes, 2000**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Cash Farm Expense			
Seed	10,294	7,875	18,834
Fertilizer	17,724	17,460	28,184
Crop chemicals	9,771	8,588	15,643
Crop insurance	611	332	1,164
Drying fuel	102	51	99
Crop supplies, storage, soil tests	1,350	343	3,291
Feeder livestock purchase	597	1,393	-
Purchased feed	144,248	178,774	215,368
Breeding fees	4,476	3,395	8,989
Veterinary	17,758	19,247	30,830
BST	4,618	4,119	10,001
Livestock supplies	20,844	23,034	32,157
DHIA	2,003	1,952	2,888
Livestock leases	1,054	1,849	825
Milk hauling charges	16,098	15,003	25,269
Milk and livestock marketing	10,004	9,380	17,465
Bedding	6,476	10,368	9,456
Interest	42,556	79,248	40,922
Fuel & oil	15,435	16,913	22,131
Repairs	36,417	38,528	53,505
Custom hire	18,696	22,971	33,554
Hired labor	93,282	98,183	161,085
Land rent	21,304	20,088	33,472
Machinery & bldg leases	10,714	12,279	15,132
Real estate taxes	6,545	6,846	8,914
Farm insurance	6,862	8,524	7,875
Utilities	13,156	15,430	17,898
Dues & professional fees	3,437	3,537	4,434
Car and truck	3,593	4,203	4,118
Supplies	2,944	2,697	4,778
Miscellaneous	4,549	4,483	8,984
Total cash expense	547,516	637,093	837,264
<b>Net cash farm income</b>	<b>130,013</b>	<b>67,062</b>	<b>290,526</b>
Inventory Changes			
Crops and feed	11,136	14,370	13,263
Market livestock	792	969	242
Accounts receivable	-2,518	-4,153	-4,905
Prepaid expenses and supplies	874	-5,810	13,490
Accounts payable	-8,159	-34,871	4,490
Total inventory change	2,125	-29,495	26,581
<b>Net operating profit</b>	<b>132,138</b>	<b>37,566</b>	<b>317,108</b>
Depreciation and Other Capital Adjustments			
Breeding livestock	13,319	-6,392	26,410
Machinery and equipment	-41,677	-46,899	-60,479
Buildings and improvements	-19,756	-24,286	-28,202
Other farm capital	-44	2,433	590
Total depr. and other capital adj	-48,158	-75,144	-61,680
<b>Net farm income</b>	<b>83,980</b>	<b>-37,577</b>	<b>255,427</b>



Table 4

**Inventory Changes**  
**Michigan Dairy Farms, All Sizes, 2000**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	150	37	38
Net cash farm income	130,013	67,062	290,526
<b>Crops and Feed</b>			
Ending inventory	139,924	154,452	198,822
Beginning inventory	128,787	140,082	185,559
Inventory change	11,136	14,370	13,263
<b>Market Livestock</b>			
Ending inventory	8,130	10,044	4,775
Beginning inventory	7,338	9,075	4,533
Inventory change	792	969	242
<b>Accts Receivable &amp; Other Current Assets</b>			
Ending inventory	28,144	29,685	47,430
Beginning inventory	30,662	33,837	52,334
Inventory change	-2,518	-4,153	-4,905
<b>Prepaid Expenses and Supplies</b>			
Ending inventory	34,064	9,472	101,665
Beginning inventory	33,190	15,282	88,175
Inventory change	874	-5,810	13,490
<b>Accounts Payable &amp; Accrued Expenses</b>			
Beginning inventory	16,242	37,540	12,185
Ending inventory	24,306	72,411	7,695
Inventory change	-8,159	-34,871	4,490
Total inventory change	2,125	-29,495	26,581
Net operating profit	132,138	37,566	317,108

Table 5

**Depreciation and Other Capital Adjustments**  
**Michigan Dairy Farms, All Sizes, 2000**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	150	37	38
Net operating profit	132,138	37,566	317,108
<b>Breeding Livestock</b>			
Ending inventory	420,703	573,401	589,860
Capital sales	1,200	203	1,617
Beginning inventory	362,588	467,105	519,033
Capital purchases	45,996	112,890	46,033
Depreciation, capital adjust.	13,319	-6,392	26,410
<b>Machinery and Equipment</b>			
Ending inventory	159,341	186,555	251,982
Capital sales	2,651	1,086	5,631
Beginning inventory	156,372	192,840	239,987
Capital purchases	47,297	41,700	78,105
Depreciation, capital adjust.	-41,677	-46,899	-60,479
<b>Buildings and Improvements</b>			
Ending inventory	198,105	397,663	193,753
Capital sales	13	-	-
Beginning inventory	134,366	185,692	160,769
Capital purchases	83,508	236,256	61,186
Depreciation, capital adjust.	-19,756	-24,286	-28,202
<b>Other Capital Assets</b>			
Ending inventory	28,073	32,227	42,658
Capital sales	25,066	85,646	9,076
Beginning inventory	44,196	114,304	39,835
Capital purchases	8,986	1,136	11,309
Depreciation, capital adjust.	-44	2,433	590
Total depreciation, capital adj.	-48,158	-75,144	-61,680
Net farm income	83,980	-37,577	255,427

Table 6

**Profitability Measures**  
**Michigan Dairy Farms, All Sizes, 2000**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	150	37	38
Profitability (assets valued at cost)			
Net farm income	83,980	-37,577	255,427
Labor and management earnings	48,595	-65,337	187,800
Rate of return on assets	6.2 %	-0.3 %	13.0 %
Rate of return on equity	5.1 %	-18.3 %	16.2 %
Operating profit margin	13.1 %	-0.9 %	23.5 %
Asset turnover rate	47.5 %	35.3 %	55.5 %
Interest on farm net worth	35,385	27,760	67,627
Farm interest expense	42,649	79,315	39,335
Value of operator lbr and mgmt.	54,112	46,526	72,468
Return on farm assets	72,517	-4,788	222,294
Average farm assets	1,169,558	1,496,244	1,706,937
Return on farm equity	29,868	-84,103	182,959
Average farm equity	587,549	459,120	1,127,120
Value of farm production	555,413	528,781	947,434
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	150	37	38
Profitability (assets valued at market)			
Net farm income	130,535	18,579	300,617
Labor and management earnings	65,798	-48,450	198,423
Rate of return on assets	7.1 %	2.4 %	11.7 %
Rate of return on equity	7.1 %	-2.5 %	13.4 %
Operating profit margin	21.4 %	9.7 %	28.2 %
Asset turnover rate	33.3 %	24.5 %	41.5 %
Interest on farm net worth	64,737	67,029	102,194
Farm interest expense	42,649	79,315	39,335
Value of operator lbr and mgmt.	54,112	46,526	72,468
Return on farm assets	119,072	51,368	267,484
Average farm assets	1,666,700	2,154,269	2,283,047
Return on farm equity	76,423	-27,947	228,149
Average farm equity	1,078,949	1,117,145	1,703,230
Value of farm production	555,413	528,781	947,434

Table 7

**Liquidity Measures**  
**Michigan Dairy Farms, All Sizes, 2000**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	150	37	38
Liquidity (cash)			
Net cash farm income	130,013	67,062	290,526
Net nonfarm income	8,542	8,517	9,559
Family living and taxes	63,598	33,305	123,053
Real estate principal payments	12,549	14,332	14,541
Cash available for interm. debt	62,407	27,941	162,491
Average intermediate debt	220,407	386,709	241,900
Years to turnover interm. debt	3.5	13.8	1.5
Expense as a % of income	81 %	90 %	74 %
Interest as a % of income	6 %	11 %	4 %
Liquidity (accrual)			
Total accrual farm income	686,940	715,340	1,136,392
Total accrual operating expense	554,802	677,774	819,284
Net accrual operating income	132,138	37,566	317,108
Net nonfarm income	8,542	8,517	9,559
Family living and taxes	63,598	33,305	123,053
Real estate principal payments	12,549	14,332	14,541
Available for intermediate debt	64,532	-1,554	189,072
Average intermediate debt	220,407	386,709	241,900
Years to turnover interm. debt	3.4	**	1.3
Expense as a % of income	81 %	95 %	72 %
Interest as a % of income	6 %	11 %	3 %

\*\* Income insufficient to meet debt servicing requirements

Table 8

**Balance Sheet at Cost Values**  
**Michigan Dairy Farms, All Sizes, 2000**  
(Farms Sorted By Net Farm Income)

Number of farms	Avg. Of All Farms 150		Low 25% 37		High 25% 38	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	12,351	21,973	2,584	13,763	32,598	50,753
Prepaid expenses & supplies	33,190	34,064	15,282	9,472	88,175	101,665
Growing crops	7,748	7,509	4,528	4,333	12,563	12,743
Accounts receivable	21,461	18,827	27,764	24,554	35,971	33,167
Hedging accounts	0	0	0	0	0	0
Crops held for sale or feed	128,408	139,924	140,082	154,452	185,559	198,822
Crops under government loan	379	0	0	0	0	0
Market livestock held for sale	7,338	8,130	9,075	10,044	4,533	4,775
Other current assets	1,453	1,809	1,546	798	3,799	1,519
<b>Total current farm assets</b>	<b>212,329</b>	<b>232,235</b>	<b>200,860</b>	<b>217,415</b>	<b>363,199</b>	<b>403,445</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	362,588	420,703	467,105	573,401	519,033	589,860
Machinery and equipment	156,372	159,341	192,840	186,555	239,987	251,982
Other intermediate assets	39,848	23,053	106,278	22,304	38,664	41,552
<b>Total intermediate farm assets</b>	<b>558,808</b>	<b>603,096</b>	<b>766,223</b>	<b>782,259</b>	<b>797,684</b>	<b>883,394</b>
<b>Long Term Farm Assets</b>						
Farm land	190,744	200,066	211,123	213,303	289,993	319,358
Buildings and improvements	134,366	198,105	185,692	397,663	160,769	193,753
Other long-term assets	4,348	5,020	8,026	9,924	1,171	1,106
<b>Total long-term farm assets</b>	<b>329,458</b>	<b>403,191</b>	<b>404,842</b>	<b>620,890</b>	<b>451,934</b>	<b>514,218</b>
<b>Total Farm Assets</b>	<b>1,100,594</b>	<b>1,238,522</b>	<b>1,371,924</b>	<b>1,620,564</b>	<b>1,612,816</b>	<b>1,801,057</b>
<b>Total Nonfarm Assets</b>	<b>53,912</b>	<b>62,419</b>	<b>28,941</b>	<b>30,767</b>	<b>99,618</b>	<b>113,709</b>
<b>Total Assets</b>	<b>1,154,506</b>	<b>1,300,941</b>	<b>1,400,865</b>	<b>1,651,331</b>	<b>1,712,434</b>	<b>1,914,765</b>
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	1,891	1,984	2,640	2,707	2,800	1,214
Accounts payable	14,351	22,322	34,900	69,704	9,385	6,481
Current notes	42,223	50,328	45,748	59,484	63,528	63,106
Government crop loans	379	0	0	0	0	0
Principal due on term debt	45,742	51,358	67,795	76,895	55,716	59,820
<b>Total current farm liabilities</b>	<b>104,586</b>	<b>125,992</b>	<b>151,083</b>	<b>208,790</b>	<b>131,429</b>	<b>130,622</b>
<b>Total intermediate farm liabs</b>	<b>155,243</b>	<b>216,577</b>	<b>206,828</b>	<b>455,570</b>	<b>218,537</b>	<b>186,717</b>
<b>Total long term farm liabilities</b>	<b>269,844</b>	<b>291,777</b>	<b>525,552</b>	<b>526,426</b>	<b>208,942</b>	<b>283,385</b>
<b>Total farm liabilities</b>	<b>529,673</b>	<b>634,346</b>	<b>883,463</b>	<b>1,190,785</b>	<b>558,909</b>	<b>600,724</b>
<b>Total nonfarm liabilities</b>	<b>2,301</b>	<b>4,094</b>	<b>14</b>	<b>14</b>	<b>697</b>	<b>878</b>
<b>Total liabilities</b>	<b>531,974</b>	<b>638,440</b>	<b>883,477</b>	<b>1,190,799</b>	<b>559,606</b>	<b>601,603</b>
<b>Net worth (farm and nonfarm)</b>	<b>622,532</b>	<b>662,501</b>	<b>517,388</b>	<b>460,532</b>	<b>1,152,828</b>	<b>1,313,163</b>
<b>Net worth change</b>	<b>39,969</b>	<b>-56,856</b>	<b>160,334</b>	<b>160,334</b>	<b>160,334</b>	<b>160,334</b>
<b>Ratio Analysis</b>						
Current farm liabilities / assets	49 %	54 %	75 %	96 %	36 %	32 %
Curr. & interm farm liab. / assets	34 %	41 %	37 %	66 %	30 %	25 %
Long term farm liab. / assets	82 %	72 %	130 %	85 %	46 %	55 %
Total debt to asset ratio	46 %	49 %	63 %	72 %	33 %	31 %

Table 9

**Balance Sheet at Market Values**  
**Michigan Dairy Farms, All Sizes, 2000**  
(Farms Sorted By Net Farm Income)

Number of farms	Avg. Of All Farms 150		Low 25% 37		High 25% 38	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	12,351	21,973	2,584	13,763	32,598	50,753
Prepaid expenses & supplies	33,190	34,064	15,282	9,472	88,175	101,665
Growing crops	7,748	7,509	4,528	4,333	12,563	12,743
Accounts receivable	21,461	18,827	27,764	24,554	35,971	33,167
Hedging accounts	0	0	0	0	0	0
Crops held for sale or feed	128,408	139,924	140,082	154,452	185,559	198,822
Crops under government loan	379	0	0	0	0	0
Market livestock held for sale	7,338	8,130	9,075	10,044	4,533	4,775
Other current assets	1,453	1,809	1,546	798	3,799	1,519
<b>Total current farm assets</b>	<b>212,329</b>	<b>232,235</b>	<b>200,860</b>	<b>217,415</b>	<b>363,199</b>	<b>403,445</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	372,023	426,070	467,448	573,130	555,345	611,289
Machinery and equipment	297,328	312,090	348,902	367,370	416,747	439,677
Other intermediate assets	41,825	24,931	106,314	22,480	37,858	40,486
<b>Total intermediate farm assets</b>	<b>711,175</b>	<b>763,091</b>	<b>922,665</b>	<b>962,980</b>	<b>1,009,949</b>	<b>1,091,452</b>
<b>Long Term Farm Assets</b>						
Farm land	433,724	481,702	480,013	535,019	579,252	646,620
Buildings and improvements	210,756	275,906	390,923	583,815	212,760	257,138
Other long-term assets	6,208	6,273	7,411	7,438	1,171	1,106
<b>Total long-term farm assets</b>	<b>650,689</b>	<b>763,881</b>	<b>878,347</b>	<b>1,126,272</b>	<b>793,184</b>	<b>904,865</b>
<b>Total Farm Assets</b>	<b>1,574,193</b>	<b>1,759,207</b>	<b>2,001,872</b>	<b>2,306,667</b>	<b>2,166,332</b>	<b>2,399,762</b>
<b>Total Nonfarm Assets</b>	<b>91,568</b>	<b>101,282</b>	<b>110,955</b>	<b>116,881</b>	<b>125,956</b>	<b>138,401</b>
<b>Total Assets</b>	<b>1,665,761</b>	<b>1,860,489</b>	<b>2,112,827</b>	<b>2,423,548</b>	<b>2,292,287</b>	<b>2,538,163</b>
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	1,891	1,984	2,640	2,707	2,800	1,214
Accounts payable	14,351	22,322	34,900	69,704	9,385	6,481
Current notes	42,223	50,328	45,748	59,484	63,528	63,106
Government crop loans	379	0	0	0	0	0
Principal due on term debt	45,742	51,358	67,795	76,895	55,716	59,820
<b>Total current farm liabilities</b>	<b>104,586</b>	<b>125,992</b>	<b>151,083</b>	<b>208,790</b>	<b>131,429</b>	<b>130,622</b>
<b>Total intermediate farm liabs</b>	<b>155,243</b>	<b>216,577</b>	<b>206,828</b>	<b>455,570</b>	<b>218,537</b>	<b>186,717</b>
<b>Total long term farm liabilities</b>	<b>269,844</b>	<b>291,777</b>	<b>525,552</b>	<b>526,426</b>	<b>208,942</b>	<b>283,385</b>
<b>Total farm liabilities</b>	<b>529,673</b>	<b>634,346</b>	<b>883,463</b>	<b>1,190,785</b>	<b>558,909</b>	<b>600,724</b>
<b>Total nonfarm liabilities</b>	<b>2,301</b>	<b>4,094</b>	<b>14</b>	<b>14</b>	<b>697</b>	<b>878</b>
<b>Total liabs excluding deferreds</b>	<b>531,974</b>	<b>638,440</b>	<b>883,477</b>	<b>1,190,799</b>	<b>559,606</b>	<b>601,603</b>
<b>Total deferred liabilities</b>	<b>5,451</b>	<b>5,984</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total liabilities</b>	<b>537,425</b>	<b>644,424</b>	<b>883,477</b>	<b>1,190,799</b>	<b>559,606</b>	<b>601,603</b>
Retained earnings	622,532	662,501	517,388	460,532	1,152,828	1,313,163
Market valuation equity	505,804	553,564	711,962	772,217	579,853	623,398
Net worth (farm and nonfarm)	1,128,336	1,216,065	1,229,350	1,232,749	1,732,682	1,936,560
Net worth excluding deferreds	1,133,787	1,222,049	1,229,350	1,232,749	1,732,682	1,936,560
Net worth change	87,729		3,399		203,879	
<b>Ratio Analysis</b>						
Current farm liabilities / assets	49 %	54 %	75 %	96 %	36 %	32 %
Curr. & interm farm liab. / assets	28 %	34 %	32 %	56 %	25 %	21 %
Long term farm liab. / assets	41 %	38 %	60 %	47 %	26 %	31 %
Total debt to asset ratio	32 %	35 %	42 %	49 %	24 %	24 %
Debt to assets excl deferreds	32 %	34 %	42 %	49 %	24 %	24 %

Table 10

Statement Of Cash Flows  
**Michigan Dairy Farms, All Sizes, 2000**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	150	37	38
Beginning cash (farm & nonfarm)	12,993	3,368	32,772
<b>Cash From Operating Activities</b>			
Gross cash farm income	677,530	704,154	1,127,791
Net nonfarm income	8,542	8,517	9,559
Total cash farm expense	-547,516	-637,093	-837,264
Apparent family living expense	-56,191	-29,560	-106,611
Income and social security tax	-7,407	-3,746	-16,442
Cash from operations	74,957	42,273	177,032
<b>Cash From Investing Activities</b>			
Sale of breeding livestock	1,200	203	1,617
Sale of machinery & equipment	2,651	1,086	5,631
Sale of farm land	635	-	158
Sale of farm buildings	13	-	-
Sale of other farm assets	25,066	85,646	9,076
Sale of nonfarm assets	445	-	658
Purchase of breeding livestock	-45,996	-112,890	-46,033
Purchase of machinery & equip.	-47,297	-41,700	-78,105
Purchase of farm land	-6,325	-	-22,760
Purchase of farm buildings	-83,508	-236,256	-61,186
Purchase of other farm assets	-8,986	-1,136	-11,309
Purchase of nonfarm assets	-3,064	-4,147	-528
Cash from investing activities	-165,165	-309,195	-202,782
<b>Cash From Financing Activities</b>			
Money borrowed	237,368	435,776	296,418
Transfers in from nonfarm sources	7,121	5,695	14,712
Principal payments	-139,884	-163,339	-249,936
Dividends paid	-	-	-
Transfers out to nonfarm accounts	-4,680	-11	-17,226
Cash from financing activities	99,925	278,121	43,967
Net change in cash balance	9,717	11,199	18,218
Ending cash (farm & nonfarm)	22,710	14,567	50,990

Table 11

**Financial Standards Measures**  
**Michigan Dairy Farms, All Sizes, 2000**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	150	37	38
<b>Liquidity</b>			
Current ratio	1.84	1.04	3.09
Working capital	106,243	8,626	272,823
<b>Solvency (market)</b>			
Farm debt to asset ratio	36 %	52 %	25 %
Farm equity to asset ratio	64 %	48 %	75 %
Farm debt to equity ratio	57 %	107 %	33 %
<b>Profitability (cost)</b>			
Rate of return on farm assets	6.2 %	-0.3 %	13.0 %
Rate of return on farm equity	5.1 %	-18.3 %	16.2 %
Operating profit margin	13.1 %	-0.9 %	23.5 %
Net farm income	83,980	-37,577	255,427
<b>Repayment Capacity</b>			
Term debt coverage ratio	143 %	54 %	302 %
Capital replacement margin	30,658	-55,017	146,109
<b>Efficiency</b>			
Asset turnover rate (cost)	47.5 %	35.3 %	55.5 %
Operating expense ratio	74.6 %	83.7 %	68.6 %
Depreciation expense ratio	7.0 %	10.5 %	5.4 %
Interest expense ratio	6.2 %	11.1 %	3.5 %
Net farm income ratio	12.2 %	-5.3 %	22.5 %



Table 12

**Operator and Labor Information**  
**Michigan Dairy Farms, All Sizes, 2000**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	150	37	38
<b>Operator Information</b>			
Average number of operators	1.6	1.3	2.0
<b>Results Per Operator</b>			
Working capital	66,819	6,513	138,230
Total assets (market)	1,170,119	1,830,026	1,286,003
Total liabilities	409,061	899,174	304,812
Net worth (market)	761,058	930,852	981,191
Net worth excl deferred liabs	764,821	930,852	981,191
Gross farm income	432,037	540,155	575,772
Total farm expense	379,220	568,529	446,355
Net farm income	52,818	-28,375	129,416
Net nonfarm income	5,372	6,431	4,843
Family living withdrawals	39,999	25,149	62,347
Total acres owned	278.1	348.2	297.6
Total crop acres	334.5	343.9	393.5
Crop acres owned	185.7	187.5	241.9
Crop acres cash rented	148.5	156.4	151.2
Crop acres share rented	0.2	-	0.4
Total pasture acres	-	-	-
<b>Labor Analysis</b>			
Number of farms	149	36	38
Total unpaid labor hours	5,031	4,314	6,072
Total hired labor hours	7,308	6,764	12,265
Total labor hours per farm	12,338	11,077	18,338
Unpaid hours per operator	3,156	3,235	3,077
Value of farm production / hour	42.87	37.79	51.67
Net farm income / unpaid hour	17.55	-5.34	42.06

Table 13

**Financial Summary**  
**Michigan Dairy Farms, All Sizes, 2000**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	150	37	38
<b>Income Statement</b>			
Gross cash farm income	677,530	704,154	1,127,791
Total cash farm expense	547,516	637,093	837,264
Net cash farm income	130,013	67,062	290,526
Inventory change	2,125	-29,495	26,581
Depreciation and capital adjust	-48,158	-75,144	-61,680
Net farm income	83,980	-37,577	255,427
<b>Profitability (cost)</b>			
Labor and management earnings	48,595	-65,337	187,800
Rate of return on assets	6.2 %	-0.3 %	13.0 %
Rate of return on equity	5.1 %	-18.3 %	16.2 %
Operating profit margin	13.1 %	-0.9 %	23.5 %
Asset turnover rate	47.5 %	35.3 %	55.5 %
<b>Profitability (market)</b>			
Labor and management earnings	65,798	-48,450	198,423
Rate of return on assets	7.1 %	2.4 %	11.7 %
Rate of return on equity	7.1 %	-2.5 %	13.4 %
Operating profit margin	21.4 %	9.7 %	28.2 %
Asset turnover rate	33.3 %	24.5 %	41.5 %
<b>Liquidity</b>			
Term debt coverage ratio	143.1 %	54.5 %	301.9 %
Expense as a percent of income	80.8 %	94.7 %	72.1 %
Interest as a percent of income	6.2 %	11.1 %	3.5 %
<b>Solvency (cost)</b>			
Number of farms	150	37	38
Ending farm assets	1,238,522	1,620,564	1,801,057
Ending farm liabilities	634,346	1,190,785	600,724
Ending total assets	1,300,941	1,651,331	1,914,765
Ending total liabilities	638,440	1,190,799	601,603
Ending net worth	662,501	460,532	1,313,163
Net worth change	39,969	-56,856	160,334
Ending farm debt to asset ratio	51 %	73 %	33 %
Beg total debt to asset ratio	46 %	63 %	33 %
End total debt to asset ratio	49 %	72 %	31 %
<b>Solvency (market)</b>			
Number of farms	150	37	38
Ending farm assets	1,759,207	2,306,667	2,399,762
Ending farm liabilities	640,353	1,190,785	600,724
Ending total assets	1,860,489	2,423,548	2,538,163
Ending total liabilities	644,424	1,190,799	601,603
Ending net worth	1,216,065	1,232,749	1,936,560
Net worth change	87,729	3,399	203,879
Ending farm debt to asset ratio	36 %	52 %	25 %
Beg total debt to asset ratio	32 %	42 %	24 %
End total debt to asset ratio	35 %	49 %	24 %
<b>Nonfarm Information</b>			
Net nonfarm income	8,542	8,517	9,559

Table 14

**Livestock And Crop Production Summary**  
**Michigan Dairy Farms, 30 - 75.9 Cows, 2000**  
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 25 %	Average Of High 25 %
DAIRY			
Number of farms	26	7	7
Average number of Cows	54	48	59
Milk produced per Cow, lbs.	17,409	14,884	19,136
Average milk price per cwt., \$	12.93	12.60	13.03
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	26	6	7
Acreage Summary			
Total acres owned	252	212	264
Total crop acres	283	268	375
Crop acres owned	152	119	177
Crop acres cash rented	131	149	198

Table 15

**Farm Income Statement**  
**Michigan Dairy Farms, 30 - 75.9 Cows, 2000**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	26	6	7
<b>Cash Farm Income</b>			
Cherries	1,581	-	-
Corn	4,130	197	13,102
Corn Silage	300	-	1,114
Hay, Mixed	1,496	478	5,147
Soybeans	4,118	-	7,375
Straw	148	323	266
Sugar Beets	1,122	-	-
Wheat, Winter	731	112	772
Miscellaneous crop income	10	13	7
Dairy, Milk	122,263	77,095	145,645
Dairy, Dairy Calves	1,569	1,785	1,410
Dairy Heifers (for sale)	46	200	-
Dairy Replacement Heifers	277	-	1,029
Dairy Steers	2,884	1,872	4,128
Cull breeding livestock	10,757	6,513	17,157
Misc. livestock income	59	-	171
Transition payments	1,246	1,526	3,150
Other government payments	13,223	8,115	19,621
Custom work income	2,427	-	9,015
Patronage dividends, cash	1,726	493	3,521
Cash from hedging accts	33	-	122
Insurance income	111	481	-
Other farm income	2,359	3,901	2,725
<b>Gross Cash Farm Income, \$</b>	<b>172,615</b>	<b>103,102</b>	<b>235,477</b>

Table 16

**Farm Income Statement, continued**  
**Michigan Dairy Farms, 30 - 75.9 Cows, 2000**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Cash Farm Expense			
Seed	3,320	725	5,928
Fertilizer	4,866	1,524	7,466
Crop chemicals	3,835	1,257	5,492
Crop supplies, storage, soil tests	614	242	1,312
Purchased feed	26,970	20,131	33,517
Breeding fees	1,392	753	2,117
Veterinary	3,284	946	4,826
BST	496	-	1,453
Livestock supplies	6,566	5,339	7,074
DHIA	648	353	646
Livestock leases	190	621	173
Milk hauling charges	5,447	3,047	6,847
Milk and livestock marketing	2,900	1,726	3,817
Bedding	624	30	1,357
Interest	11,868	10,943	10,117
Fuel & oil	4,759	3,303	6,446
Repairs	11,655	9,604	16,690
Custom hire	3,922	597	7,883
Hired labor	16,330	8,296	23,660
Land rent	4,703	3,473	4,006
Machinery & bldg leases	1,275	575	1,456
Real estate taxes	3,017	3,119	3,980
Farm insurance	2,926	3,270	3,276
Utilities	5,476	5,494	6,441
Dues & professional fees	1,179	1,221	1,034
Car and truck	1,966	2,326	2,489
Supplies	1,400	231	2,304
Miscellaneous	898	610	702
Total cash expense	132,526	89,756	172,510
<b>Net cash farm income</b>	<b>40,089</b>	<b>13,346</b>	<b>62,966</b>
Inventory Changes			
Crops and feed	-4,183	-1,976	-9,360
Market livestock	254	667	590
Accounts receivable	-775	73	-138
Prepaid expenses and supplies	898	-783	3,189
Accounts payable	-124	-432	1,121
Total inventory change	-3,929	-2,452	-4,598
<b>Net operating profit</b>	<b>36,159</b>	<b>10,893</b>	<b>58,368</b>
Depreciation and Other Capital Adjustments			
Breeding livestock	8,508	2,087	17,950
Machinery and equipment	-12,462	-9,650	-15,216
Buildings and improvements	-3,589	-2,192	-3,200
Other farm capital	346	127	-1,013
Total depr. and other capital adj	-7,197	-9,628	-1,478
<b>Net farm income, \$</b>	<b>28,962</b>	<b>1,265</b>	<b>56,890</b>

Table 17

**Liquidity Measures**  
**Michigan Dairy Farms, 30 - 75.9 Cows, 2000**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	26	6	7
Liquidity (cash)			
Net cash farm income	40,089	13,346	62,966
Net nonfarm income	7,239	14,898	4,932
Family living and taxes	30,768	19,362	47,538
Real estate principal payments	5,908	5,560	4,473
Cash available for interm. debt	10,652	3,322	15,887
Average intermediate debt	42,196	36,382	39,065
Years to turnover interm. debt	4.0	11.0	2.5
Expense as a % of income	77 %	87 %	73 %
Interest as a % of income	7 %	11 %	4 %
Liquidity (accrual)			
Total accrual farm income	167,911	101,865	226,568
Total accrual operating expense	131,752	90,972	168,200
Net accrual operating income	36,159	10,893	58,368
Net nonfarm income	7,239	14,898	4,932
Family living and taxes	30,768	19,362	47,538
Real estate principal payments	5,908	5,560	4,473
Available for intermediate debt	6,723	870	11,290
Average intermediate debt	42,196	36,382	39,065
Years to turnover interm. debt	6.3	41.8	3.5
Expense as a % of income	78 %	89 %	74 %
Interest as a % of income	7 %	11 %	5 %

Table 18

**Balance Sheet at Cost Values**  
**Michigan Dairy Farms, 30 - 75.9 Cows, 2000**  
(Farms Sorted By Net Farm Income)

Number of farms	Avg. Of All Farms 26		Low 25% 6		High 25% 7	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	2,656	6,765	1,549	36	3,815	8,599
Prepaid expenses & supplies	3,574	4,472	1,283	500	8,918	12,107
Growing crops	4,793	4,562	3,013	3,347	9,383	8,872
Accounts receivable	3,495	2,967	5,618	5,358	1,798	2,213
Hedging accounts	0	0	0	0	0	0
Crops held for sale or feed	40,669	36,486	24,894	22,918	54,073	44,713
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	1,759	2,014	3,200	3,867	803	1,393
Other current assets	128	112	0	0	43	0
<b>Total current farm assets</b>	<b>57,075</b>	<b>57,378</b>	<b>39,558</b>	<b>36,024</b>	<b>78,833</b>	<b>77,898</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	100,754	110,260	80,199	82,255	112,214	133,343
Machinery and equipment	38,824	39,570	32,260	25,976	46,674	52,956
Other intermediate assets	3,684	6,002	3,189	2,412	8,456	14,822
<b>Total intermediate farm assets</b>	<b>143,261</b>	<b>155,833</b>	<b>115,648</b>	<b>110,643</b>	<b>167,344</b>	<b>201,121</b>
<b>Long Term Farm Assets</b>						
Farm land	99,514	99,661	77,297	77,297	130,225	129,571
Buildings and improvements	30,319	27,821	20,411	18,219	43,193	41,649
Other long-term assets	942	595	933	1,110	664	0
<b>Total long-term farm assets</b>	<b>130,775</b>	<b>128,078</b>	<b>98,641</b>	<b>96,626</b>	<b>174,082</b>	<b>171,220</b>
<b>Total Farm Assets</b>	<b>331,112</b>	<b>341,289</b>	<b>253,846</b>	<b>243,293</b>	<b>420,259</b>	<b>450,239</b>
<b>Total Nonfarm Assets</b>	<b>34,139</b>	<b>36,044</b>	<b>5,459</b>	<b>6,842</b>	<b>43,343</b>	<b>47,871</b>
<b>Total Assets</b>	<b>365,251</b>	<b>377,333</b>	<b>259,305</b>	<b>250,135</b>	<b>463,603</b>	<b>498,110</b>
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	300	450	0	0	300	689
Accounts payable	2,943	2,917	5,372	5,804	1,789	280
Current notes	10,856	12,225	11,856	10,330	12,022	14,936
Government crop loans	0	0	0	0	0	0
Principal due on term debt	14,558	16,812	11,526	11,716	14,723	17,015
<b>Total current farm liabilities</b>	<b>28,657</b>	<b>32,404</b>	<b>28,754</b>	<b>27,850</b>	<b>28,834</b>	<b>32,920</b>
<b>Total intermediate farm liabs</b>	<b>31,632</b>	<b>33,755</b>	<b>31,965</b>	<b>28,581</b>	<b>22,349</b>	<b>34,737</b>
<b>Total long term farm liabilities</b>	<b>105,215</b>	<b>99,899</b>	<b>85,309</b>	<b>82,243</b>	<b>72,745</b>	<b>63,897</b>
<b>Total farm liabilities</b>	<b>165,505</b>	<b>166,058</b>	<b>146,028</b>	<b>138,674</b>	<b>123,928</b>	<b>131,554</b>
<b>Total nonfarm liabilities</b>	<b>2,238</b>	<b>3,740</b>	<b>0</b>	<b>0</b>	<b>239</b>	<b>1,071</b>
<b>Total liabilities</b>	<b>167,743</b>	<b>169,798</b>	<b>146,028</b>	<b>138,674</b>	<b>124,168</b>	<b>132,626</b>
<b>Net worth (farm and nonfarm)</b>	<b>197,508</b>	<b>207,535</b>	<b>113,277</b>	<b>111,461</b>	<b>339,435</b>	<b>365,485</b>
<b>Net worth change</b>	<b>10,027</b>		<b>-1,816</b>		<b>26,050</b>	
<b>Ratio Analysis</b>						
Current farm liabilities / assets	50 %	56 %	73 %	77 %	37 %	42 %
Curr. & interm farm liab. / assets	30 %	31 %	39 %	38 %	21 %	24 %
Long term farm liab. / assets	80 %	78 %	86 %	85 %	42 %	37 %
Total debt to asset ratio	46 %	45 %	56 %	55 %	27 %	27 %

Table 19

**Balance Sheet at Market Values**  
**Michigan Dairy Farms, 30 - 75.9 Cows, 2000**  
(Farms Sorted By Net Farm Income)

Number of farms	Avg. Of All Farms 26		Low 25% 6		High 25% 7	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	2,656	6,765	1,549	36	3,815	8,599
Prepaid expenses & supplies	3,574	4,472	1,283	500	8,918	12,107
Growing crops	4,793	4,562	3,013	3,347	9,383	8,872
Accounts receivable	3,495	2,967	5,618	5,358	1,798	2,213
Hedging accounts	0	0	0	0	0	0
Crops held for sale or feed	40,669	36,486	24,894	22,918	54,073	44,713
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	1,759	2,014	3,200	3,867	803	1,393
Other current assets	128	112	0	0	43	0
<b>Total current farm assets</b>	<b>57,075</b>	<b>57,378</b>	<b>39,558</b>	<b>36,024</b>	<b>78,833</b>	<b>77,898</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	100,600	110,260	80,199	82,255	112,214	133,343
Machinery and equipment	127,195	129,383	105,385	100,909	158,071	163,100
Other intermediate assets	3,992	6,529	3,189	2,412	9,599	16,778
<b>Total intermediate farm assets</b>	<b>231,786</b>	<b>246,171</b>	<b>188,772</b>	<b>185,576</b>	<b>279,885</b>	<b>313,221</b>
<b>Long Term Farm Assets</b>						
Farm land	235,202	251,502	223,233	229,167	279,651	306,567
Buildings and improvements	61,686	64,528	64,631	63,798	65,000	63,571
Other long-term assets	7,825	7,488	933	1,110	16,379	15,714
<b>Total long-term farm assets</b>	<b>304,712</b>	<b>323,519</b>	<b>288,797</b>	<b>294,075</b>	<b>361,030</b>	<b>385,853</b>
<b>Total Farm Assets</b>	<b>593,573</b>	<b>627,068</b>	<b>517,127</b>	<b>515,674</b>	<b>719,748</b>	<b>776,972</b>
<b>Total Nonfarm Assets</b>	<b>80,737</b>	<b>88,357</b>	<b>31,223</b>	<b>32,206</b>	<b>108,274</b>	<b>109,899</b>
<b>Total Assets</b>	<b>674,310</b>	<b>715,425</b>	<b>548,350</b>	<b>547,880</b>	<b>828,022</b>	<b>886,871</b>
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	300	450	0	0	300	689
Accounts payable	2,943	2,917	5,372	5,804	1,789	280
Current notes	10,856	12,225	11,856	10,330	12,022	14,936
Government crop loans	0	0	0	0	0	0
Principal due on term debt	14,558	16,812	11,526	11,716	14,723	17,015
<b>Total current farm liabilities</b>	<b>28,657</b>	<b>32,404</b>	<b>28,754</b>	<b>27,850</b>	<b>28,834</b>	<b>32,920</b>
<b>Total intermediate farm liabs</b>	<b>31,632</b>	<b>33,755</b>	<b>31,965</b>	<b>28,581</b>	<b>22,349</b>	<b>34,737</b>
<b>Total long term farm liabilities</b>	<b>105,215</b>	<b>99,899</b>	<b>85,309</b>	<b>82,243</b>	<b>72,745</b>	<b>63,897</b>
<b>Total farm liabilities</b>	<b>165,505</b>	<b>166,058</b>	<b>146,028</b>	<b>138,674</b>	<b>123,928</b>	<b>131,554</b>
<b>Total nonfarm liabilities</b>	<b>2,238</b>	<b>3,740</b>	<b>0</b>	<b>0</b>	<b>239</b>	<b>1,071</b>
<b>Total liabs excluding deferreds</b>	<b>167,743</b>	<b>169,798</b>	<b>146,028</b>	<b>138,674</b>	<b>124,168</b>	<b>132,626</b>
<b>Total deferred liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total liabilities</b>	<b>167,743</b>	<b>169,798</b>	<b>146,028</b>	<b>138,674</b>	<b>124,168</b>	<b>132,626</b>
Retained earnings	197,508	207,535	113,277	111,461	339,435	365,485
Market valuation equity	309,060	338,092	289,045	297,745	364,419	388,760
Net worth (farm and nonfarm)	506,568	545,627	402,322	409,206	703,854	754,245
Net worth excluding deferreds	506,568	545,627	402,322	409,206	703,854	754,245
Net worth change	39,059		6,884		50,391	
<b>Ratio Analysis</b>						
Current farm liabilities / assets	50 %	56 %	73 %	77 %	37 %	42 %
Curr. & interm farm liab. / assets	21 %	22 %	27 %	25 %	14 %	17 %
Long term farm liab. / assets	35 %	31 %	30 %	28 %	20 %	17 %
Total debt to asset ratio	25 %	24 %	27 %	25 %	15 %	15 %
Debt to assets excl deferreds	25 %	24 %	27 %	25 %	15 %	15 %



Table 20

Statement Of Cash Flows  
**Michigan Dairy Farms, 30 - 75.9 Cows, 2000**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	26	6	7
Beginning cash (farm & nonfarm)	3,241	1,549	4,529
Cash From Operating Activities			
Gross cash farm income	172,615	103,102	235,477
Net nonfarm income	7,239	14,898	4,932
Total cash farm expense	-132,526	-89,756	-172,510
Apparent family living expense	-25,753	-17,496	-35,890
Income and social security tax	-5,016	-1,866	-11,648
Cash from operations	16,560	8,882	20,360
Cash From Investing Activities			
Sale of breeding livestock	363	206	-
Sale of machinery & equipment	1,772	281	5,163
Sale of farm land	1,338	-	4,970
Sale of farm buildings	-	-	-
Sale of other farm assets	662	903	1,387
Sale of nonfarm assets	-	-	-
Purchase of breeding livestock	-1,361	-174	-3,179
Purchase of machinery & equip.	-14,981	-3,646	-26,661
Purchase of farm land	-250	-	-
Purchase of farm buildings	-1,091	-	-1,655
Purchase of other farm assets	-2,287	-178	-8,101
Purchase of nonfarm assets	-5,662	-	-
Cash from investing activities	-21,497	-2,609	-28,076
Cash From Financing Activities			
Money borrowed	34,033	3,165	60,127
Transfers in from nonfarm sources	7,175	-	3,420
Principal payments	-32,127	-10,952	-50,618
Dividends paid	-	-	-
Transfers out to nonfarm uses	-115	-	-429
Cash from financing activities	8,966	-7,786	12,500
Net change in cash balance	4,028	-1,514	4,784
Ending cash (farm & nonfarm)	7,269	36	9,313

Table 21

Financial Standards Measures  
**Michigan Dairy Farms, 30 - 75.9 Cows, 2000**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	26	6	7
Liquidity			
Current ratio	1.77	1.29	2.37
Working capital	24,975	8,174	44,977
Solvency (market)			
Farm debt to asset ratio	26 %	27 %	17 %
Farm equity to asset ratio	74 %	73 %	83 %
Farm debt to equity ratio	36 %	37 %	20 %
Profitability (cost)			
Rate of return on farm assets	1.3 %	-7.6 %	8.1 %
Rate of return on farm equity	-4.4 %	-28.1 %	8.0 %
Operating profit margin	3.0 %	-22.5 %	16.7 %
Net farm income	28,962	1,265	56,890
Repayment Capacity			
Term debt coverage ratio	90 %	73 %	104 %
Capital replacement margin	-2,228	-5,096	801
Efficiency			
Asset turnover rate (cost)	44.5 %	33.7 %	48.5 %
Operating expense ratio	71.3 %	78.6 %	69.6 %
Depreciation expense ratio	4.3 %	9.5 %	0.7 %
Interest expense ratio	7.2 %	10.7 %	4.6 %
Net farm income ratio	17.2 %	1.2 %	25.1 %

Table 22

**Operator and Labor Information**  
**Michigan Dairy Farms, 30 - 75.9 Cows, 2000**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	26	6	7
<b>Operator Information</b>			
Average number of operators	1.1	1.0	1.3
<b>Results Per Operator</b>			
Working capital	22,391	8,174	34,982
Total assets (market)	641,415	547,880	689,788
Total liabilities	152,233	138,674	103,153
Net worth (market)	489,183	409,206	586,635
Net worth excl deferred liabs	489,183	409,206	586,635
Gross farm income	150,541	101,865	176,220
Total farm expense	124,575	100,600	131,972
Net farm income	25,966	1,265	44,248
Net nonfarm income	6,490	14,898	3,836
Family living withdrawals	27,586	19,362	36,974
Total acres owned	226.2	212.3	205.4
Total crop acres	253.5	268.1	291.7
Crop acres owned	136.4	119.3	137.6
Crop acres cash rented	117.1	148.8	154.2
Crop acres share rented	-	-	-
Total pasture acres	-	-	-
<b>Labor Analysis</b>			
Number of farms	26	6	7
Total unpaid labor hours	3,956	3,608	3,391
Total hired labor hours	1,885	1,183	2,746
Total labor hours per farm	5,841	4,792	6,137
Unpaid hours per operator	3,547	3,608	2,637
Value of farm production / hour	25.59	17.49	34.38
Net farm income / unpaid hour	7.32	0.35	16.78

Table 23

**Financial Summary**  
**Michigan Dairy Farms, 30 - 75.9 Cows, 2000**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	26	6	7
<b>Income Statement</b>			
Gross cash farm income	172,615	103,102	235,477
Total cash farm expense	132,526	89,756	172,510
Net cash farm income	40,089	13,346	62,966
Inventory change	-3,929	-2,452	-4,598
Depreciation and capital adjust	-7,197	-9,628	-1,478
Net farm income	28,962	1,265	56,890
<b>Profitability (cost)</b>			
Labor and management earnings	18,737	-5,108	38,440
Rate of return on assets	1.3 %	-7.6 %	8.1 %
Rate of return on equity	-4.4 %	-28.1 %	8.0 %
Operating profit margin	3.0 %	-22.5 %	16.7 %
Asset turnover rate	44.5 %	33.7 %	48.5 %
<b>Profitability (market)</b>			
Labor and management earnings	25,608	-12,078	46,898
Rate of return on assets	4.6 %	-1.9 %	8.3 %
Rate of return on equity	3.6 %	-5.5 %	8.4 %
Operating profit margin	18.6 %	-11.6 %	29.6 %
Asset turnover rate	24.5 %	16.2 %	28.2 %
<b>Liquidity</b>			
Term debt coverage ratio	90.4 %	72.8 %	104.0 %
Expense as a percent of income	78.5 %	89.3 %	74.2 %
Interest as a percent of income	7.2 %	10.7 %	4.6 %
<b>Solvency (cost)</b>			
Number of farms	26	6	7
Ending farm assets	341,289	243,293	450,239
Ending farm liabilities	166,058	138,674	131,554
Ending total assets	377,333	250,135	498,110
Ending total liabilities	169,798	138,674	132,626
Ending net worth	207,535	111,461	365,485
Net worth change	10,027	-1,816	26,050
Ending farm debt to asset ratio	49 %	57 %	29 %
Beg total debt to asset ratio	46 %	56 %	27 %
End total debt to asset ratio	45 %	55 %	27 %
<b>Solvency (market)</b>			
Number of farms	26	6	7
Ending farm assets	627,068	515,674	776,972
Ending farm liabilities	166,058	138,674	131,554
Ending total assets	715,425	547,880	886,871
Ending total liabilities	169,798	138,674	132,626
Ending net worth	545,627	409,206	754,245
Net worth change	39,059	6,884	50,391
Ending farm debt to asset ratio	26 %	27 %	17 %
Beg total debt to asset ratio	25 %	27 %	15 %
End total debt to asset ratio	24 %	25 %	15 %
<b>Nonfarm Information</b>			
Net nonfarm income	7,239	14,898	4,932

Table 24

**Livestock And Crop Production Summary**  
**Michigan Dairy Farms, 76 - 120.9 Cows, 2000**  
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 25 %	Average Of High 25 %
DAIRY			
Number of farms	34	9	9
Average number of Cows	97	93	99
Milk produced per Cow, lbs.	18,480	18,329	19,861
Average milk price per cwt., \$	13.00	12.68	13.23
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	34	8	9
Acreage Summary			
Total acres owned	350	376	347
Total crop acres	332	203	434
Crop acres owned	181	101	188
Crop acres cash rented	151	102	246
Average Price Received (Cash Sales Only)			
Soybeans per bushel, \$	4.40	-	-
Wheat, Winter per bushel, \$	1.60	-	-

Table 25

**Farm Income Statement**  
**Michigan Dairy Farms, 76 - 120.9 Cows, 2000**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	34	8	9
<b>Cash Farm Income</b>			
Asparagus	218	-	-
Cordwood	1,553	6,602	-
Corn	4,116	4,638	3,869
Corn, Ear	326	-	-
Hay, Mixed	613	1,975	29
Oats	67	-	251
Rye	35	148	-
Soybeans	4,887	7,197	8,405
Wheat, Winter	913	613	2,016
Miscellaneous crop income	105	-	46
Beef, Finish Beef Calves	1,819	7,732	-
Dairy, Milk	232,161	216,014	258,079
Dairy, Dairy Calves	2,253	2,207	2,644
Dairy Heifers (for sale)	1,033	4,375	13
Dairy Replacement Heifers	461	-	1,561
Dairy Steers	4,384	7,370	3,063
Hogs, Farrow-Fin, Raised Hogs	273	-	1,030
Hogs, Finish Feeder Pigs	267	-	1,010
Cull breeding livestock	15,187	14,622	15,061
Misc. livestock income	601	-	-
Transition payments	4,046	-	12,493
Other government payments	26,852	29,398	23,784
Custom work income	908	41	1,364
Patronage dividends, cash	1,473	1,946	1,502
Insurance income	882	1,403	623
Other farm income	3,220	3,883	1,663
<b>Gross Cash Farm Income</b>	<b>308,650</b>	<b>310,163</b>	<b>338,507</b>

Table 26

**Farm Income Statement, continued**  
**Michigan Dairy Farms, 76 - 120.9 Cows, 2000**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms 34	Low 25% 8	High 25% 9
Number of farms			
Cash Farm Expense			
Seed	5,541	5,112	6,784
Fertilizer	9,349	12,226	10,492
Crop chemicals	5,851	6,860	4,875
Drying fuel	210	-	-
Crop supplies, storage and soil tests	275	333	327
Feeder livestock purchase	2,596	6,442	272
Purchased feed	49,118	50,902	48,937
Breeding fees	1,624	808	2,700
Veterinary	4,910	3,182	6,489
BST	1,108	-	1,351
Livestock supplies	10,491	11,686	12,114
DHIA	1,004	269	1,100
Livestock leases	217	-	819
Milk hauling charges	8,587	8,837	7,638
Milk and livestock marketing	4,742	4,528	5,472
Bedding	1,326	989	1,287
Interest	17,770	17,630	17,603
Fuel & oil	8,350	9,115	9,730
Repairs	17,864	20,944	16,378
Custom hire	5,874	7,639	5,710
Hired labor	32,745	38,580	25,944
Land rent	11,797	18,311	11,287
Machinery & bldg leases	4,140	994	5,684
Real estate taxes	4,591	4,039	3,805
Farm insurance	4,487	5,502	4,426
Utilities	7,656	8,439	7,205
Dues & professional fees	1,842	3,050	1,386
Car and truck	2,076	2,000	1,203
Supplies	1,373	1,136	1,379
Miscellaneous	1,988	2,050	2,514
Total cash expense	229,503	251,601	224,911
<b>Net cash farm income</b>	<b>79,147</b>	<b>58,562</b>	<b>113,596</b>
Inventory Changes			
Crops and feed	6,725	2,737	11,076
Market livestock	1,225	3,457	478
Accounts receivable	-1,813	-2,255	171
Prepaid expenses and supplies	-3,726	-4,644	-5,455
Accounts payable	-2,699	-8,602	-466
Total inventory change	-288	-9,307	5,803
<b>Net operating profit</b>	<b>78,860</b>	<b>49,255</b>	<b>119,399</b>
Depreciation and Other Capital Adjustments			
Breeding livestock	5,633	-6,781	10,485
Machinery and equipment	-28,649	-34,571	-24,403
Buildings and improvements	-9,112	-8,071	-5,992
Other farm capital	242	882	223
Total depr. and other capital adj	-31,887	-48,541	-19,687
<b>Net farm income</b>	<b>46,973</b>	<b>714</b>	<b>99,712</b>

Table 27

**Liquidity Measures**  
**Michigan Dairy Farms, 76 - 120.9 Cows, 2000**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	34	8	9
Liquidity (cash)			
Net cash farm income	79,147	58,562	113,596
Net nonfarm income	7,062	8,519	7,911
Family living and taxes	46,600	31,977	71,940
Real estate principal payments	7,593	2,226	8,218
Cash available for interm. debt	32,016	32,877	41,350
Average intermediate debt	89,350	124,144	98,456
Years to turnover interm. debt	2.8	3.8	2.4
Expense as a % of income	74 %	81 %	66 %
Interest as a % of income	6 %	6 %	5 %
Liquidity (accrual)			
Total accrual farm income	314,787	314,102	350,231
Total accrual operating expense	235,927	264,847	230,832
Net accrual operating income	78,860	49,255	119,399
Net nonfarm income	7,062	8,519	7,911
Family living and taxes	46,600	31,977	71,940
Real estate principal payments	7,593	2,226	8,218
Available for intermediate debt	31,728	23,570	47,153
Average intermediate debt	89,350	124,144	98,456
Years to turnover interm. debt	2.8	5.3	2.1
Expense as a % of income	75 %	84 %	66 %
Interest as a % of income	6 %	6 %	5 %



Table 28

**Balance Sheet at Cost Values**  
**Michigan Dairy Farms, 76 - 120.9 Cows, 2000**  
(Farms Sorted By Net Farm Income)

Number of farms	Avg. Of All Farms 34		Low 25% 8		High 25% 9	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	11,127	17,703	6,056	14,662	25,280	30,222
Prepaid expenses & supplies	11,674	7,949	14,975	10,331	15,697	10,242
Growing crops	3,591	3,788	2,586	2,866	6,036	6,571
Accounts receivable	8,197	6,318	12,938	10,403	2,230	2,361
Hedging accounts	0	0	0	0	0	0
Crops held for sale or feed	79,464	86,188	84,420	87,157	81,283	92,359
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	5,774	6,999	9,987	13,444	3,172	3,650
Other current assets	174	43	0	0	645	150
<b>Total current farm assets</b>	<b>120,001</b>	<b>128,988</b>	<b>130,961</b>	<b>138,862</b>	<b>134,344</b>	<b>145,555</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	171,493	179,094	184,326	178,320	164,500	177,009
Machinery and equipment	71,032	71,024	78,386	74,425	66,842	73,024
Other intermediate assets	4,789	10,404	7,560	7,755	6,263	25,717
<b>Total intermediate farm assets</b>	<b>247,314</b>	<b>260,522</b>	<b>270,272</b>	<b>260,500</b>	<b>237,604</b>	<b>275,750</b>
<b>Long Term Farm Assets</b>						
Farm land	134,185	133,352	103,996	103,291	144,528	144,526
Buildings and improvements	60,988	61,238	56,742	55,874	51,025	47,001
Other long-term assets	5,697	5,605	3,943	4,264	0	0
<b>Total long-term farm assets</b>	<b>200,870</b>	<b>200,195</b>	<b>164,681</b>	<b>163,428</b>	<b>195,553</b>	<b>191,528</b>
<b>Total Farm Assets</b>	<b>568,185</b>	<b>589,705</b>	<b>565,915</b>	<b>562,790</b>	<b>567,500</b>	<b>612,833</b>
<b>Total Nonfarm Assets</b>	<b>29,830</b>	<b>38,143</b>	<b>40,812</b>	<b>45,933</b>	<b>37,518</b>	<b>61,265</b>
<b>Total Assets</b>	<b>598,015</b>	<b>627,848</b>	<b>606,727</b>	<b>608,723</b>	<b>605,018</b>	<b>674,099</b>
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	530	954	162	153	1,053	1,797
Accounts payable	5,018	7,293	10,443	19,054	425	146
Current notes	18,016	25,608	34,651	39,538	16,096	15,479
Government crop loans	0	0	0	0	0	0
Principal due on term debt	20,666	25,243	21,157	35,455	21,745	24,227
<b>Total current farm liabilities</b>	<b>44,230</b>	<b>59,098</b>	<b>66,412</b>	<b>94,198</b>	<b>39,318</b>	<b>41,649</b>
<b>Total intermediate farm liabs</b>	<b>74,730</b>	<b>73,410</b>	<b>109,375</b>	<b>89,123</b>	<b>76,117</b>	<b>90,821</b>
<b>Total long term farm liabilities</b>	<b>131,867</b>	<b>131,768</b>	<b>63,350</b>	<b>72,928</b>	<b>153,781</b>	<b>148,494</b>
<b>Total farm liabilities</b>	<b>250,828</b>	<b>264,277</b>	<b>239,136</b>	<b>256,249</b>	<b>269,216</b>	<b>280,965</b>
<b>Total nonfarm liabilities</b>	<b>1,945</b>	<b>1,686</b>	<b>0</b>	<b>0</b>	<b>373</b>	<b>373</b>
<b>Total liabilities</b>	<b>252,772</b>	<b>265,963</b>	<b>239,136</b>	<b>256,249</b>	<b>269,590</b>	<b>281,338</b>
<b>Net worth (farm and nonfarm)</b>	<b>345,243</b>	<b>361,886</b>	<b>367,590</b>	<b>352,474</b>	<b>335,428</b>	<b>392,760</b>
<b>Net worth change</b>	<b>16,642</b>		<b>-15,116</b>		<b>57,332</b>	
<b>Ratio Analysis</b>						
Current farm liabilities / assets	37 %	46 %	51 %	68 %	29 %	29 %
Curr. & interm farm liab. / assets	32 %	34 %	44 %	46 %	31 %	31 %
Long term farm liab. / assets	66 %	66 %	38 %	45 %	79 %	78 %
Total debt to asset ratio	42 %	42 %	39 %	42 %	45 %	42 %

Table 29

**Balance Sheet at Market Values**  
**Michigan Dairy Farms, 76 - 120.9 Cows, 2000**  
(Farms Sorted By Net Farm Income)

Number of farms	Avg. Of All Farms 34		Low 25% 8		High 25% 9	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	11,127	17,703	6,056	14,662	25,280	30,222
Prepaid expenses & supplies	11,674	7,949	14,975	10,331	15,697	10,242
Growing crops	3,591	3,788	2,586	2,866	6,036	6,571
Accounts receivable	8,197	6,318	12,938	10,403	2,230	2,361
Hedging accounts	0	0	0	0	0	0
Crops held for sale or feed	79,464	86,188	84,420	87,157	81,283	92,359
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	5,774	6,999	9,987	13,444	3,172	3,650
Other current assets	174	43	0	0	645	150
<b>Total current farm assets</b>	<b>120,001</b>	<b>128,988</b>	<b>130,961</b>	<b>138,862</b>	<b>134,344</b>	<b>145,555</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	171,836	179,115	185,786	178,320	164,500	177,091
Machinery and equipment	191,842	206,058	229,624	249,044	185,912	189,881
Other intermediate assets	4,822	10,404	7,560	7,755	6,263	25,717
<b>Total intermediate farm assets</b>	<b>368,501</b>	<b>395,577</b>	<b>422,970</b>	<b>435,119</b>	<b>356,674</b>	<b>392,690</b>
<b>Long Term Farm Assets</b>						
Farm land	324,203	366,242	218,729	254,675	387,819	428,490
Buildings and improvements	83,506	87,848	107,794	110,463	68,958	68,424
Other long-term assets	5,867	5,996	4,313	4,264	0	0
<b>Total long-term farm assets</b>	<b>413,575</b>	<b>460,086</b>	<b>330,836</b>	<b>369,402</b>	<b>456,777</b>	<b>496,914</b>
<b>Total Farm Assets</b>	<b>902,077</b>	<b>984,651</b>	<b>884,767</b>	<b>943,383</b>	<b>947,795</b>	<b>1,035,159</b>
<b>Total Nonfarm Assets</b>	<b>62,721</b>	<b>74,143</b>	<b>87,782</b>	<b>91,197</b>	<b>78,069</b>	<b>100,413</b>
<b>Total Assets</b>	<b>964,798</b>	<b>1,058,795</b>	<b>972,549</b>	<b>1,034,579</b>	<b>1,025,864</b>	<b>1,135,572</b>
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	530	954	162	153	1,053	1,797
Accounts payable	5,018	7,293	10,443	19,054	425	146
Current notes	18,016	25,608	34,651	39,538	16,096	15,479
Government crop loans	0	0	0	0	0	0
Principal due on term debt	20,666	25,243	21,157	35,455	21,745	24,227
<b>Total current farm liabilities</b>	<b>44,230</b>	<b>59,098</b>	<b>66,412</b>	<b>94,198</b>	<b>39,318</b>	<b>41,649</b>
<b>Total intermediate farm liabs</b>	<b>74,730</b>	<b>73,410</b>	<b>109,375</b>	<b>89,123</b>	<b>76,117</b>	<b>90,821</b>
<b>Total long term farm liabilities</b>	<b>131,867</b>	<b>131,768</b>	<b>63,350</b>	<b>72,928</b>	<b>153,781</b>	<b>148,494</b>
<b>Total farm liabilities</b>	<b>250,828</b>	<b>264,277</b>	<b>239,136</b>	<b>256,249</b>	<b>269,216</b>	<b>280,965</b>
<b>Total nonfarm liabilities</b>	<b>1,945</b>	<b>1,686</b>	<b>0</b>	<b>0</b>	<b>373</b>	<b>373</b>
<b>Total liabs excluding deferreds</b>	<b>252,772</b>	<b>265,963</b>	<b>239,136</b>	<b>256,249</b>	<b>269,590</b>	<b>281,338</b>
<b>Total deferred liabilities</b>	<b>5,938</b>	<b>6,351</b>	<b>0</b>	<b>0</b>	<b>8,552</b>	<b>8,552</b>
<b>Total liabilities</b>	<b>258,710</b>	<b>272,313</b>	<b>239,136</b>	<b>256,249</b>	<b>278,142</b>	<b>289,890</b>
Retained earnings	345,243	361,886	367,590	352,474	335,428	392,760
Market valuation equity	360,845	424,596	365,822	425,857	412,294	452,921
Net worth (farm and nonfarm)	706,088	786,481	733,412	778,331	747,722	845,682
Net worth excluding deferreds	712,026	792,832	733,412	778,331	756,274	854,234
Net worth change	80,393		44,918		97,960	
<b>Ratio Analysis</b>						
Current farm liabilities / assets	37 %	46 %	51 %	68 %	29 %	29 %
Curr. & interm farm liab. / assets	24 %	25 %	32 %	32 %	24 %	25 %
Long term farm liab. / assets	32 %	29 %	19 %	20 %	34 %	30 %
Total debt to asset ratio	27 %	26 %	25 %	25 %	27 %	26 %
Debt to assets excl deferreds	26 %	25 %	25 %	25 %	26 %	25 %

Table 30

Statement Of Cash Flows  
**Michigan Dairy Farms, 76 - 120.9 Cows, 2000**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	34	8	9
Beginning cash (farm & nonfarm)	11,141	6,056	25,280
<b>Cash From Operating Activities</b>			
Gross cash farm income	308,650	310,163	338,507
Net nonfarm income	7,062	8,519	7,911
Total cash farm expense	-229,503	-251,601	-224,911
Apparent family living expense	-41,868	-26,819	-69,123
Income and social security tax	-4,732	-5,158	-2,817
Cash from operations	39,609	35,103	49,568
<b>Cash From Investing Activities</b>			
Sale of breeding livestock	343	188	75
Sale of machinery & equipment	817	-	8
Sale of farm land	729	-	-
Sale of farm buildings	59	-	-
Sale of other farm assets	2,279	674	7,626
Sale of nonfarm assets	-	-	-
Purchase of breeding livestock	-2,311	-963	-2,100
Purchase of machinery & equip.	-29,458	-30,610	-30,594
Purchase of farm land	-	-	-
Purchase of farm buildings	-9,421	-7,203	-1,968
Purchase of other farm assets	-7,560	-308	-26,858
Purchase of nonfarm assets	-412	-	-1,555
Cash from investing activities	-44,935	-38,222	-55,364
<b>Cash From Financing Activities</b>			
Money borrowed	55,841	68,635	52,215
Transfers in from nonfarm sources	2,422	3,305	1,082
Principal payments	-45,356	-60,123	-40,865
Dividends paid	-	-	-
Transfers out to nonfarm uses	-690	-	-1,693
Cash from financing activities	12,217	11,817	10,739
Net change in cash balance	6,892	8,699	4,942
Ending cash (farm & nonfarm)	18,033	14,754	30,222

Table 31

**Financial Standards Measures**  
**Michigan Dairy Farms, 76 - 120.9 Cows, 2000**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	34	8	9
Liquidity			
Current ratio	2.18	1.47	3.49
Working capital	69,890	44,664	103,906
Solvency (market)			
Farm debt to asset ratio	27 %	27 %	28 %
Farm equity to asset ratio	73 %	73 %	72 %
Farm debt to equity ratio	38 %	37 %	39 %
Profitability (cost)			
Rate of return on farm assets	2.8 %	-4.1 %	9.5 %
Rate of return on farm equity	-0.6 %	-12.9 %	12.0 %
Operating profit margin	6.0 %	-9.3 %	18.1 %
Net farm income	46,973	714	99,712
Repayment Capacity			
Term debt coverage ratio	156 %	119 %	192 %
Capital replacement margin	18,388	4,639	33,626
Efficiency			
Asset turnover rate (cost)	46.4 %	44.3 %	52.8 %
Operating expense ratio	69.2 %	78.7 %	60.7 %
Depreciation expense ratio	10.1 %	15.5 %	5.6 %
Interest expense ratio	5.8 %	5.6 %	5.2 %
Net farm income ratio	14.9 %	0.2 %	28.5 %

Table 32

**Operator and Labor Information**  
**Michigan Dairy Farms, 76 - 120.9 Cows, 2000**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	34	8	9
<b>Operator Information</b>			
Average number of operators	1.6	1.4	2.1
<b>Results Per Operator</b>			
Working capital	44,835	32,483	49,219
Total assets (market)	679,227	752,421	537,902
Total liabilities	178,765	186,363	141,368
Net worth (market)	500,461	566,059	396,535
Net worth excl deferred liabs	504,535	566,059	400,586
Gross farm income	201,939	228,438	165,899
Total farm expense	171,805	227,919	118,667
Net farm income	30,134	519	47,232
Net nonfarm income	4,530	6,195	3,748
Family living withdrawals	29,894	23,256	34,077
Total acres owned	224.5	273.1	164.6
Total crop acres	213.1	147.5	205.7
Crop acres owned	116.2	73.6	89.2
Crop acres cash rented	96.9	73.8	116.5
Crop acres share rented	-	-	-
Total pasture acres	-	-	-
<b>Labor Analysis</b>			
Number of farms	34	8	9
Total unpaid labor hours	5,099	4,369	6,962
Total hired labor hours	2,947	3,570	2,729
Total labor hours per farm	8,046	7,939	9,691
Unpaid hours per operator	3,271	3,177	3,298
Value of farm production / hour	33.40	31.49	32.14
Net farm income / unpaid hour	9.21	0.16	14.32

Table 33

**Financial Summary**  
**Michigan Dairy Farms, 76 - 120.9 Cows, 2000**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	34	8	9
Income Statement			
Gross cash farm income	308,650	310,163	338,507
Total cash farm expense	229,503	251,601	224,911
Net cash farm income	79,147	58,562	113,596
Inventory change	-288	-9,307	5,803
Depreciation and capital adjust	-31,887	-48,541	-19,687
Net farm income	46,973	714	99,712
Profitability (cost)			
Labor and management earnings	27,370	-18,286	80,472
Rate of return on assets	2.8 %	-4.1 %	9.5 %
Rate of return on equity	-0.6 %	-12.9 %	12.0 %
Operating profit margin	6.0 %	-9.3 %	18.1 %
Asset turnover rate	46.4 %	44.3 %	52.8 %
Profitability (market)			
Labor and management earnings	66,841	22,471	99,274
Rate of return on assets	8.1 %	4.2 %	9.9 %
Rate of return on equity	8.6 %	3.1 %	11.3 %
Operating profit margin	28.6 %	15.4 %	31.5 %
Asset turnover rate	28.5 %	27.3 %	31.4 %
Liquidity			
Term debt coverage ratio	156.5 %	118.7 %	191.7 %
Expense as a percent of income	74.9 %	84.3 %	65.9 %
Interest as a percent of income	5.8 %	5.6 %	5.2 %
Solvency (cost)			
Number of farms	34	8	9
Ending farm assets	589,705	562,790	612,833
Ending farm liabilities	264,277	256,249	280,965
Ending total assets	627,848	608,723	674,099
Ending total liabilities	265,963	256,249	281,338
Ending net worth	361,886	352,474	392,760
Net worth change	16,642	-15,116	57,332
Ending farm debt to asset ratio	45 %	46 %	46 %
Beg total debt to asset ratio	42 %	39 %	45 %
End total debt to asset ratio	42 %	42 %	42 %
Solvency (market)			
Number of farms	34	8	9
Ending farm assets	984,651	943,383	1,035,159
Ending farm liabilities	270,722	256,249	289,517
Ending total assets	1,058,795	1,034,579	1,135,572
Ending total liabilities	272,313	256,249	289,890
Ending net worth	786,481	778,331	845,682
Net worth change	80,393	44,918	97,960
Ending farm debt to asset ratio	27 %	27 %	28 %
Beg total debt to asset ratio	27 %	25 %	27 %
End total debt to asset ratio	26 %	25 %	26 %
Nonfarm Information			
Net nonfarm income	7,062	8,519	7,911

Table 34

**Livestock And Crop Production Summary**  
**Michigan Dairy Farms, 121 - 200.9 Cows, 2000**  
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 25 %	Average Of High 25 %
DAIRY			
Number of farms	43	11	11
Average number of Cows	155	152	160
Milk produced per Cow, lbs.	20,012	19,278	21,886
Average milk price per cwt., \$	13.07	13.27	13.23
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	43	10	11
Acreage Summary			
Total acres owned	331	343	380
Total crop acres	459	435	572
Crop acres owned	211	262	257
Crop acres cash rented	248	173	315

Table 35

**Farm Income Statement**  
**Michigan Dairy Farms, 121 - 200.9 Cows, 2000**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	43	10	11
<b>Cash Farm Income</b>			
Corn	2,899	9	6,263
Hay, Alfalfa	752	34	2,909
Hay, Mixed	496	382	181
Haylage, Mixed	30	130	-
Soybeans	3,585	2,060	6,786
Straw	137	503	-
Wheat, Winter	1,654	1,138	2,290
Miscellaneous crop income	24	83	-
Beef, Background Beef	714	-	-
Dairy, Milk	405,397	376,431	477,299
Dairy, Dairy Calves	4,984	2,536	8,229
Dairy Replacement Heifers	194	336	-
Dairy Steers	7,726	14,529	7,582
Cull breeding livestock	22,814	20,104	25,294
Misc. livestock income	405	71	39
Other government payments	42,107	46,777	44,371
Custom work income	817	369	1,690
Patronage dividends, cash	4,446	10,016	3,312
Insurance income	1,158	400	427
Other farm income	2,400	1,364	1,309
<b>Gross Cash Farm Income</b>	<b>502,739</b>	<b>477,272</b>	<b>587,980</b>



Table 36

Farm Income Statement, continued  
**Michigan Dairy Farms, 121 - 200.9 Cows, 2000**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Cash Farm Expense			
Seed	7,787	6,428	10,226
Fertilizer	13,243	12,413	19,979
Crop chemicals	7,178	7,696	5,855
Crop insurance	273	284	346
Crop supplies, storage, soil tests	915	387	330
Purchased feed	104,722	103,026	119,891
Breeding fees	4,059	3,864	5,683
Veterinary	12,699	16,332	16,637
BST	1,235	2,275	1,740
Livestock supplies	16,635	15,912	18,091
DHIA	1,745	1,967	2,205
Livestock leases	746	3,207	-
Milk hauling charges	14,462	14,625	15,284
Milk and livestock marketing	7,693	7,140	9,362
Bedding	3,505	4,994	3,488
Interest	25,055	38,079	20,881
Fuel & oil	13,286	12,420	12,597
Repairs	30,074	30,237	28,440
Custom hire	11,576	13,386	13,253
Hired labor	63,691	60,841	63,182
Land rent	17,103	13,314	18,928
Machinery & bldg leases	6,365	8,307	11,199
Real estate taxes	6,198	4,031	6,928
Farm insurance	6,280	6,436	5,920
Utilities	11,090	12,925	10,504
Dues & professional fees	3,792	4,588	4,170
Car and truck	2,887	3,273	2,836
Supplies	1,761	2,606	1,903
Miscellaneous	2,313	1,437	3,945
Total cash expense	398,368	412,426	433,805
<b>Net cash farm income</b>	<b>104,371</b>	<b>64,847</b>	<b>154,175</b>
Inventory Changes			
Crops and feed	544	-13,797	8,699
Market livestock	516	1,301	2,331
Accounts receivable	-3,650	-6,135	2,978
Prepaid expenses and supplies	3,280	-7,627	12,585
Accounts payable	-2,170	-8,711	1,135
Total inventory change	-1,480	-34,968	27,728
<b>Net operating profit</b>	<b>102,891</b>	<b>29,878</b>	<b>181,903</b>
Depreciation and Other Capital Adjustments			
Breeding livestock	17,116	2,345	36,446
Machinery and equipment	-30,692	-28,268	-32,045
Buildings and improvements	-14,127	-24,116	-9,277
Other farm capital	1,861	6,438	-1,482
Total depr. and other capital adj	-25,842	-43,601	-6,357
<b>Net farm income</b>	<b>77,049</b>	<b>-13,723</b>	<b>175,546</b>

Table 37

**Liquidity Measures**  
**Michigan Dairy Farms, 121 - 200.9 Cows, 2000**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	43	10	11
Liquidity (cash)			
Net cash farm income	104,371	64,847	154,175
Net nonfarm income	4,426	7,885	1,107
Family living and taxes	58,498	44,734	77,051
Real estate principal payments	10,232	19,831	6,385
Cash available for interm. debt	40,068	8,167	71,846
Average intermediate debt	128,006	157,354	102,612
Years to turnover interm. debt	3.2	19.3	1.4
Expense as a % of income	79 %	86 %	74 %
Interest as a % of income	5 %	8 %	4 %
Liquidity (accrual)			
Total accrual farm income	500,148	458,642	601,988
Total accrual operating expense	397,257	428,764	420,085
Net accrual operating income	102,891	29,878	181,903
Net nonfarm income	4,426	7,885	1,107
Family living and taxes	58,498	44,734	77,051
Real estate principal payments	10,232	19,831	6,385
Available for intermediate debt	38,588	-26,802	99,574
Average intermediate debt	128,006	157,354	102,612
Years to turnover interm. debt	3.3	**	1.0
Expense as a % of income	79 %	93 %	70 %
Interest as a % of income	5 %	8 %	3 %

\*\* Income insufficient to meet debt servicing requirements

Table 38

**Balance Sheet at Cost Values**  
**Michigan Dairy Farms, 121 - 200.9 Cows, 2000**  
(Farms Sorted By Net Farm Income)

Number of farms	Avg. Of All Farms 43		Low 25% 10		High 25% 11	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	17,271	27,307	11,383	14,505	21,703	14,332
Prepaid expenses & supplies	15,227	18,507	12,270	4,643	26,650	39,235
Growing crops	8,052	6,755	6,225	5,856	10,093	11,557
Accounts receivable	11,301	9,429	13,292	9,526	10,591	12,163
Hedging accounts	0	0	0	0	0	0
Crops held for sale or feed	98,825	99,369	95,540	81,743	108,303	117,002
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	7,020	7,536	9,399	10,701	4,797	7,128
Other current assets	476	-4	2,000	0	58	0
<b>Total current farm assets</b>	<b>158,172</b>	<b>168,898</b>	<b>150,108</b>	<b>126,973</b>	<b>182,195</b>	<b>201,417</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	286,862	307,976	285,396	292,192	316,933	353,420
Machinery and equipment	114,128	114,744	100,901	93,661	136,472	145,665
Other intermediate assets	5,354	5,637	8,936	10,055	5,384	5,103
<b>Total intermediate farm assets</b>	<b>406,343</b>	<b>428,357</b>	<b>395,233</b>	<b>395,908</b>	<b>458,789</b>	<b>504,188</b>
<b>Long Term Farm Assets</b>						
Farm land	123,766	139,864	104,628	113,257	209,685	230,594
Buildings and improvements	105,358	110,025	118,404	119,958	82,952	112,151
Other long-term assets	3,351	5,703	6,592	12,863	0	0
<b>Total long-term farm assets</b>	<b>232,475</b>	<b>255,591</b>	<b>229,624</b>	<b>246,078</b>	<b>292,636</b>	<b>342,745</b>
<b>Total Farm Assets</b>	<b>796,991</b>	<b>852,846</b>	<b>774,965</b>	<b>768,960</b>	<b>933,621</b>	<b>1,048,350</b>
<b>Total Nonfarm Assets</b>	<b>26,369</b>	<b>40,094</b>	<b>12,114</b>	<b>14,518</b>	<b>18,653</b>	<b>34,636</b>
<b>Total Assets</b>	<b>823,360</b>	<b>892,941</b>	<b>787,079</b>	<b>783,478</b>	<b>952,274</b>	<b>1,082,987</b>
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	976	1,853	422	713	846	111
Accounts payable	11,347	12,307	22,807	31,228	6,149	5,749
Current notes	23,510	34,386	22,107	37,249	11,810	17,782
Government crop loans	0	0	0	0	0	0
Principal due on term debt	33,840	38,653	54,151	51,656	27,202	35,944
<b>Total current farm liabilities</b>	<b>69,673</b>	<b>87,199</b>	<b>99,488</b>	<b>120,845</b>	<b>46,007</b>	<b>59,586</b>
<b>Total intermediate farm liabs</b>	<b>106,471</b>	<b>99,982</b>	<b>116,960</b>	<b>128,774</b>	<b>86,845</b>	<b>75,303</b>
<b>Total long term farm liabilities</b>	<b>165,393</b>	<b>169,131</b>	<b>255,005</b>	<b>258,525</b>	<b>140,825</b>	<b>154,905</b>
<b>Total farm liabilities</b>	<b>341,538</b>	<b>356,311</b>	<b>471,452</b>	<b>508,144</b>	<b>273,677</b>	<b>289,794</b>
<b>Total nonfarm liabilities</b>	<b>1,159</b>	<b>1,198</b>	<b>2,334</b>	<b>1,814</b>	<b>1,863</b>	<b>1,398</b>
<b>Total liabilities</b>	<b>342,697</b>	<b>357,509</b>	<b>473,787</b>	<b>509,958</b>	<b>275,540</b>	<b>291,192</b>
<b>Net worth (farm and nonfarm)</b>	<b>480,663</b>	<b>535,432</b>	<b>313,292</b>	<b>273,520</b>	<b>676,734</b>	<b>791,794</b>
<b>Net worth change</b>	<b>54,769</b>		<b>-39,772</b>		<b>115,060</b>	
<b>Ratio Analysis</b>						
Current farm liabilities / assets	44 %	52 %	66 %	95 %	25 %	30 %
Curr. & interm farm liab. / assets	31 %	31 %	40 %	48 %	21 %	19 %
Long term farm liab. / assets	71 %	66 %	111 %	105 %	48 %	45 %
Total debt to asset ratio	42 %	40 %	60 %	65 %	29 %	27 %

Table 39

**Balance Sheet at Market Values**  
**Michigan Dairy Farms, 121 - 200.9 Cows, 2000**  
(Farms Sorted By Net Farm Income)

Number of farms	Avg. Of All Farms 43		Low 25% 10		High 25% 11	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	17,271	27,307	11,383	14,505	21,703	14,332
Prepaid expenses & supplies	15,227	18,507	12,270	4,643	26,650	39,235
Growing crops	8,052	6,755	6,225	5,856	10,093	11,557
Accounts receivable	11,301	9,429	13,292	9,526	10,591	12,163
Hedging accounts	0	0	0	0	0	0
Crops held for sale or feed	98,825	99,369	95,540	81,743	108,303	117,002
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	7,020	7,536	9,399	10,701	4,797	7,128
Other current assets	476	-4	2,000	0	58	0
<b>Total current farm assets</b>	<b>158,172</b>	<b>168,898</b>	<b>150,108</b>	<b>126,973</b>	<b>182,195</b>	<b>201,417</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	287,330	308,046	285,496	292,192	318,672	353,695
Machinery and equipment	267,289	278,719	258,904	265,234	305,105	326,291
Other intermediate assets	11,749	12,660	8,936	10,055	5,384	5,103
<b>Total intermediate farm assets</b>	<b>566,368</b>	<b>599,426</b>	<b>553,336</b>	<b>567,480</b>	<b>629,161</b>	<b>685,090</b>
<b>Long Term Farm Assets</b>						
Farm land	320,547	357,277	296,008	331,748	359,815	381,410
Buildings and improvements	128,442	140,097	112,656	132,764	115,199	141,442
Other long-term assets	5,545	5,633	4,020	3,829	0	0
<b>Total long-term farm assets</b>	<b>454,533</b>	<b>503,007</b>	<b>412,684</b>	<b>468,341</b>	<b>475,014</b>	<b>522,852</b>
<b>Total Farm Assets</b>	<b>1,179,073</b>	<b>1,271,331</b>	<b>1,116,128</b>	<b>1,162,795</b>	<b>1,286,370</b>	<b>1,409,359</b>
<b>Total Nonfarm Assets</b>	<b>52,922</b>	<b>61,034</b>	<b>76,855</b>	<b>76,555</b>	<b>42,724</b>	<b>45,070</b>
<b>Total Assets</b>	<b>1,231,996</b>	<b>1,332,365</b>	<b>1,192,983</b>	<b>1,239,350</b>	<b>1,329,093</b>	<b>1,454,430</b>
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	976	1,853	422	713	846	111
Accounts payable	11,347	12,307	22,807	31,228	6,149	5,749
Current notes	23,510	34,386	22,107	37,249	11,810	17,782
Government crop loans	0	0	0	0	0	0
Principal due on term debt	33,840	38,653	54,151	51,656	27,202	35,944
<b>Total current farm liabilities</b>	<b>69,673</b>	<b>87,199</b>	<b>99,488</b>	<b>120,845</b>	<b>46,007</b>	<b>59,586</b>
<b>Total intermediate farm liabs</b>	<b>106,471</b>	<b>99,982</b>	<b>116,960</b>	<b>128,774</b>	<b>86,845</b>	<b>75,303</b>
<b>Total long term farm liabilities</b>	<b>165,393</b>	<b>169,131</b>	<b>255,005</b>	<b>258,525</b>	<b>140,825</b>	<b>154,905</b>
<b>Total farm liabilities</b>	<b>341,538</b>	<b>356,311</b>	<b>471,452</b>	<b>508,144</b>	<b>273,677</b>	<b>289,794</b>
<b>Total nonfarm liabilities</b>	<b>1,159</b>	<b>1,198</b>	<b>2,334</b>	<b>1,814</b>	<b>1,863</b>	<b>1,398</b>
<b>Total liabs excluding deferreds</b>	<b>342,697</b>	<b>357,509</b>	<b>473,787</b>	<b>509,958</b>	<b>275,540</b>	<b>291,192</b>
<b>Total deferred liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total liabilities</b>	<b>342,697</b>	<b>357,509</b>	<b>473,787</b>	<b>509,958</b>	<b>275,540</b>	<b>291,192</b>
Retained earnings	480,663	535,432	313,292	273,520	676,734	791,794
Market valuation equity	408,636	439,424	405,904	455,872	376,819	371,443
Net worth (farm and nonfarm)	889,298	974,856	719,196	729,392	1,053,553	1,163,237
Net worth excluding deferreds	889,298	974,856	719,196	729,392	1,053,553	1,163,237
Net worth change	85,558		10,196		109,684	
<b>Ratio Analysis</b>						
Current farm liabilities / assets	44 %	52 %	66 %	95 %	25 %	30 %
Curr. & interm farm liab. / assets	24 %	24 %	31 %	36 %	16 %	15 %
Long term farm liab. / assets	36 %	34 %	62 %	55 %	30 %	30 %
Total debt to asset ratio	28 %	27 %	40 %	41 %	21 %	20 %
Debt to assets excl deferreds	28 %	27 %	40 %	41 %	21 %	20 %

Table 40

Statement Of Cash Flows  
**Michigan Dairy Farms, 121 - 200.9 Cows, 2000**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	43	10	11
Beginning cash (farm & nonfarm)	18,099	14,283	22,303
<b>Cash From Operating Activities</b>			
Gross cash farm income	502,739	477,272	587,980
Net nonfarm income	4,426	7,885	1,107
Total cash farm expense	-398,368	-412,426	-433,805
Apparent family living expense	-47,716	-38,556	-55,294
Income and social security tax	-10,782	-6,178	-21,757
Cash from operations	50,300	27,998	78,231
<b>Cash From Investing Activities</b>			
Sale of breeding livestock	898	1,457	1,000
Sale of machinery & equipment	1,922	180	1,175
Sale of farm land	689	-	-
Sale of farm buildings	-	-	-
Sale of other farm assets	2,471	1,866	3,857
Sale of nonfarm assets	765	-	-
Purchase of breeding livestock	-4,897	-5,907	-1,041
Purchase of machinery & equip.	-33,230	-21,208	-42,413
Purchase of farm land	-8,326	-	-25,517
Purchase of farm buildings	-18,794	-25,671	-38,476
Purchase of other farm assets	-3,244	-2,819	-5,057
Purchase of nonfarm assets	-2,449	-	-
Cash from investing activities	-64,194	-52,102	-106,472
<b>Cash From Financing Activities</b>			
Money borrowed	90,762	147,742	79,645
Transfers in from nonfarm sources	11,775	-	6,836
Principal payments	-77,836	-120,475	-62,876
Dividends paid	-	-	-
Transfers out to nonfarm uses	-715	-40	-2,516
Cash from financing activities	23,986	27,226	21,088
Net change in cash balance	10,092	3,122	-7,153
Ending cash (farm & nonfarm)	28,191	17,405	15,150

Table 41

**Financial Standards Measures**  
**Michigan Dairy Farms, 121 - 200.9 Cows, 2000**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	43	10	11
Liquidity			
Current ratio	1.94	1.05	3.38
Working capital	81,699	6,128	141,832
Solvency (market)			
Farm debt to asset ratio	28 %	44 %	21 %
Farm equity to asset ratio	72 %	56 %	79 %
Farm debt to equity ratio	39 %	78 %	26 %
Profitability (cost)			
Rate of return on farm assets	5.9 %	-3.5 %	12.9 %
Rate of return on farm equity	4.8 %	-23.1 %	15.1 %
Operating profit margin	11.9 %	-7.5 %	24.6 %
Net farm income	77,049	-13,723	175,546
Repayment Capacity			
Term debt coverage ratio	131 %	13 %	268 %
Capital replacement margin	14,764	-61,675	78,416
Efficiency			
Asset turnover rate (cost)	50.0 %	46.4 %	52.3 %
Operating expense ratio	74.2 %	85.1 %	66.4 %
Depreciation expense ratio	5.2 %	9.5 %	1.1 %
Interest expense ratio	5.2 %	8.4 %	3.3 %
Net farm income ratio	15.4 %	-3.0 %	29.2 %

Table 42

**Operator and Labor Information**  
**Michigan Dairy Farms, 121 - 200.9 Cows, 2000**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	43	10	11
Operator Information			
Average number of operators	1.6	1.5	1.7
Results Per Operator			
Working capital	50,548	4,086	82,113
Total assets (market)	824,341	826,233	842,038
Total liabilities	221,193	339,972	168,585
Net worth (market)	603,148	486,261	673,453
Net worth excl deferred liabs	603,148	486,261	673,453
Gross farm income	309,444	305,761	348,520
Total farm expense	261,774	314,910	246,888
Net farm income	47,670	-9,149	101,632
Net nonfarm income	2,739	5,256	641
Family living withdrawals	36,193	29,822	44,608
Total acres owned	205.1	228.9	220.0
Total crop acres	284.2	290.1	331.0
Crop acres owned	130.7	174.6	148.9
Crop acres cash rented	153.3	115.5	182.2
Crop acres share rented	0.3	-	-
Total pasture acres	-	-	-
Labor Analysis			
Number of farms	43	10	11
Total unpaid labor hours	5,102	5,030	6,090
Total hired labor hours	5,660	5,892	6,633
Total labor hours per farm	10,762	10,922	12,723
Unpaid hours per operator	3,156	3,353	3,526
Value of farm production / hour	38.33	32.78	40.76
Net farm income / unpaid hour	15.10	-2.73	28.83

Table 43

**Financial Summary**  
**Michigan Dairy Farms, 121 - 200.9 Cows, 2000**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	43	10	11
<b>Income Statement</b>			
Gross cash farm income	502,739	477,272	587,980
Total cash farm expense	398,368	412,426	433,805
Net cash farm income	104,371	64,847	154,175
Inventory change	-1,480	-34,968	27,728
Depreciation and capital adjust	-25,842	-43,601	-6,357
Net farm income	77,049	-13,723	175,546
<b>Profitability (cost)</b>			
Labor and management earnings	48,371	-31,050	132,991
Rate of return on assets	5.9 %	-3.5 %	12.9 %
Rate of return on equity	4.8 %	-23.1 %	15.1 %
Operating profit margin	11.9 %	-7.5 %	24.6 %
Asset turnover rate	50.0 %	46.4 %	52.3 %
<b>Profitability (market)</b>			
Labor and management earnings	60,874	-31	119,839
Rate of return on assets	7.0 %	2.3 %	10.1 %
Rate of return on equity	6.8 %	-1.9 %	10.8 %
Operating profit margin	20.7 %	7.2 %	26.2 %
Asset turnover rate	33.7 %	31.4 %	38.5 %
<b>Liquidity</b>			
Term debt coverage ratio	130.5 %	13.3 %	267.7 %
Expense as a percent of income	79.4 %	93.5 %	69.8 %
Interest as a percent of income	5.2 %	8.4 %	3.3 %
<b>Solvency (cost)</b>			
Number of farms	43	10	11
Ending farm assets	852,846	768,960	1,048,350
Ending farm liabilities	356,311	508,144	289,794
Ending total assets	892,941	783,478	1,082,987
Ending total liabilities	357,509	509,958	291,192
Ending net worth	535,432	273,520	791,794
Net worth change	54,769	-39,772	115,060
Ending farm debt to asset ratio	42 %	66 %	28 %
Beg total debt to asset ratio	42 %	60 %	29 %
End total debt to asset ratio	40 %	65 %	27 %
<b>Solvency (market)</b>			
Number of farms	43	10	11
Ending farm assets	1,271,331	1,162,795	1,409,359
Ending farm liabilities	356,311	508,144	289,794
Ending total assets	1,332,365	1,239,350	1,454,430
Ending total liabilities	357,509	509,958	291,192
Ending net worth	974,856	729,392	1,163,237
Net worth change	85,558	10,196	109,684
Ending farm debt to asset ratio	28 %	44 %	21 %
Beg total debt to asset ratio	28 %	40 %	21 %
End total debt to asset ratio	27 %	41 %	20 %
<b>Nonfarm Information</b>			
Net nonfarm income	4,426	7,885	1,107



Table 44

**Livestock And Crop Production Summary**  
**Michigan Dairy Farms, Over 200 Cows, 2000**  
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 25 %	Average Of High 25 %
<b>DAIRY</b>			
Number of farms	47	12	12
Average number of Cows	408	542	535
Milk produced per Cow, lbs.	21,646	19,598	23,100
Average milk price per cwt., \$	13.04	13.17	13.11
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	47	11	12
<b>Acreage Summary</b>			
Total acres owned	706	780	691
Total crop acres	858	791	954
Crop acres owned	525	403	602
Crop acres cash rented	333	388	351
<b>Average Price Received (Cash Sales Only)</b>			
Corn per bushel, \$	1.68	-	-
Wheat, Winter per bushel, \$	1.86	-	-
Soybeans per bushel, \$	4.74	-	-

Table 45

**Farm Income Statement**  
**Michigan Dairy Farms, Over 200 Cows, 2000**  
(Farms sorted by Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	47	11	12
<b>Cash Farm Income</b>			
Corn	11,088	7,013	14,715
Corn Silage	266	-	1,041
Hay, Mixed	253	477	-
Haylage, Mixed	485	-	1,557
Soybeans	11,707	-	16,399
Straw	92	195	3
Sugar Beets	4,274	-	-
Wheat, Winter	3,343	109	3,923
Miscellaneous crop income	38	-	-
Dairy, Milk	1,156,484	1,405,594	1,704,232
Dairy, Dairy Calves	11,262	19,889	16,669
Dairy Heifers (for sale)	508	-	1,115
Dairy Replacement Heifers	403	700	530
Dairy Steers	11,001	10,406	1,068
Sheep, Market Lambs, Mkt Lambs	171	-	-
Cull breeding livestock	57,635	72,467	82,543
Misc. livestock income	953	-	1,436
Transition payments	3,049	8,497	-
Other government payments	72,489	66,115	85,747
Custom work income	9,889	26,690	6,974
Patronage dividends, cash	10,730	7,355	14,445
Insurance income	3,539	6,864	-
Cash from hedging accts	149	-	-
Other farm income	9,105	13,455	9,961
<b>Gross Cash Farm Income</b>	<b>1,378,912</b>	<b>1,645,826</b>	<b>1,962,357</b>

Table 46

Farm Income Statement, continued  
**Michigan Dairy Farms, Over 200 Cows, 2000**  
(Farms sorted by Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	47	11	12
Cash Farm Expense			
Seed	19,947	15,605	33,927
Fertilizer	33,701	38,454	38,082
Crop chemicals	18,701	16,543	29,247
Crop insurance	1,647	854	2,746
Drying fuel	163	173	191
Crop supplies, storage and soil tests	2,931	430	5,059
Purchased feed	314,782	467,350	397,969
Breeding fees	8,955	6,328	14,927
Veterinary	39,785	49,055	54,605
BST	12,533	12,780	18,014
Livestock supplies	40,577	47,836	55,538
DHIA	3,710	4,528	4,286
Livestock leases	2,419	2,965	2,073
Milk hauling charges	29,039	28,450	44,576
Milk and livestock marketing	19,868	20,747	26,548
Bedding	16,005	30,128	20,764
Interest	92,099	212,504	67,392
Fuel & oil	28,110	36,489	34,103
Repairs	68,841	81,411	77,021
Custom hire	42,621	60,661	55,212
Hired labor	206,795	237,872	295,736
Land rent	41,088	39,071	49,938
Machinery & bldg leases	24,672	35,056	28,789
Real estate taxes	10,139	13,632	10,770
Farm insurance	11,305	16,228	7,878
Utilities	23,203	30,582	27,899
Dues & professional fees	5,489	4,466	6,342
Car and truck	6,237	8,330	7,694
Supplies	6,015	6,451	9,783
Miscellaneous	10,559	11,859	13,247
Total cash expense	1,141,937	1,536,837	1,440,355
<b>Net cash farm income</b>	<b>236,974</b>	<b>108,989</b>	<b>522,002</b>
Inventory Changes			
Crops and feed	32,575	58,978	20,540
Market livestock	1,028	-613	533
Accounts receivable	-2,957	-6,531	-18,316
Prepaid expenses and supplies	1,986	-8,981	40,733
Accounts payable	-22,173	-101,202	5,431
Total inventory change	10,460	-58,349	48,922
<b>Net operating profit</b>	<b>247,434</b>	<b>50,640</b>	<b>570,924</b>
Depreciation and Other Capital Adjustments			
Breeding livestock	15,101	-22,205	12,310
Machinery and equipment	-76,410	-97,532	-93,530
Buildings and improvements	-41,692	-50,676	-41,855
Other farm capital	-1,898	1,477	2,129
Total depr. and other capital adj	-104,899	-168,936	-120,947
<b>Net farm income</b>	<b>142,536</b>	<b>-118,296</b>	<b>449,977</b>

Table 47

**Liquidity Measures**  
**Michigan Dairy Farms, Over 200 Cows, 2000**  
(Farms sorted by Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	47	11	12
Liquidity (cash)			
Net cash farm income	236,974	108,989	522,002
Net nonfarm income	13,775	4,959	19,430
Family living and taxes	100,065	31,691	204,781
Real estate principal payments	21,026	23,389	26,780
Cash available for interm. debt	129,659	58,868	309,870
Average intermediate debt	501,298	1,076,166	478,746
Years to turnover interm. debt	3.9	18.3	1.5
Expense as a % of income	83 %	93 %	73 %
Interest as a % of income	7 %	13 %	3 %
Liquidity (accrual)			
Total accrual farm income	1,409,558	1,697,660	1,965,115
Total accrual operating expense	1,162,124	1,647,020	1,394,191
Net accrual operating income	247,434	50,640	570,924
Net nonfarm income	13,775	4,959	19,430
Family living and taxes	100,065	31,691	204,781
Real estate principal payments	21,026	23,389	26,780
Available for intermediate debt	140,119	519	358,792
Average intermediate debt	501,298	1,076,166	478,746
Years to turnover interm. debt	3.6	2,072.9	1.3
Expense as a % of income	82 %	97 %	71 %
Interest as a % of income	6 %	13 %	3 %

Table 48

**Balance Sheet at Cost Values**  
**Michigan Dairy Farms, Over 200 Cows, 2000**  
(Farms sorted by Net Farm Income)

Number of farms	Avg. Of All Farms 47		Low 25% 11		High 25% 12	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	13,765	28,312	-9,063	14,628	28,826	55,755
Prepaid expenses & supplies	81,013	83,000	29,738	20,757	181,804	222,537
Growing crops	11,784	12,194	5,536	4,869	12,824	13,665
Accounts receivable	49,605	44,561	68,654	63,491	76,982	65,119
Hedging accounts	0	0	0	0	0	0
Crops held for sale or feed	234,822	268,607	306,469	365,447	291,017	311,557
Crops under government loan	1,210	0	0	0	0	0
Market livestock held for sale	10,451	11,479	11,818	11,205	209	742
Other current assets	4,005	5,683	3,383	2,683	11,862	4,567
<b>Total current farm assets</b>	<b>406,655</b>	<b>453,836</b>	<b>416,535</b>	<b>483,080</b>	<b>603,523</b>	<b>673,942</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	710,758	860,248	1,139,457	1,490,376	849,096	974,733
Machinery and equipment	315,836	324,747	477,303	466,370	388,804	393,845
Other intermediate assets	117,456	58,333	342,870	61,343	52,920	60,185
<b>Total intermediate farm assets</b>	<b>1,144,049</b>	<b>1,243,328</b>	<b>1,959,630</b>	<b>2,018,090</b>	<b>1,290,820</b>	<b>1,428,763</b>
<b>Long Term Farm Assets</b>						
Farm land	339,761	355,306	483,592	483,592	373,926	421,082
Buildings and improvements	274,160	473,427	448,760	1,164,189	311,902	369,789
Other long-term assets	5,388	5,868	16,418	16,624	608	1,158
<b>Total long-term farm assets</b>	<b>619,309</b>	<b>834,601</b>	<b>948,770</b>	<b>1,664,405</b>	<b>686,436</b>	<b>792,029</b>
<b>Total Farm Assets</b>	<b>2,170,014</b>	<b>2,531,765</b>	<b>3,324,936</b>	<b>4,165,575</b>	<b>2,580,778</b>	<b>2,894,734</b>
<b>Total Nonfarm Assets</b>	<b>107,739</b>	<b>115,050</b>	<b>45,919</b>	<b>45,809</b>	<b>86,451</b>	<b>100,419</b>
<b>Total Assets</b>	<b>2,277,753</b>	<b>2,646,815</b>	<b>3,370,855</b>	<b>4,211,384</b>	<b>2,667,229</b>	<b>2,995,153</b>
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	4,591	3,698	8,374	8,509	2,475	2,816
Accounts payable	30,872	53,939	79,617	180,685	9,515	3,743
Current notes	79,630	92,370	95,232	127,771	47,523	63,997
Government crop loans	1,210	0	0	0	0	0
Principal due on term debt	91,665	101,861	158,244	180,899	112,958	105,175
<b>Total current farm liabilities</b>	<b>207,969</b>	<b>251,867</b>	<b>341,467</b>	<b>497,864</b>	<b>172,470</b>	<b>175,729</b>
<b>Total intermediate farm liabs</b>	<b>328,576</b>	<b>530,442</b>	<b>519,877</b>	<b>1,356,406</b>	<b>437,190</b>	<b>372,378</b>
<b>Total long term farm liabilities</b>	<b>548,799</b>	<b>614,010</b>	<b>1,410,895</b>	<b>1,404,201</b>	<b>309,880</b>	<b>456,128</b>
<b>Total farm liabilities</b>	<b>1,085,344</b>	<b>1,396,320</b>	<b>2,272,238</b>	<b>3,258,471</b>	<b>919,539</b>	<b>1,004,236</b>
<b>Total nonfarm liabilities</b>	<b>3,639</b>	<b>8,683</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total liabilities</b>	<b>1,088,983</b>	<b>1,405,003</b>	<b>2,272,238</b>	<b>3,258,471</b>	<b>919,539</b>	<b>1,004,236</b>
<b>Net worth (farm and nonfarm)</b>	<b>1,188,770</b>	<b>1,241,812</b>	<b>1,098,616</b>	<b>952,913</b>	<b>1,747,690</b>	<b>1,990,917</b>
<b>Net worth change</b>	<b>53,042</b>		<b>-145,703</b>		<b>243,227</b>	
<b>Ratio Analysis</b>						
Current farm liabilities / assets	51 %	55 %	82 %	103 %	29 %	26 %
Curr. & interm farm liab. / assets	35 %	46 %	36 %	74 %	32 %	26 %
Long term farm liab. / assets	89 %	74 %	149 %	84 %	45 %	58 %
Total debt to asset ratio	48 %	53 %	67 %	77 %	34 %	34 %

Table 49

**Balance Sheet at Market Values**  
**Michigan Dairy Farms, Over 200 Cows, 2000**  
(Farms sorted by Net Farm Income)

Number of farms	Avg. Of All Farms 47		Low 25% 11		High 25% 12	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	13,765	28,312	-9,063	14,628	28,826	55,755
Prepaid expenses & supplies	81,013	83,000	29,738	20,757	181,804	222,537
Growing crops	11,784	12,194	5,536	4,869	12,824	13,665
Accounts receivable	49,605	44,561	68,654	63,491	76,982	65,119
Hedging accounts	0	0	0	0	0	0
Crops held for sale or feed	234,822	268,607	306,469	365,447	291,017	311,557
Crops under government loan	1,210	0	0	0	0	0
Market livestock held for sale	10,451	11,479	11,818	11,205	209	742
Other current assets	4,005	5,683	3,383	2,683	11,862	4,567
<b>Total current farm assets</b>	<b>406,655</b>	<b>453,836</b>	<b>416,535</b>	<b>483,080</b>	<b>603,523</b>	<b>673,942</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	740,277	877,298	1,139,457	1,489,467	962,804	1,042,289
Machinery and equipment	482,891	508,133	674,277	705,303	528,627	554,295
Other intermediate assets	117,719	57,610	342,993	61,936	50,369	56,809
<b>Total intermediate farm assets</b>	<b>1,340,887</b>	<b>1,443,041</b>	<b>2,156,728</b>	<b>2,256,706</b>	<b>1,541,800</b>	<b>1,653,394</b>
<b>Long Term Farm Assets</b>						
Farm land	710,847	791,839	991,696	1,102,693	720,677	801,582
Buildings and improvements	466,175	657,780	1,092,769	1,721,821	362,257	445,812
Other long-term assets	5,388	5,833	16,418	16,476	608	1,158
<b>Total long-term farm assets</b>	<b>1,182,409</b>	<b>1,455,452</b>	<b>2,100,883</b>	<b>2,840,990</b>	<b>1,083,542</b>	<b>1,248,553</b>
<b>Total Farm Assets</b>	<b>2,929,952</b>	<b>3,352,329</b>	<b>4,674,146</b>	<b>5,580,775</b>	<b>3,228,864</b>	<b>3,575,889</b>
<b>Total Nonfarm Assets</b>	<b>154,053</b>	<b>164,941</b>	<b>199,927</b>	<b>201,009</b>	<b>94,188</b>	<b>103,217</b>
<b>Total Assets</b>	<b>3,084,005</b>	<b>3,517,270</b>	<b>4,874,073</b>	<b>5,781,785</b>	<b>3,323,053</b>	<b>3,679,106</b>
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	4,591	3,698	8,374	8,509	2,475	2,816
Accounts payable	30,872	53,939	79,617	180,685	9,515	3,743
Current notes	79,630	92,370	95,232	127,771	47,523	63,997
Government crop loans	1,210	0	0	0	0	0
Principal due on term debt	91,665	101,861	158,244	180,899	112,958	105,175
<b>Total current farm liabilities</b>	<b>207,969</b>	<b>251,867</b>	<b>341,467</b>	<b>497,864</b>	<b>172,470</b>	<b>175,729</b>
<b>Total intermediate farm liabs</b>	<b>328,576</b>	<b>530,442</b>	<b>519,877</b>	<b>1,356,406</b>	<b>437,190</b>	<b>372,378</b>
<b>Total long term farm liabilities</b>	<b>548,799</b>	<b>614,010</b>	<b>1,410,895</b>	<b>1,404,201</b>	<b>309,880</b>	<b>456,128</b>
<b>Total farm liabilities</b>	<b>1,085,344</b>	<b>1,396,320</b>	<b>2,272,238</b>	<b>3,258,471</b>	<b>919,539</b>	<b>1,004,236</b>
<b>Total nonfarm liabilities</b>	<b>3,639</b>	<b>8,683</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total liabs excluding deferreds</b>	<b>1,088,983</b>	<b>1,405,003</b>	<b>2,272,238</b>	<b>3,258,471</b>	<b>919,539</b>	<b>1,004,236</b>
<b>Total deferred liabilities</b>	<b>13,102</b>	<b>14,502</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total liabilities</b>	<b>1,102,085</b>	<b>1,419,505</b>	<b>2,272,238</b>	<b>3,258,471</b>	<b>919,539</b>	<b>1,004,236</b>
<b>Retained earnings</b>	<b>1,188,770</b>	<b>1,241,812</b>	<b>1,098,616</b>	<b>952,913</b>	<b>1,747,690</b>	<b>1,990,917</b>
<b>Market valuation equity</b>	<b>793,150</b>	<b>855,953</b>	<b>1,503,219</b>	<b>1,570,401</b>	<b>655,823</b>	<b>683,953</b>
<b>Net worth (farm and nonfarm)</b>	<b>1,981,920</b>	<b>2,097,765</b>	<b>2,601,835</b>	<b>2,523,314</b>	<b>2,403,513</b>	<b>2,674,870</b>
<b>Net worth excluding deferreds</b>	<b>1,995,022</b>	<b>2,112,267</b>	<b>2,601,835</b>	<b>2,523,314</b>	<b>2,403,513</b>	<b>2,674,870</b>
<b>Net worth change</b>	<b>115,845</b>	<b>-78,521</b>	<b>-78,521</b>	<b>271,357</b>	<b>271,357</b>	<b>271,357</b>
<b>Ratio Analysis</b>						
Current farm liabilities / assets	51 %	55 %	82 %	103 %	29 %	26 %
Curr. & interm farm liab. / assets	31 %	41 %	33 %	68 %	28 %	24 %
Long term farm liab. / assets	46 %	42 %	67 %	49 %	29 %	37 %
Total debt to asset ratio	36 %	40 %	47 %	56 %	28 %	27 %
Debt to assets excl deferreds	35 %	40 %	47 %	56 %	28 %	27 %

Table 50

**Statement Of Cash Flows**  
**Michigan Dairy Farms, Over 200 Cows, 2000**  
(Farms sorted by Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	47	11	12
Beginning cash (farm & nonfarm)	14,724	-9,063	28,826
<b>Cash From Operating Activities</b>			
Gross cash farm income	1,378,912	1,645,826	1,962,357
Net nonfarm income	13,775	4,959	19,430
Total cash farm expense	-1,141,937	-1,536,837	-1,440,355
Apparent family living expense	-92,542	-30,913	-185,793
Income and social security tax	-7,523	-778	-18,988
Cash from operations	150,685	82,258	336,650
<b>Cash From Investing Activities</b>			
Sale of breeding livestock	2,559	431	4,204
Sale of machinery & equipment	4,817	2,968	9,537
Sale of farm land	128	-	-
Sale of farm buildings	-	-	-
Sale of other farm assets	75,722	286,028	15,247
Sale of nonfarm assets	721	-	-
Purchase of breeding livestock	-136,948	-373,555	-117,531
Purchase of machinery & equip.	-90,138	-89,567	-108,108
Purchase of farm land	-12,430	-	-38,500
Purchase of farm buildings	-240,958	-766,105	-99,742
Purchase of other farm assets	-18,978	-3,231	-20,934
Purchase of nonfarm assets	-4,108	-565	-589
Cash from investing activities	-419,613	-943,596	-356,415
<b>Cash From Financing Activities</b>			
Money borrowed	612,651	1,281,280	441,720
Transfers in from nonfarm sources	6,233	-	835
Principal payments	-321,671	-396,250	-351,663
Dividends paid	-	-	-
Transfers out to nonfarm uses	-13,671	-	-44,197
Cash from financing activities	283,542	885,030	46,695
Net change in cash balance	14,613	23,691	26,930
Ending cash (farm & nonfarm)	29,338	14,628	55,755

Table 51

Financial Standards Measures  
**Michigan Dairy Farms, Over 200 Cows, 2000**  
(Farms sorted by Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	47	11	12
Liquidity			
Current ratio	1.80	0.97	3.84
Working capital	201,968	-14,784	498,213
Solvency (market)			
Farm debt to asset ratio	42 %	58 %	28 %
Farm equity to asset ratio	58 %	42 %	72 %
Farm debt to equity ratio	73 %	140 %	39 %
Profitability (cost)			
Rate of return on farm assets	7.2 %	1.0 %	15.9 %
Rate of return on farm equity	6.9 %	-17.7 %	20.7 %
Operating profit margin	15.1 %	3.2 %	27.6 %
Net farm income	142,536	-118,296	449,977
Repayment Capacity			
Term debt coverage ratio	146 %	57 %	299 %
Capital replacement margin	67,861	-134,335	267,264
Efficiency			
Asset turnover rate (cost)	47.2 %	32.3 %	57.7 %
Operating expense ratio	76.0 %	84.5 %	67.5 %
Depreciation expense ratio	7.4 %	10.0 %	6.2 %
Interest expense ratio	6.5 %	12.5 %	3.4 %
Net farm income ratio	10.1 %	-7.0 %	22.9 %



Table 52

**Operator and Labor Information**  
**Michigan Dairy Farms, Over 200 Cows, 2000**  
(Farms sorted by Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	47	11	12
Operator Information			
Average number of operators	1.8	1.4	2.1
Results Per Operator			
Working capital	110,378	-10,842	239,142
Total assets (market)	1,922,229	4,239,975	1,765,971
Total liabilities	783,702	2,389,545	482,033
Net worth (market)	1,138,527	1,850,430	1,283,938
Net worth excl deferred liabs	1,146,453	1,850,430	1,283,938
Gross farm income	770,340	1,244,951	943,255
Total farm expense	692,443	1,331,702	727,266
Net farm income	77,897	-86,751	215,989
Net nonfarm income	7,528	3,637	9,326
Family living withdrawals	54,687	23,240	98,295
Total acres owned	385.6	571.7	331.7
Total crop acres	469.0	579.9	457.7
Crop acres owned	286.6	295.5	289.2
Crop acres cash rented	182.0	284.3	168.5
Crop acres share rented	0.3	-	-
Total pasture acres	-	-	-
Labor Analysis			
Number of farms	46	10	12
Total unpaid labor hours	5,452	3,880	6,213
Total hired labor hours	15,051	14,393	20,261
Total labor hours per farm	20,503	18,273	26,474
Unpaid hours per operator	2,951	2,771	2,982
Value of farm production / hour	50.54	48.13	59.66
Net farm income / unpaid hour	28.95	-19.08	72.42

Table 53

**Financial Summary**  
**Michigan Dairy Farms, Over 200 Cows, 2000**  
(Farms sorted by Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	47	11	12
<b>Income Statement</b>			
Gross cash farm income	1,378,912	1,645,826	1,962,357
Total cash farm expense	1,141,937	1,536,837	1,440,355
Net cash farm income	236,974	108,989	522,002
Inventory change	10,460	-58,349	48,922
Depreciation and capital adjust	-104,899	-168,936	-120,947
Net farm income	142,536	-118,296	449,977
<b>Profitability (cost)</b>			
Labor and management earnings	75,849	-177,446	343,425
Rate of return on assets	7.2 %	1.0 %	15.9 %
Rate of return on equity	6.9 %	-17.7 %	20.7 %
Operating profit margin	15.1 %	3.2 %	27.6 %
Asset turnover rate	47.2 %	32.3 %	57.7 %
<b>Profitability (market)</b>			
Labor and management earnings	88,573	-194,033	336,616
Rate of return on assets	7.2 %	2.0 %	13.8 %
Rate of return on equity	7.2 %	-4.6 %	16.4 %
Operating profit margin	20.5 %	8.7 %	29.7 %
Asset turnover rate	35.3 %	23.6 %	46.4 %
<b>Liquidity</b>			
Term debt coverage ratio	146.0 %	57.5 %	299.3 %
Expense as a percent of income	82.4 %	97.0 %	70.9 %
Interest as a percent of income	6.5 %	12.5 %	3.4 %
<b>Solvency (cost)</b>			
Number of farms	47	11	12
Ending farm assets	2,531,765	4,165,575	2,894,734
Ending farm liabilities	1,396,320	3,258,471	1,004,236
Ending total assets	2,646,815	4,211,384	2,995,153
Ending total liabilities	1,405,003	3,258,471	1,004,236
Ending net worth	1,241,812	952,913	1,990,917
Net worth change	53,042	-145,703	243,227
Ending farm debt to asset ratio	55 %	78 %	35 %
Beg total debt to asset ratio	48 %	67 %	34 %
End total debt to asset ratio	53 %	77 %	34 %
<b>Solvency (market)</b>			
Number of farms	47	11	12
Ending farm assets	3,352,329	5,580,775	3,575,889
Ending farm liabilities	1,410,830	3,258,471	1,004,236
Ending total assets	3,517,270	5,781,785	3,679,106
Ending total liabilities	1,419,505	3,258,471	1,004,236
Ending net worth	2,097,765	2,523,314	2,674,870
Net worth change	115,845	-78,521	271,357
Ending farm debt to asset ratio	42 %	58 %	28 %
Beg total debt to asset ratio	36 %	47 %	28 %
End total debt to asset ratio	40 %	56 %	27 %
<b>Nonfarm Information</b>			
Net nonfarm income	13,775	4,959	19,430

## Per Unit Income and Expense

Table 54 gives the per cow or per acre cash income, cash expense and depreciation for 103 of the 150 dairy farms. The other 47 farms either did not report any crop acres harvested, or purchased all their feed. The 103 farms had an unweighted average of 678 acres. These included owned acres plus land cash and share rented.

Table 54. **Average Income and Expense Items, Michigan, 2000**  
Per Cow and Per Acre, Dairy Farms

Number of Cows	210	Your
Total Crop Acres	678	Farm
<b>Income Items per Cow:</b>		
Milk sold	\$2,771	_____
Cull cows, bulls	152	_____
Dairy steers	35	_____
Dairy calves	34	_____
Government	224	_____
Other cash income	166	_____
<b>Expense Items per Cow:</b>		
Purchased feed	\$735	_____
Breeding fees	23	_____
Veterinary	95	_____
BST	29	_____
Livestock supplies	96	_____
DHIA	11	_____
Milk hauling	78	_____
Milk and livestock mktg	52	_____
Bedding	34	_____
Interest	223	_____
Fuel and oil	73	_____
Repairs	180	_____
Custom hire	94	_____
Hired labor	482	_____
Leases	63	_____
Real estate taxes	28	_____
Farm insurance	31	_____
Utilities	67	_____
Dues, prof. fees	16	_____
Car and truck	22	_____
General supplies	18	_____
Miscellaneous	33	_____
Machinery depreciation	203	_____
Building depreciation	105	_____
<b>Expense Items per Crop Acre:</b>		
Seed	\$15.06	_____
Fertilizer	27.18	_____
Crop chemicals	15.45	_____
Crop insurance	1.31	_____
Drying fuel	0.22	_____
Crop miscellaneous	2.81	_____
Land rent	27.64	_____