

# 1997 Annual Report

## Southeastern Minnesota Farm Business Management Association

### **COOPERATING AGENCIES:**

University of Minnesota, College of Agricultural, Food, and Environmental Sciences  
County Extension Services of the 18 Southeastern Counties  
Southeastern Minnesota Farm Business Management Association

Staff Paper P98-2  
Department of Applied Economics  
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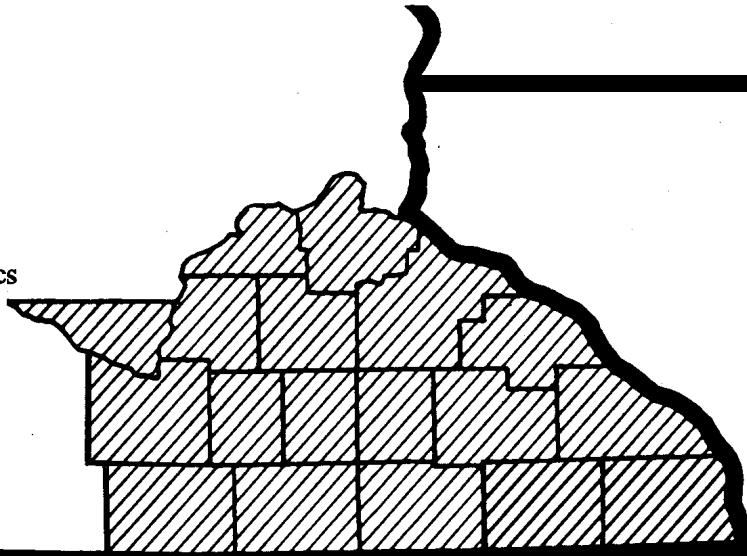


Figure 2. Farm Income Sources  
Southeastern Minnesota Association

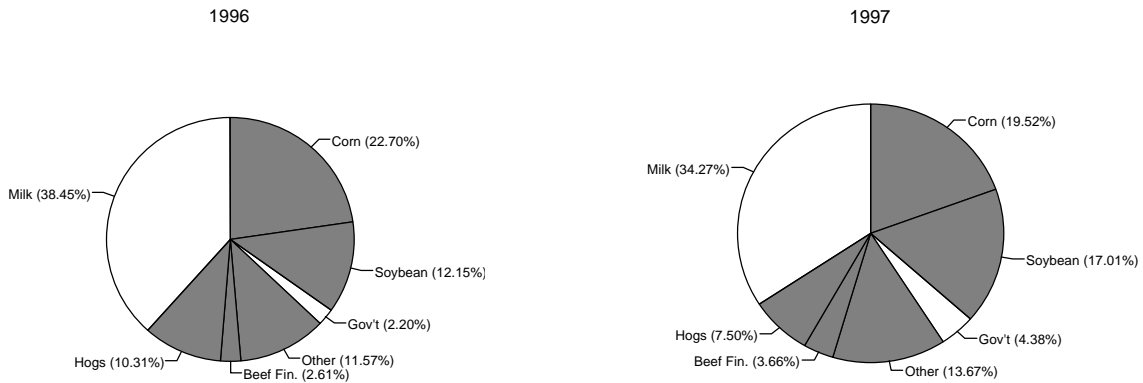
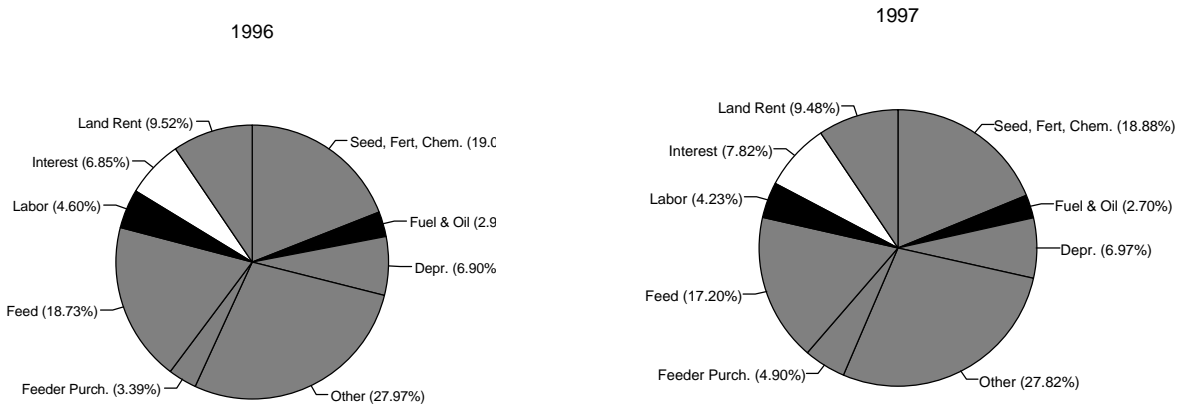


Figure 3. Farm Expense Sources  
Southeastern Minnesota Association




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## EXECUTIVE SUMMARY

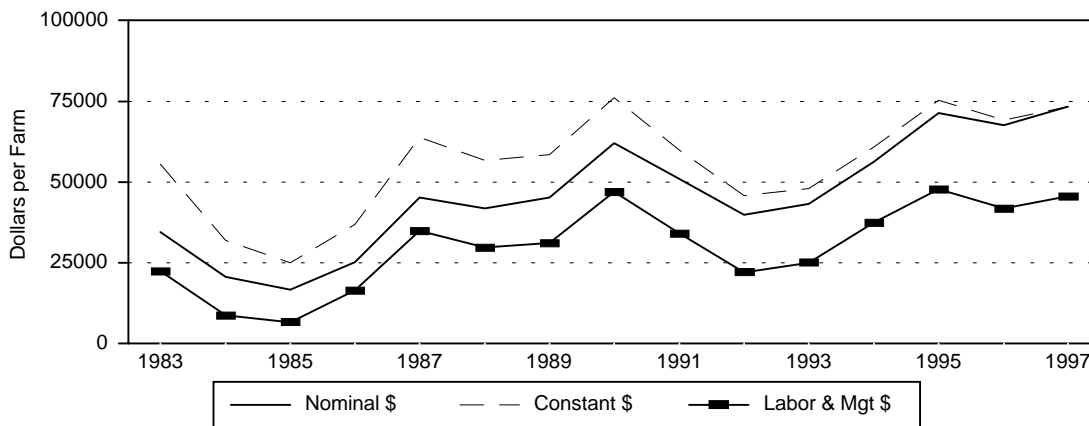
### 1997 ANNUAL REPORT OF THE SOUTHEASTERN MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION

by

Kent D. Olson, Lorin L. Westman, and Dale W. Nordquist

In the Southeastern Association the average net farm income in 1997 was \$73,311 for the 64 farms included in this report (Table 1, page 10-11, and Figure 1). This was an increase of 8.5% from 1996. The increase is due to replenishment of inventories which had been depleted in 1996. Total cash farm expenses increased 7%. The 1997 net farm income is the highest on record. When adjusted by the Consumer Price Index (to provide a constant dollar or buying power comparison), the average 1997 profit is exceeded only in 1990 and 1995. (This accrual net farm income measure is calculated by subtracting cash farm expenses and depreciation from total cash farm income and adjusting the difference for changes in other capital and inventory items.) After subtracting an opportunity cost for equity capital, labor and management earnings follow a similar but lower pattern (Table 4, p. 14).

Figure 1. Average Net Farm Income



As in previous years, the actual profit levels experienced by individual farms vary greatly from the overall average. The high 20% of these farms had an average net farm income of \$224,511 in 1997; the low 20%, -\$9,061. There is an increase for the high group; a decrease for the low group.

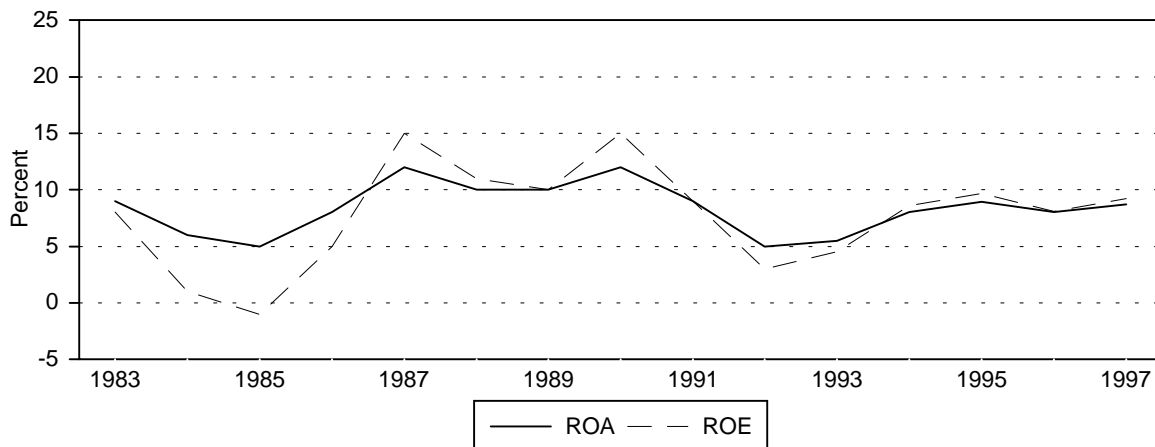
Average gross cash farm income in 1997 was \$294,687 for all 64 farms. This was a 1% increase from 1996. Three sources of sales made up 72% of total income in 1997: milk, corn and soybeans (Figure 2). Compared to 1996, soybean sales increased by \$14,760; beef finishing sales, by \$3,202. Milk sales decreased by \$10,939; corn sales, by \$8,561; hog sales by \$7,912.

Government payments (of all types) doubled from an average of \$6,412 in 1996 to \$12,907 in 1997. Government payments were 4% of total income in 1997.

Average total cash expenses were \$225,501 in 1997. This is an increase of 1% from the 1996 average. As a percentage of both cash expenses and depreciation, feed expenses were 17% in 1996, down from 19% in 1996 (Figure 3). Seed, fertilizer, and crop chemicals were steady at 19% of the total. Interest expense was 8% of the total.

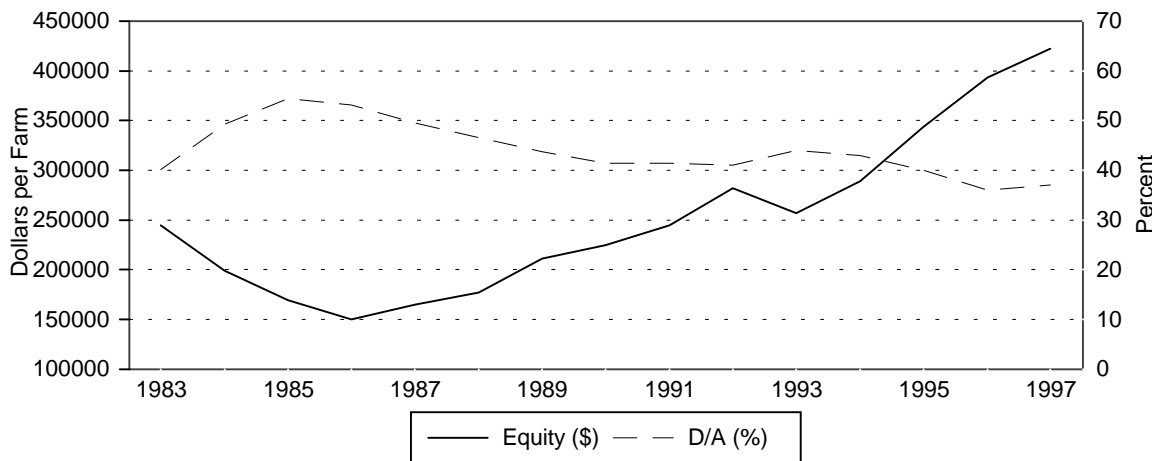
Both the rate of return on assets (ROA) and the rate of return to equity (ROE) increased from 1996 (Figure 4). ROE was slightly higher than ROA indicating that debt capital was earning more than it was costing (Table 4, page 14).

Figure 4. Rates of Return on Assets (ROA) and Equity (ROE)



Average total equity (of the sole proprietors) was \$422,379 at the end of 1997, an increase of \$34,933 during the year (Table 5, page 15). (Assets were valued on a cost basis.) After a decline during 1993, average equity has improved steadily since 1986 (Figure 5). At the end of 1997, the average debt-asset ratio was up slightly to 37%.

Figure 5. Ending Equity and Ending Debt-Asset Ratio



The report provides additional information on profitability, liquidity, and solvency as well as other whole-farm information and detailed information on crop and livestock enterprises. Also reported are whole-farm financial condition and performance by county, sales size class, and type of farm.

# **1997 ANNUAL REPORT OF THE SOUTHEASTERN MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION**

by  
Kent D. Olson, Lorin L. Westman, and Dale W. Nordquist<sup>1</sup>

This report summarizes the individual farm records of the members of the Southeastern Minnesota Farm Business Management Association for 1997.

Whole-farm information and enterprise costs and returns are reported. The year-end analysis of the individual farms was performed by the fieldman using FINPACK 8.0 from the Center for Farm Financial Management within the Department of Applied Economics. The individual analyses were summarized at the Department of Applied Economics using FINANSUM. In addition to the average of all farms, the averages for the high and low income groups are also presented. The tables are divided into three major groups. Tables 1 through 10 present whole-farm information. Tables in the 11-x series provide information on crop enterprises. Tables in the 12-x series provide information on livestock enterprises. Table 13 contains information on the prices used in the analysis. A summary of the average whole-farm information over time is presented in Table 14. Tables 15, 16, 17, and 18 categorize the whole-farm information by county, gross income class, type of farm, and operator age, respectively.

Of the 93 farms in the Southeastern Association, the data for 64 farms are included in this report. The rest were omitted because the records were incomplete at the time that this report was prepared. In two separate studies the farmers who belong to a management association were found to be larger than the average farm reported by the agricultural census and were more likely to have livestock.

In addition to this report, members receive an annual farm business analysis; on-farm instructional visits; end-of-year income tax planning and preparation; periodic meetings, tours, and seminars; a monthly newsletter; and other managerial and educational assistance. Each farmer pays an annual fee which covers a large part of the cost, with the balance defrayed by the Minnesota Extension Service and research programs of the University of Minnesota.

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<sup>1</sup>Olson is an Associate Professor, University of Minnesota-Twin Cities; Westman is Area Farm Management Extension Agent and Fieldman for the Association; Nordquist is Extension Economist-Farm Management, University of Minnesota-Twin Cities. Rann Loppnow, Assistant Extension Economist-Farm Management, was the programmer for FINANSUM, the analysis package used to prepare this report.

**SOUTHEASTERN MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION**

**DISTRIBUTION OF MEMBERSHIP -- 1997**

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County	Number of Members	Number of Records Submitted	Association Directors
Dakota	9	7	Orin Legare
Dodge	5	3	Gary Henslin
Mower	2	1	
Steele	2	2	
Faribault	2	2	Tom Hayes
Freeborn	2	1	
Goodhue	16	14	Marie Tipcke
Houston	7	3	James Luehmann
Winona	13	8	
LeSueur	1	1	Tom Hayes
Nicollet	1	1	
Waseca	2	0	
Olmsted	14	11	James Vermilya
Fillmore	2	0	
Rice	3	2	Dave Woestehoff
Scott	4	4	
Wabasha	<u>8</u>	<u>4</u>	John Sloan
TOTAL	93	64	

Orin Legare, President  
 Robert Lamprecht, Secretary-Treasurer

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# SOUTHEASTERN MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION

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## **EXPLANATORY NOTES FOR THE WHOLE-FARM REPORTS**

Tables 1 through 4, and 6 through 8 include the same number of farms, which were all of the farms whose records were judged to be of sufficient quality. Table 5, the Balance Sheet, includes only sole proprietors; partnerships and corporations are excluded because some debt is held outside of the business causing potential misinterpretations of the average financial condition. The number of farms included in each of the crop and livestock tables varies because all farms do not have the same enterprises. Some farmers' records were complete enough to be included in the whole-farm tables, but at times, these same farmers' crop or livestock records were not complete enough to include in the respective crop or livestock tables.

Rounding of individual items may have caused minor discrepancies between those items and the printed totals which are calculated before rounding.

### **Table 1. Farm Income Statement**

This statement is a summary of income, expenses, and resultant profit or loss from farming operations during the calendar year. The first section of Table 1 lists cash farm income from all sources. The second section of Table 1 lists cash expenses. "Interest" includes only interest actually paid. No opportunity charges on farm equity capital or unpaid labor are included. The difference between "Gross Cash Farm Income" and "Total Cash Expense" is the "Net Cash Farm Income." This is net farm income on a cash basis.

The third and fourth sections of Table 1 deal with noncash changes in the farm business. The "Inventory Changes" and "Depreciation and Other Capital Adjustments" sections are used to convert the cash income statement (Net Cash Farm Income) derived from the first two sections into an accrual income statement. The resulting "Net Farm Income" represents the return to the operator's and family's unpaid labor, management, and equity capital (net worth). In other words, it represents the return to all of the resources which are owned by the farm family and, hence, not purchased or paid a wage. However, it does not include any asset appreciation, debt forgiveness or asset repossessions.

### **Table 2. Inventory Changes**

This is the detailed statement of inventory changes which is summarized in Table 1. It includes beginning and ending inventories and the calculated changes.

### **Table 3. Depreciation and Other Capital Adjustments**

This is the detailed statement of depreciation and other capital adjustments which is summarized in Table 1. It includes beginning and ending inventories, sales, repossessions, purchases, and depreciation.

#### **Table 4. Profitability and Liquidity Analysis**

Various measures of performance are calculated for the farms in this report. These include measures of profitability and liquidity. (Solvency measures are in Table 5.) In Tables 1-3, no opportunity costs are used. In Table 4, opportunity costs for labor, capital, and management are used. The measures and their components are described below.

##### ***Profitability***

Profitability is measured in cost basis terms in Table 5.

"Labor and management earnings" equals "Net Farm Income" from Table 1 minus an opportunity interest cost of 6% on average farm net worth.

"Rate of return on assets" is the "Return to farm assets" divided by "Average farm assets."

"Rate of return on equity" is the "Return to farm equity" divided by "Average farm equity."

"Operating profit margin" is the "Return to farm assets" divided by "Value of farm production."

"Asset turnover rate" is the "Value of farm production" divided by "Average farm assets."

"Interest on farm net worth" is the "Average farm net worth" multiplied by a 6% opportunity interest cost charge.

"Farm interest expense" is the accrued interest cost so it will be different from the cash interest paid shown in Table 1.

"Value of operator's labor and management" is its opportunity cost. It is evaluated using the suggested values listed in Table 13.

"Return on farm assets" is calculated by adding "Farm interest expense" and "Net farm income" and then subtracting the "Value of operator's labor and management."

"Average farm assets" is the average of beginning and ending total farm assets.

"Return to farm equity" is calculated by subtracting the "Value of operator's labor and management" from "Net farm income."

"Average farm equity" is the average of beginning and ending farm net worth.

"Value of farm production" is gross farm income minus feeder livestock purchased and adjusted for inventory changes in crops, market livestock and breeding livestock.

***Liquidity: Cash Basis***

"Family Living and Taxes" is the apparent total family expenses and income and social security taxes paid from Table 7.

"Real estate principal income is taken from the farmer's data.

"Cash available for intermediate debt service" on the cash basis is "Total net income" minus "Family living and taxes" and "Real estate principal payments."

"Average intermediate debt" is the average of beginning and ending intermediate farm liabilities.

"Years to turn over intermediate debt" is "Average intermediate debt" divided by "Cash available for intermediate debt service." If either the cash-based or accrual-based "Cash available for intermediate debt" is a negative number, debt repayment is not possible because of negative cash flow and "Years to turn over intermediate debt" cannot be calculated.

"Expense as a percent of income" is "Total cash expense" divided by "Gross cash farm income."

"Interest as a percent of income" is "Interest" divided by "Gross cash farm income."

***Liquidity: Accrual Basis***

"Cash available for intermediate debt service" on the accrual basis is "Total net accrual income" minus "Family living and taxes" and "Real estate principal payments."

"Accrual expense as a percent of income" is "Total accrual farm expense" divided by "Total accrual farm income."

"Interest as a percent of income" is "Interest" minus beginning accrued interest plus ending accrued interest divided by "Total accrual farm income."

**Table 5. Balance Sheets**

The beginning and ending balance sheets and solvency measures are presented in Table 5. This table includes only sole proprietors; partnerships and corporations are excluded because some debt is held outside of the business causing potential misinterpretations of the average financial condition.

**Table 6. Statement of Cash Flows**

This table reports the sources from which cash was available or obtained and where that cash was used or remains at the end of the year.

## **Table 7. Financial Guidelines Measures and Labor Analysis**

This table contains two sections: first, the financial measures and, second, the labor summary. In the first section, the Farm Financial Standards Task Force's 16 financial measures for evaluating a farm's financial position and performance are reported. These 16 measures are explained below following the descriptions found in the FINPACK manual.

### ***Liquidity***

The "current ratio" is calculated by dividing the total current farm assets by the total current farm liabilities.

"Working capital" is calculated by subtracting current farm liabilities from current farm assets.

### ***Solvency (Market)***

The "farm debt to asset ratio" is calculated by dividing the total farm liabilities by the total farm assets. It is similar to the total percent in debt ratio listed earlier. The difference is that nonfarm assets and liabilities are included in the total percent in debt but not in the farm debt to asset ratio.

The "farm equity to asset ratio" is calculated by dividing farm equity or net worth by the total farm assets. It measures the proportion of the farm assets financed by the owner's equity as opposed to debt. This is the opposite of the debt to asset ratio. These two measures always add up to 100% because they describe how total farm assets are financed.

The "farm debt to equity ratio" measures farm debt relative to farm equity. It is calculated by dividing the total farm liabilities by the total farm net worth. The debt to equity ratio measures the amount of borrowed capital being employed for every dollar of equity capital.

### ***Profitability***

The "rate of return on farm assets" can be thought of as the average interest rate being earned on all investments in the farm or ranch business. If assets are valued at market value, the rate of return on assets can be looked at as the "opportunity cost" of farming versus alternate investments. If assets are valued at cost value, the rate of return on assets more closely represents the actual return on the average dollar invested in the farm. The rate of return on farm assets is calculated as follows:  $\text{Rate of Return on Assets} = \text{Return on Farm Assets} \div \text{Average Farm Investment}$ , where:  $\text{Return on Farm Assets} = \text{Net Farm Income} + \text{Farm Interest} - \text{Value of Operator's Labor \& Management}$ , and  $\text{Average Farm Investment} = (\text{Beginning Total Farm Assets} + \text{Ending Total Farm Assets}) \div 2$ .

The "rate of return on farm equity" represents the interest rate being earned on your farm net worth. If assets are valued at market value, this return can be compared to returns available if the assets were liquidated and invested in alternate investments. If assets are valued at cost value, this more closely represents the actual return on the funds that have been invested or retained in the business. The rate of return on farm equity is calculated as follows:  $\text{Rate of Return on Equity} = \text{Return on Farm Equity} \div \text{Average Farm Net Worth}$ , where:  $\text{Return on Farm Equity} = \text{Net Farm Income} - \text{Value of Operator's Labor}$

& Management, and Average Farm Net Worth = (Beginning Farm Net Worth + Ending Farm Net Worth) ÷ 2.

"Operating profit margin" is a measure of the operating efficiency of the business. It is calculated as follows: Operating Profit Margin = Return to Farm Assets ÷ Value of Farm Production. If expenses are held in line relative to the value of output produced, the farm will have a healthy net profit margin. A low net profit margin may be caused by low prices, high operating expenses, or inefficient production.

"Net farm income" represents the returns to unpaid labor, management, and equity capital invested in the business.

### ***Repayment Capacity***

The "term debt coverage ratio" measures whether the business generated enough cash to cover term debt payments. It is calculated by dividing the funds generated by the business for debt repayment (net cash farm income + nonfarm income + interest expense - family living expense - income taxes) by total term debt payments (annual scheduled principal and interest payments on intermediate and long term debt). A ratio less than 100 percent indicates that the business did not generate sufficient cash to meet scheduled payments in the past year. A ratio greater than 100 indicates the business generated enough cash to pay all term debt payments.

The "capital replacement margin" is the amount of money remaining after all operating expenses, taxes, family living costs, and scheduled debt payments have been made. It is the cash generated by the farm business that is available for financing capital replacement such as machinery and equipment. FINAN calculates the capital replacement margin by first adding interest due on intermediate and long term loans to the amount available for principal payments. It then subtracts scheduled principal and interest payments from this total.

### ***Efficiency***

"Asset turnover rate" is a measure of efficiency in using capital. It is calculated as follows: Asset Turnover Rate = Value of Farm Production ÷ Total Farm Assets. This will be a market or cost rate depending on how the assets are valued.

The last four ratios reflect the distribution of gross income to cover operating expenses and generate farm income. The sum of the operating expense ratio, the depreciation expense ratio, and the interest expense ratio equals the percent of gross income used to pay business expenses. The amount remaining is net farm income. The gross farm income used to calculate these ratios is the accrual gross farm income.

The "operating expense ratio" is calculated as (Total Farm Operating Expense - Farm Interest Expense) ÷ Gross Farm Income. This ratio indicates the percent of the gross farm income that was used to pay operating expenses. Total farm operating expense is the accrual total operating expense.

The "depreciation expense ratio" is calculated as Depreciation ÷ Gross Farm Income. This ratio indicates the percent of the gross farm income that was used to cover depreciation and other capital adjustments.

The "interest expense ratio" is calculated as  $\text{Farm Interest Expense} \div \text{Gross Farm Income}$ . This ratio indicates the percent of the gross farm income used for farm interest expenses. This is the same ratio as the accrual interest as a percent of income from the Liquidity section in Table 4.

The "net farm income ratio" is calculated as  $\text{Net Farm Income} \div \text{Gross Farm Income}$ . This ratio indicates the percent of the gross farm income that remained after all expenses.

### **Table 8. Crop Production and Marketing Summary**

This table contains three sections. The first section reports average acreage by land use. The next two sections show average price received and average yields for major crops.

### **Table 9. Household and Personal Expenses**

For those farms that kept records, the household and personal expenses are summarized in Table 9. The farms are grouped based on profit as in Table 1. Since not all farms keep these records, the number of farms may be different for each group. Averages are determined by the number of farms keeping these records.

### **Table 10. Nonfarm Income and Operator Information**

Table 10 reports the averages for the number of operators per farm, the operator's age, and the number of years farming. This table also reports the income from nonfarm sources which is included in a farmer's total net income. Not all farms have nonfarm income, but the figure reported is the average over all farms not just those reporting nonfarm income. Also reported are the beginning and ending values for nonfarm assets for all farms (not just sole proprietors as in Table 5).

**Table 1a**  
**FARM INCOME STATEMENT, 1997**  
**Southeastern Minnesota Farm Business Management Association**  
**(Farms sorted by Net Farm Income)**

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of Farms	64	13	13
<b>CASH FARM INCOME</b>			
Apples	860	-	4232
Barley	143	-	-
Corn	57517	14601	120232
Corn silage	53	105	-
Grass seed	143	703	-
Green beans	307	-	231
Hay, alfalfa	2079	1279	2410
Hay, other	54	159	-
Oats	124	-	160
Peas	1516	969	6495
Rye	82	-	402
Soybeans	50126	12737	114838
Stover	8	38	-
Straw	312	190	1087
Sweet corn	964	1185	650
Wheat	909	705	3774
Beef, cow-calf calves	428	532	-
Beef, custom fed	110	540	-
Beef, finish calves	10675	27183	-
Dairy, milk	100984	117145	168315
Dairy, calves	3273	4821	6341
Dairy, heifers	2840	2261	1410
Dairy, steers	6953	2672	22727
Hogs, farrow to finish	13308	13050	10004
Hogs, feeder pigs	93	-	-
Hogs, finish feeder pigs	8686	3626	11863
Horses, foals	2212	-	10889
Cull breeding livestock	8942	4993	20295
Misc. livestock income	34	-	-
Govt. transition payments	12244	4860	29211
CRP payments	382	494	-
Other government payments	281	61	442
Custom work income	2783	786	3732
Patronage dividends, cash	1984	940	4714
Insurance income	686	324	294
Cash from hedging accts	305	500	-
Other farm income	2285	1590	4713
Gross Cash Farm Income	294687	219049	549463

**Table 1b**  
**FARM INCOME STATEMENT, 1997 (Continued)**  
**Southeastern Minnesota Farm Business Management Association**  
**(Farms sorted by Net Farm Income)**

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of Farms	64	13	13
<b>CASH FARM EXPENSE</b>			
Seed	13072	5426	25146
Fertilizer	16207	6119	34396
Crop chemicals	16490	7471	38748
Crop insurance	2161	1257	1718
Drying fuel	3321	2030	6794
Irrigation energy	47	-	232
Crop marketing	432	121	749
Crop miscellaneous	1024	538	1583
Feeder livestock purchase	11877	20615	9339
Purchased feed	41685	61883	54732
Breeding fees	1961	1256	5287
Veterinary	4596	5820	7089
Livestock supplies	7844	11053	11844
Livestock leases	217	8	-
Livestock marketing	1561	1368	1892
Interest	18957	24447	29914
Fuel & oil	6556	4626	11239
Repairs	19353	13096	34375
Custom hire	7291	4455	12450
Hired labor	10254	12878	13221
Land rent	22970	8693	38474
Machinery & bldg leases	2235	2921	1976
Real estate taxes	4840	2661	10873
Farm insurance	2759	1995	4729
Utilities	4037	3402	4872
Hedging account deposits	627	615	231
Miscellaneous	3128	3001	4256
Total cash expense	225501	207754	366157
Net cash farm income	69186	11295	183306
<b>INVENTORY CHANGES</b>			
Crops and feed	16458	2733	57222
Market livestock	1429	-2357	4234
Accounts receivable	184	-274	2671
Prepaid expenses and supplies	2223	262	9088
Accounts payable	717	-1058	1733
Total inventory change	21010	-694	74948
Net operating profit	90196	10601	258254
<b>DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS</b>			
Breeding livestock	-2921	-6623	-2752
Machinery and equipment	-10253	-8486	-22199
Buildings and improvements	-3780	-4552	-8530
Other farm capital	70	-	-262
Total depr. and other capital adj	-16885	-19662	-33743
Net farm income	73311	-9061	224511

**Table 2**  
**INVENTORY CHANGES, 1997**  
**Southeastern Minnesota Farm Business Management Association**  
**(Farms sorted by Net Farm Income)**

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of Farms	64	13	13
Net cash farm income	69186	11295	183306
<b>CROPS AND FEED</b>			
Ending inventory	124683	36486	317598
Beginning inventory	108225	33753	260376
Inventory change	16458	2733	57222
<b>MARKET LIVESTOCK</b>			
Ending inventory	44318	39361	69599
Beginning inventory	42889	41717	65365
Inventory change	1429	-2357	4234
<b>ACCTS RECEIVABLE &amp; OTHER CURRENT ASSETS</b>			
Ending inventory	1539	37	5750
Beginning inventory	1355	311	3079
Inventory change	184	-274	2671
<b>PREPAID EXPENSES AND SUPPLIES</b>			
Ending inventory	5060	2691	14210
Beginning inventory	2837	2429	5122
Inventory change	2223	262	9088
<b>ACCOUNTS PAYABLE</b>			
Beginning inventory	3465	2351	4771
Ending inventory	2748	3410	3038
Inventory change	717	-1058	1733
Total inventory change	21010	-694	74948
Net operating profit	90196	10601	258254

**Table 3**  
**DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS, 1997**  
**Southeastern Minnesota Farm Business Management Association**  
**(Farms sorted by Net Farm Income)**

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of Farms	64	13	13
Net operating profit	90196	10601	258254
<b>BREEDING LIVESTOCK</b>			
Ending inventory	42771	52198	52955
Capital sales	571	1663	-
Beginning inventory	41560	44887	52871
Capital purchases	4702	15597	2836
Depreciation, capital adj.	-2921	-6623	-2752
<b>MACHINERY AND EQUIPMENT</b>			
Ending inventory	125157	114445	220120
Capital sales	1385	4	2222
Beginning inventory	105861	105621	170888
Capital purchases	30933	17314	73655
Depreciation, capital adj.	-10253	-8486	-22199
<b>BUILDINGS AND IMPROVEMENTS</b>			
Ending inventory	74108	93976	149094
Capital sales	-	-	-
Beginning inventory	72034	94803	140113
Capital purchases	5854	3725	17510
Depreciation, capital adj.	-3780	-4552	-8530
<b>OTHER CAPITAL ASSETS</b>			
Ending inventory	4995	1777	10672
Capital sales	-	-	-
Beginning inventory	2784	1777	7067
Capital purchases	2142	-	3867
Depreciation, capital adj.	70	-	-262
Total depreciation, capital adj.	-16885	-19662	-33743
Net farm income	73311	-9061	224511

**Table 4**  
**PROFITABILITY AND LIQUIDITY ANALYSIS, 1997**  
**Southeastern Minnesota Farm Business Management Association**  
**(Farms sorted by Net Farm Income)**

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of Farms	64	13	13
<b>PROFITABILITY (Cost)</b>			
Net farm income	73311	-9061	224511
Labor and management earnings	45620	-21518	153010
Rate of return on assets	8.7 %	-2.0 %	12.9 %
Rate of return on equity	9.2 %	-16.3 %	14.9 %
Operating profit margin	23.6 %	-7.0 %	37.8 %
Asset turnover rate	36.7 %	28.1 %	34.0 %
Interest on farm net worth	27692	12457	71501
Farm interest expense	18654	24476	29845
Value of operator lbr and mgmt.	31555	24462	47538
Return on farm assets	60410	-9046	206818
Average farm assets	697439	462302	1607591
Return on farm equity	41757	-33522	176973
Average farm equity	455091	205375	1191682
Value of farm production	256273	130030	546768
Number of Farms	64	13	13
<b>LIQUIDITY (Cash)</b>			
Net cash farm income	69186	11295	183306
Net nonfarm income	21693	33227	24393
Family living and taxes	47174	35892	85409
Real estate principal payments	114	300	-
Cash available for interm. debt	43591	8330	122291
Average intermediate debt	60219	81046	55101
Years to turnover interm. debt	1.4	9.7	0.5
Expense as a % of income	77 %	95 %	67 %
Interest as a % of income	6 %	11 %	5 %
<b>LIQUIDITY (Accrual)</b>			
Total accrual farm income	312757	219151	613591
Total accrual farm expense	222561	208551	355337
Net accrual operating income	90196	10601	258254
Net nonfarm income	21693	33227	24393
Family living and taxes	47174	35892	85409
Real estate principal payments	114	300	-
Available for intermediate debt	64601	7636	197239
Average intermediate debt	60219	81046	55101
Years to turnover interm. debt	0.9	10.6	0.3
Expense as a % of income	71 %	95 %	58 %
Interest as a % of income	6 %	11 %	5 %

**Table 5**  
**BALANCE SHEET AT COST VALUES, 1997**  
**Southeastern Minnesota Farm Business Management Association**  
**(Farms sorted by Net Farm Income)**

	Average Of		Average Of		Average Of	
	All Farms		Low 20 %		High 20 %	
	-----		-----		-----	
Number of Farms	47		13		7	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
	-----	-----	-----	-----	-----	-----
<b>ASSETS</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	16475	12617	10815	12553	40464	34529
Prepaid expenses & supplies	2828	4220	2429	2691	5803	9648
Growing crops	-	-	-	-	-	-
Accounts receivable	1380	856	311	37	3036	3907
Hedging accounts	260	756	-	-	1310	3807
Crops held for sale or feed	88068	96337	33753	36486	224514	256463
Crops under government loan	1090	815	-	-	-	-
Market livestock held for sale	32964	34919	41717	39361	20163	25523
Other current assets	-	-	-	-	-	-
Total current farm assets	143066	150520	89026	91128	295289	333877
<b>Intermediate Farm Assets</b>						
Breeding livestock	35228	36402	44887	52198	33257	34686
Machinery and equipment	91100	108061	105621	114445	95399	149285
Other intermediate assets	431	856	596	596	-	-
Total intermediate farm assets	126759	145319	151104	167239	128656	183971
<b>Long-Term Farm Assets</b>						
Farm land	175999	190161	115522	119445	450256	477399
Buildings and improvements	60835	61610	94803	93976	86396	89770
Other long-term assets	996	3675	1181	1181	-	7324
Total long-term farm assets	237829	255445	211507	214603	536652	574493
Total Farm Assets	507653	551285	451636	472969	960597	1092340
Total Nonfarm Assets	106496	122095	96975	103565	162041	221594
Total Assets	614150	673379	548611	576534	1122638	1313935
<b>LIABILITIES</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	915	428	-	29	2338	2639
Accounts payable	3297	2623	2351	3381	5879	3004
Current notes	38068	36691	45813	33150	17874	17688
Government crop loans	-	-	-	-	-	-
Principal due on term debt	338	569	-	-	-	-
Total current farm liabilities	42618	40310	48165	36560	26091	23331
<b>Intermediate Farm Liabilities</b>						
Intermediate Farm Liabilities	52416	68393	59008	103084	48369	94653
<b>Long-term Farm Liabilities</b>						
Long-term Farm Liabilities	119740	130836	134011	133028	249929	288674
Total Farm Liabilities	214774	239539	241183	272671	324389	406658
Total Nonfarm Liabilities	11930	11461	12909	12309	1043	771
Total Liabilities	226704	251000	254092	284980	325432	407429
Net Worth (farm and nonfarm)	387446	422379	294519	291554	797206	906505
Net Worth Change		34933		-2965		109299
<b>RATIO ANALYSIS</b>						
Current Farm Liabilities / Assets	30 %	27 %	54 %	40 %	9 %	7 %
Curr. & Interm Farm Liab / Assets	35 %	37 %	45 %	54 %	18 %	23 %
Long Term Farm Liab. / Assets	50 %	51 %	63 %	62 %	47 %	50 %
Total Liabilities / Assets	37 %	37 %	46 %	49 %	29 %	31 %

**Table 6**  
**STATEMENT OF CASH FLOWS, 1997**  
**Southeastern Minnesota Farm Business Management Association**  
**(Farms sorted by Net Farm Income)**

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of Farms	64	13	13
(a) Beginning cash balance (farm & nonfarm)	20777	10815	39697
<b>CASH FROM OPERATING ACTIVITIES</b>			
Gross cash farm income	294687	219049	549463
Net nonfarm income (+)	21693	33227	24393
Total cash farm expense (-)	225501	207754	366157
Apparent family living expense (-)	37502	33508	57193
Income and social security tax (-)	9672	2384	28216
(b) Cash from operations (=)	43705	8630	122291
<b>CASH FROM INVESTING ACTIVITIES</b>			
Sale of breeding livestock	571	1663	-
Sale of machinery & equipment (+)	1385	4	2222
Sale of farm land (+)	221	-	-
Sale of farm buildings (+)	-	-	-
Sale of other farm assets (+)	-	-	-
Sale of nonfarm assets (+)	3667	415	4053
Purchase of breeding livestock (-)	4702	15597	2836
Purchase of machinery & equip. (-)	30933	17314	73655
Purchase of farm land (-)	10387	3860	14615
Purchase of farm buildings (-)	5854	3725	17510
Purchase of other farm assets (-)	2142	-	3867
Purchase of nonfarm assets (-)	13711	1762	27274
(c) Cash from investing activities (=)	-61886	-40177	-133482
<b>CASH FROM FINANCING ACTIVITIES</b>			
Money borrowed	93825	124129	107429
Cash gifts and inheritances (+)	4597	3456	9267
Principal payments (-)	81665	94299	106071
Dividends paid (-)	-	-	-
Gifts given (-)	-	-	-
(d) Cash from financing activities (=)	16757	33285	10626
(e) Net change in cash balance (b+c+d)	-1425	1738	-566
Ending cash balance (farm & nonfarm)	19353	12553	39130

**Table 7**  
**FINANCIAL GUIDELINES MEASURES, 1997**  
**Southeastern Minnesota Farm Business Management Association**  
**(Farms sorted by Net Farm Income)**

	Average For		Average For		Average For	
	All Farms		Low 20 %		High 20 %	
	-----	-----	-----	-----	-----	-----
Number of Farms	64		13		13	
LIQUIDITY	Beginning	Ending	Beginning	Ending	Beginning	Ending
Current ratio	4.86	5.72	1.85	2.49	15.43	24.49
Working capital	137730	157986	40861	54568	349430	428067
SOLVENCY (Cost)	Beginning	Ending	Beginning	Ending	Beginning	Ending
Farm debt to asset ratio	35 %	34 %	53 %	58 %	26 %	25 %
Farm equity to asset ratio	65 %	66 %	47 %	42 %	74 %	75 %
Farm debt to equity ratio	54 %	52 %	115 %	136 %	36 %	34 %
PROFITABILITY (Cost)						
Rate of return on farm assets	8.7 %		-2.0 %		12.9 %	
Rate of return on farm equity	9.2 %		-16.3 %		14.9 %	
Operating profit margin	23.6 %		-7.0 %		37.8 %	
Net farm income	73311		-9061		224511	
REPAYMENT CAPACITY	Cash	Accrual	Cash	Accrual	Cash	Accrual
Term debt coverage ratio	n/a	n/a	n/a	n/a	n/a	n/a
Capital replacement margin	n/a	n/a	n/a	n/a	n/a	n/a
EFFICIENCY						
Asset turnover rate (cost)	36.7 %		28.1 %		34.0 %	
Operating expense ratio	65.2 %		84.0 %		53.0 %	
Depreciation expense ratio	5.4 %		9.0 %		5.5 %	
Interest expense ratio	6.0 %		11.2 %		4.9 %	
Net farm income ratio	23.4 %		-4.1 %		36.6 %	

LABOR ANALYSIS

	Average For		Average For		Average For	
	All Farms		Low 20 %		High 20 %	
	-----	-----	-----	-----	-----	-----
Number of Farms	64		13		13	
Total unpaid labor hours	3880		3033		5482	
Total hired labor hours	1025		944		1492	
Total labor hours per farm	4905		3977		6974	
Value of farm production / hour	52.24		32.70		78.40	
Net farm income / unpaid hour	18.89		-2.99		40.96	

**Table 8**  
**CROP PRODUCTION AND MARKETING SUMMARY, 1997**  
**Southeastern Minnesota Farm Business Management Association**  
**(Farms sorted by Net Farm Income)**

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of Farms	64	13	13
<b>ACREAGE SUMMARY</b>			
Total Acres Owned	325	224	696
Total Crop Acres	513	236	1049
Crop Acres Owned	266	124	658
Crop Acres Cash Rented	241	103	386
Crop Acres Share Rented	7	8	5
Total Pasture Acres	15	27	1
<b>AVERAGE PRICE RECEIVED (Cash Sales Only)</b>			
Corn per bu.	2.54	2.37	2.56
Soybeans per bu.	7.11	6.47	7.47
Wheat, Spring per bu.	3.87	-	-
Oats per bu.	1.56	-	-
Hay, Alfalfa per ton	98.64	-	-
Straw per ton	83.67	-	-
<b>AVERAGE YIELD PER ACRE</b>			
Corn (bu.)	146.05	141.05	149.64
Soybeans (bu.)	44.18	45.99	45.72
Hay, Alfalfa (ton)	3.90	3.67	4.12
Corn Silage (ton)	19.15	20.34	20.54
Oatlage (ton)	4.18	-	-
Peas (lb.)	2511.63	-	2271.21

**Table 9**  
**HOUSEHOLD AND PERSONAL EXPENSES, 1997**  
**Southeastern Minnesota Farm Business Management Association**  
**(Average of all farms reporting)**

	Average For All Farms
Number of Sole Proprietors	17
Average family size	3.5
<b>FAMILY LIVING EXPENSES</b>	
Food and meals expense	5032
Medical care and health insurance	3983
Cash donations	2150
Household supplies	3359
Clothing	1042
Personal care	1435
Child / Dependent care	1160
Gifts	2020
Education	2208
Recreation	2384
Utilities (household share)	1934
Nonfarm vehicle operating expense	2745
Household real estate taxes	447
Dwelling rent	-
Household repairs	746
Nonfarm interest	1013
Life insurance payments	1181
Total cash family living expense	32840
Family living from the farm	51
Total family living	32890
<b>OTHER NONFARM EXPENDITURES</b>	
Income taxes	12009
Furnishing & appliance purchases	-
Nonfarm vehicle purchases	1719
Nonfarm real estate purchases	4436
Other nonfarm capital purchases	3768
Nonfarm savings & investments	5549
Total other nonfarm expenditures	27482
Total cash family living, investment & nonfarm capital purch	60321
<b>PARTNERSHIPS</b>	
Number of partnerships	12
Number of operators per partnership	2.2
Average owner withdrawals per farm	66261
Average withdrawals per operator	30582

**Table 10**  
**OPERATOR INFORMATION & NONFARM SUMMARY, 1997**  
**Southeastern Minnesota Farm Business Management Association**  
**(Farms sorted by Net Farm Income)**

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of Farms	64	13	13
<b>OPERATOR INFORMATION</b>			
Average number of operators	1.3	1.0	1.6
Average age of operators	46.7	44.8	47.0
Average number of years farming	24.0	22.3	26.6
<b>NONFARM INCOME</b>			
Nonfarm wages & salary	12084	21310	3484
Nonfarm business income	2518	5499	1596
Nonfarm rental income	778	611	1404
Nonfarm interest income	1060	331	2949
Nonfarm cash dividends	3	-	-
Tax refunds	416	904	252
Gifts and inheritances	4597	3456	9267
Other nonfarm income	4833	4571	14708
Total nonfarm income	26290	36682	33660

	Average For All Farms	
	Beginning	Ending
<b>NONFARM ASSETS (Cost)</b>		
Checking & savings	2629	3477
Stocks & bonds	4437	10059
Other current assets	4833	8083
Furniture & appliances	5993	7293
Nonfarm vehicles	4149	5120
Cash value of life ins.	12575	12230
Retirement accounts	15832	15475
Other intermediate assets	4217	4480
Nonfarm real estate	31463	39108
Other long term assets	13261	15649
Total nonfarm assets	99390	120974

## EXPLANATORY NOTES FOR CROPS TABLES

The "Crop Enterprise Analysis" tables show the average physical production, gross return, direct costs, overhead costs, and net returns per acre. All costs are actual costs; no opportunity costs are included. The "Net Return per Acre" is the "Gross Return per Acre" minus the direct and overhead costs. The last section of each crop table contains economic efficiency measures and the net return per acre including government payments and a charge for unpaid labor and management.

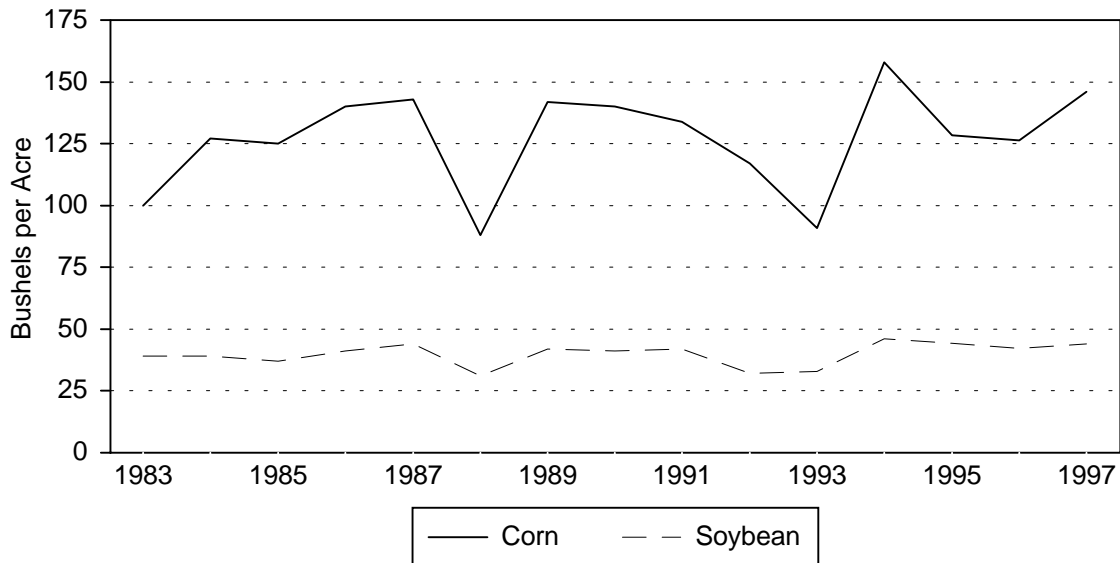
There are potentially three tables for each group depending on the farmer's tenure on the land: owned land, cash rented land, and share rented land. It is possible for an individual farm to have data in all three tables if all three land tenure categories are represented in that farm business. Farms are classified into low 20% or high 20% on the basis of returns to overhead costs. The classification is done separately for each table.

The "net return including government payments" is calculated by allocating "FAIR" transition payments across relevant crops and adding this to the "net return per acre."

The "net return over labor and management" is calculated by allocating the farmer's charge for unpaid labor and management and subtracting it from the "net return per acre (including government payments)."

Rounding of individual items for the report may have caused minor discrepancies with the calculated totals.

Figure 6. Average Corn & Soybean Yield



**Table 11 - 1**  
**Crop Enterprise Analysis, 1997**  
**Southeastern Minnesota Farm Business Management Association**  
**(Farms sorted according to Return to Overhead per Acre)**

**CORN ON OWNED LAND**

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of fields	48	9	9
Number of farms	46	9	9
Acres	152.76	89.91	304.56
Yield per acre (bushel)	148.06	137.19	155.48
Operators share of yield %	100.00	100.00	100.00
Value per bushel	2.40	2.40	2.40
Total product return per acre	355.34	329.25	373.14
Miscellaneous income per acre	0.28	0.00	0.00
Gross return per acre	355.62	329.25	373.14
Direct expenses per acre			
Seed	30.51	33.77	31.41
Fertilizer	46.24	49.95	43.64
Crop chemicals	37.57	45.48	37.04
Crop insurance	4.16	6.96	5.20
Drying fuel	10.68	16.69	8.30
Irrigation energy	0.32	0.00	0.87
Fuel & oil	10.03	11.10	7.83
Repairs	25.57	29.09	21.94
Custom hire	6.07	11.91	1.68
Hired labor	0.01	0.00	0.00
Machinery & bldg leases	0.00	0.00	0.00
Utilities	0.06	0.00	0.00
Operating interest	3.45	17.61	0.06
Miscellaneous	0.27	0.08	0.22
Total direct expenses per acre	174.95	222.63	158.19
Return over direct expenses per acre	180.67	106.62	214.95
Overhead expenses per acre			
Hired labor	5.73	5.30	4.87
Machinery & bldg leases	0.39	0.03	0.35
RE & pers. property taxes	14.34	13.41	14.13
Farm insurance	3.12	4.58	2.45
Utilities	1.54	1.72	0.84
Interest	34.12	40.79	33.29
Mach & bldg depreciation	20.25	19.46	18.63
Miscellaneous	2.89	3.12	2.83
Total overhead expenses per acre	82.39	88.42	77.38
Total listed expenses per acre	257.34	311.05	235.57
Net return per acre	98.28	18.21	137.57
Total direct expense per bushel	1.18	1.62	1.02
Total listed expense per bushel	1.74	2.27	1.52
Net return per bushel	0.66	0.13	0.88
Breakeven yield per acre	107.11	129.60	98.16
Est. labor hours per acre	3.24	4.17	1.92
Net return including govt. payments	126.03	48.00	168.10
Lbr & mgt charge per acre	29.16	41.07	18.57
Net return over lbr & mgt	96.87	6.93	149.53

**Table 11 - 2**  
**Crop Enterprise Analysis, 1997**  
**Southeastern Minnesota Farm Business Management Association**  
**(Farms sorted according to Return to Overhead per Acre)**

**CORN ON CASH RENTED LAND**

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of fields	63	14	12
Number of farms	50	10	10
Acres	111.80	112.83	98.54
Yield per acre (bushel)	144.37	142.76	153.85
Operators share of yield %	100.00	100.00	100.00
Value per bushel	2.40	2.40	2.40
Total product return per acre	346.49	342.63	369.24
Miscellaneous income per acre	0.39	0.00	1.22
Gross return per acre	346.89	342.63	370.46
Direct expenses per acre			
Seed	30.27	30.55	29.26
Fertilizer	50.09	64.94	43.32
Crop chemicals	36.42	35.40	38.14
Crop insurance	4.51	5.06	2.55
Drying fuel	11.55	12.38	9.47
Fuel & oil	10.85	10.04	12.26
Repairs	23.13	23.22	21.10
Custom hire	11.97	17.35	2.30
Land rent	88.06	103.64	80.36
Machinery & bldg leases	0.27	1.32	0.00
Utilities	0.15	0.00	0.00
Operating interest	5.22	10.64	0.40
Miscellaneous	0.16	0.06	0.05
Total direct expenses per acre	272.65	314.60	239.21
Return over direct expenses per acre	74.24	28.03	131.25
Overhead expenses per acre			
Hired labor	5.74	0.74	2.50
Machinery & bldg leases	1.45	0.18	1.16
Farm insurance	2.60	2.14	4.39
Utilities	1.48	1.72	1.63
Interest	4.15	6.80	3.71
Mach & bldg depreciation	13.86	13.12	18.25
Miscellaneous	2.96	2.06	4.66
Total overhead expenses per acre	32.23	26.76	36.30
Total listed expenses per acre	304.88	341.35	275.50
Net return per acre	42.01	1.28	94.96
Total direct expense per bushel	1.89	2.20	1.55
Total listed expense per bushel	2.11	2.39	1.79
Net return per bushel	0.29	0.01	0.62
Breakeven yield per acre	126.87	142.23	114.29
Est. labor hours per acre	3.35	2.89	4.14
Net return including govt. payments	66.59	27.35	118.70
Lbr & mgt charge per acre	27.36	25.89	35.26
Net return over lbr & mgt	39.24	1.47	83.43

**Table 11 - 3**  
**Crop Enterprise Analysis, 1997**  
**Southeastern Minnesota Farm Business Management Association**  
**(Average of all farms reporting)**

**CORN ON SHARE RENTED LAND**

	Average For All Farms
	-----
Number of fields	5
Number of farms	5
Acres	45.86
Yield per acre (bushel)	133.58
Operators share of yield %	57.38
Value per bushel	2.40
Total product return per acre	184.81
Miscellaneous income per acre	0.00
Gross return per acre	184.81
Direct expenses per acre	
Seed	24.37
Fertilizer	34.30
Crop chemicals	27.41
Crop insurance	5.17
Drying fuel	6.03
Fuel & oil	15.54
Repairs	25.13
Custom hire	0.78
Machinery & bldg leases	0.25
Operating interest	0.82
Miscellaneous	0.56
Total direct expenses per acre	140.35
Return over direct expenses per acre	44.46
Overhead expenses per acre	
Hired labor	3.37
Machinery & bldg leases	3.32
Farm insurance	2.58
Utilities	0.52
Interest	2.50
Mach & bldg depreciation	11.84
Miscellaneous	2.67
Total overhead expenses per acre	26.81
Total listed expenses per acre	167.15
Net return per acre	17.66
Total direct expense per bushel	1.83
Total listed expense per bushel	2.18
Net return per bushel	0.23
Breakeven yield per acre	121.37
Est. labor hours per acre	3.86
Net return including govt. payments	31.69
Lbr & mgt charge per acre	30.16
Net return over lbr & mgt	1.53

**Table 11 - 4**  
**Crop Enterprise Analysis, 1997**  
**Southeastern Minnesota Farm Business Management Association**  
**(Farms sorted according to Return to Overhead per Acre)**

**SOYBEANS ON OWNED LAND**

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of fields	37	7	7
Number of farms	37	7	7
Acres	145.84	123.00	80.57
Yield per acre (bushel)	44.79	34.03	52.52
Operators share of yield %	100.00	100.00	100.00
Value per bushel	6.60	6.60	6.60
Total product return per acre	295.63	224.61	346.64
Miscellaneous income per acre	2.51	0.00	0.00
Gross return per acre	298.14	224.61	346.64
Direct expenses per acre			
Seed	18.77	21.05	19.80
Fertilizer	0.78	3.81	0.22
Crop chemicals	33.19	27.39	28.35
Crop insurance	5.74	5.85	5.54
Irrigation energy	0.11	0.00	0.00
Fuel & oil	7.36	7.07	8.48
Repairs	18.00	21.57	19.68
Custom hire	4.45	8.63	6.04
Hired labor	0.04	0.00	0.00
Operating interest	2.22	0.87	0.93
Miscellaneous	0.25	0.29	0.10
Total direct expenses per acre	90.90	96.52	89.14
Return over direct expenses per acre	207.25	128.09	257.50
Overhead expenses per acre			
Hired labor	3.35	4.14	6.63
Machinery & bldg leases	0.50	1.45	1.62
RE & pers. property taxes	15.87	12.68	16.46
Farm insurance	2.59	2.33	3.47
Utilities	0.86	0.39	1.14
Interest	34.52	25.70	44.45
Mach & bldg depreciation	15.39	12.66	10.29
Miscellaneous	2.59	1.97	2.79
Total overhead expenses per acre	75.67	61.32	86.84
Total listed expenses per acre	166.56	157.84	175.98
Net return per acre	131.58	66.77	170.65
Total direct expense per bushel	2.03	2.84	1.70
Total listed expense per bushel	3.72	4.64	3.35
Net return per bushel	2.94	1.96	3.25
Breakeven yield per acre	24.86	23.92	26.66
Est. labor hours per acre	2.11	1.97	4.55
Net return including govt. payments	159.18	86.34	201.43
Lbr & mgt charge per acre	22.90	23.66	48.24
Net return over lbr & mgt	136.28	62.68	153.19

**Table 11 - 5**  
**Crop Enterprise Analysis, 1997**  
**Southeastern Minnesota Farm Business Management Association**  
**(Farms sorted according to Return to Overhead per Acre)**

**SOYBEANS ON CASH RENTED LAND**

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of fields	43	9	8
Number of farms	37	7	7
Acres	120.02	116.26	40.99
Yield per acre (bushel)	43.55	37.45	48.22
Operators share of yield %	100.00	100.00	100.00
Value per bushel	6.60	6.60	6.60
Total product return per acre	287.43	247.20	318.27
Miscellaneous income per acre	10.62	2.21	25.90
Gross return per acre	298.05	249.40	344.17
Direct expenses per acre			
Seed	19.06	18.33	15.80
Fertilizer	1.99	1.26	0.05
Crop chemicals	35.00	45.69	29.83
Crop insurance	6.33	12.75	4.23
Fuel & oil	8.40	9.29	11.47
Repairs	17.15	18.48	19.02
Custom hire	7.51	3.28	3.25
Land rent	88.78	78.04	76.29
Operating interest	5.15	9.06	0.21
Miscellaneous	0.32	0.81	0.00
Total direct expenses per acre	189.69	197.00	160.14
Return over direct expenses per acre	108.36	52.40	184.03
Overhead expenses per acre			
Hired labor	4.80	12.69	3.79
Machinery & bldg leases	1.01	0.37	1.29
Farm insurance	2.47	1.91	2.34
Utilities	1.14	2.09	0.62
Interest	3.45	6.71	5.48
Mach & bldg depreciation	10.08	8.39	8.18
Miscellaneous	2.62	2.44	1.81
Total overhead expenses per acre	25.57	34.60	23.52
Total listed expenses per acre	215.26	231.60	183.66
Net return per acre	82.79	17.80	160.50
Total direct expense per bushel	4.36	5.26	3.32
Total listed expense per bushel	4.94	6.18	3.81
Net return per bushel	1.90	0.48	3.33
Breakeven yield per acre	31.01	34.76	23.90
Est. labor hours per acre	2.31	2.57	2.59
Net return including govt. payments	106.25	39.76	181.43
Lbr & mgt charge per acre	22.25	26.26	21.31
Net return over lbr & mgt	84.00	13.50	160.11

**Table 11 - 6**  
**Crop Enterprise Analysis, 1997**  
**Southeastern Minnesota Farm Business Management Association**  
**(Average of all farms reporting)**

**SOYBEANS ON SHARE RENTED LAND**

	Average For All Farms
-----	
Number of fields	5
Number of farms	5
Acres	24.08
Yield per acre (bushel)	44.15
Operator's share of yield %	55.13
Value per bushel	6.60
Total product return per acre	164.13
Miscellaneous income per acre	0.00
Gross return per acre	164.13
Direct expenses per acre	
Seed	12.77
Crop chemicals	37.40
Crop insurance	4.42
Fuel & oil	12.82
Repairs	16.93
Custom hire	0.39
Operating interest	2.32
Miscellaneous	0.88
Total direct expenses per acre	87.94
Return over direct expenses per acre	76.18
Overhead expenses per acre	
Hired labor	1.64
Machinery & bldg leases	0.02
Farm insurance	3.08
Utilities	0.34
Interest	0.84
Mach & bldg depreciation	9.26
Miscellaneous	1.93
Total overhead expenses per acre	17.12
Total listed expenses per acre	105.06
Net return per acre	59.07
Total direct expense per bushel	3.61
Total listed expense per bushel	4.32
Net return per bushel	2.43
Breakeven yield per acre	28.87
Est. labor hours per acre	3.26
Net return including govt. payments	66.44
Lbr & mgt charge per acre	27.31
Net return over lbr & mgt	39.13

**Table 11 - 7**  
**Crop Enterprise Analysis, 1997**  
**Southeastern Minnesota Farm Business Management Association**  
**(Average of all farms reporting)**

**OATS ON OWNED LAND**

	Average For All Farms
	-----
Number of fields	7
Number of farms	7
Acres	16.29
Yield per acre (bushel)	30.57
Operator's share of yield %	100.00
Value per bushel	1.50
Total product return per acre	45.86
Miscellaneous income per acre	43.74
Gross return per acre	89.59
Direct expenses per acre	
Seed	7.17
Fertilizer	6.93
Crop insurance	0.32
Fuel & oil	8.02
Repairs	17.66
Custom hire	4.58
Operating interest	0.33
Miscellaneous	1.78
Total direct expenses per acre	46.79
Return over direct expenses per acre	42.80
Overhead expenses per acre	
Hired labor	8.36
Machinery & bldg leases	0.01
RE & pers. property taxes	9.47
Farm insurance	2.28
Utilities	0.37
Interest	15.17
Mach & bldg depreciation	6.17
Miscellaneous	1.75
Total overhead expenses per acre	43.57
Total listed expenses per acre	90.36
Net return per acre	-0.77
Total direct expense per bushel	1.53
Total listed expense per bushel	2.96
Net return per bushel	-0.03
Breakeven yield per acre	31.08
Est. labor hours per acre	3.44
Net return including govt. payments	11.46
Lbr & mgt charge per acre	18.44
Net return over lbr & mgt	-6.97

**Table 11 - 8**  
**Crop Enterprise Analysis, 1997**  
**Southeastern Minnesota Farm Business Management Association**  
**(Average of all farms reporting)**

**OATS ON CASH RENTED LAND**

	Average For All Farms
	-----
Number of fields	13
Number of farms	10
Acres	14.37
Yield per acre (bushel)	70.03
Operators share of yield %	100.00
Value per bushel	1.50
Total product return per acre	105.04
Miscellaneous income per acre	41.75
Gross return per acre	146.79
Direct expenses per acre	
Seed	12.98
Fertilizer	6.41
Crop chemicals	0.43
Crop insurance	0.16
Fuel & oil	6.51
Repairs	15.02
Custom hire	9.91
Land rent	79.92
Operating interest	1.93
Miscellaneous	0.40
Total direct expenses per acre	133.68
Return over direct expenses per acre	13.11
Overhead expenses per acre	
Hired labor	4.32
Farm insurance	2.34
Utilities	0.44
Interest	1.92
Mach & bldg depreciation	7.12
Miscellaneous	1.39
Total overhead expenses per acre	17.53
Total listed expenses per acre	151.21
Net return per acre	-4.43
Total direct expense per bushel	1.91
Total listed expense per bushel	2.16
Net return per bushel	-0.06
Breakeven yield per acre	72.98
Est. labor hours per acre	2.83
Net return including govt. payments	20.71
Lbr & mgt charge per acre	16.19
Net return over lbr & mgt	4.52

**Table 11 - 9**  
**Crop Enterprise Analysis, 1997**  
**Southeastern Minnesota Farm Business Management Association**  
**(Average of all farms reporting)**

**BARLEY ON OWNED LAND**

	Average For All Farms
	-----
Number of fields	6
Number of farms	6
Acres	34.17
Yield per acre (bushel)	47.65
Operators share of yield %	100.00
Value per bushel	2.25
Total product return per acre	107.22
Miscellaneous income per acre	24.07
Gross return per acre	131.29
Direct expenses per acre	
Seed	8.87
Fuel & oil	7.82
Repairs	22.66
Custom hire	13.53
Operating interest	0.59
Miscellaneous	0.20
Total direct expenses per acre	53.68
Return over direct expenses per acre	77.61
Overhead expenses per acre	
Hired labor	11.48
Machinery & bldg leases	1.00
RE & pers. property taxes	13.13
Farm insurance	5.88
Utilities	1.39
Interest	21.41
Mach & bldg depreciation	16.15
Miscellaneous	4.78
Total overhead expenses per acre	75.23
Total listed expenses per acre	128.91
Net return per acre	2.38
Total direct expense per bushel	1.13
Total listed expense per bushel	2.71
Net return per bushel	0.05
Breakeven yield per acre	46.59
Est. labor hours per acre	2.22
Net return including govt. payments	25.38
Lbr & mgt charge per acre	9.99
Net return over lbr & mgt	15.39

**Table 11 - 10**  
**Crop Enterprise Analysis, 1997**  
**Southeastern Minnesota Farm Business Management Association**  
**(Farms sorted according to Return to Overhead per Acre)**

**ALFALFA HAY ON OWNED LAND**

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of fields	29	6	7
Number of farms	28	6	6
Acres	72.03	66.44	109.32
Yield per acre (ton)	3.82	2.60	4.56
Operators share of yield %	100.00	100.00	100.00
Value per ton	90.00	90.00	90.00
Total product return per acre	343.99	234.07	410.84
Miscellaneous income per acre	0.00	0.00	0.00
Gross return per acre	343.99	234.07	410.84
Direct expenses per acre			
Seed	13.87	16.66	12.38
Fertilizer	16.34	10.31	13.02
Crop chemicals	2.69	3.66	1.35
Fuel & oil	12.38	11.83	10.81
Repairs	42.59	35.87	41.68
Custom hire	9.80	16.68	2.60
Operating interest	3.75	7.18	0.08
Miscellaneous	3.39	9.29	2.16
Total direct expenses per acre	104.79	111.48	84.08
Return over direct expenses per acre	239.20	122.59	326.76
Overhead expenses per acre			
Hired labor	12.58	13.72	12.86
Machinery & bldg leases	0.40	0.01	0.66
RE & pers. property taxes	10.86	11.63	11.23
Farm insurance	3.10	2.87	2.18
Utilities	1.02	0.98	0.53
Interest	30.60	24.55	37.07
Mach & bldg depreciation	21.07	10.54	25.55
Miscellaneous	3.14	3.06	2.42
Total overhead expenses per acre	82.78	67.37	92.50
Total listed expenses per acre	187.57	178.84	176.59
Net return per acre	156.42	55.22	234.26
Total direct expense per ton	27.42	42.86	18.42
Total listed expense per ton	49.08	68.77	38.68
Net return per ton	40.92	21.23	51.32
Breakeven yield per acre	2.08	1.99	1.96
Est. labor hours per acre	5.45	6.83	4.09
Net return including govt. payments	179.59	74.51	260.77
Lbr & mgt charge per acre	32.86	52.83	22.07
Net return over lbr & mgt	146.73	21.69	238.70

**Table 11 - 11**  
**Crop Enterprise Analysis, 1997**  
**Southeastern Minnesota Farm Business Management Association**  
**(Farms sorted according to Return to Overhead per Acre)**

**ALFALFA HAY ON CASH RENTED LAND**

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of fields	32	6	8
Number of farms	29	6	6
Acres	44.30	36.64	57.07
Yield per acre (ton)	3.99	3.42	4.52
Operators share of yield %	100.00	100.00	100.00
Value per ton	90.00	90.00	90.00
Total product return per acre	358.70	307.89	406.83
Miscellaneous income per acre	0.00	0.00	0.00
Gross return per acre	358.70	307.89	406.83
Direct expenses per acre			
Seed	19.43	16.77	18.50
Fertilizer	12.33	9.62	11.48
Crop chemicals	4.10	0.00	0.75
Fuel & oil	12.22	12.63	12.57
Repairs	34.82	35.73	31.81
Custom hire	5.17	5.49	0.00
Land rent	80.16	87.96	75.71
Machinery & bldg leases	3.50	3.26	0.00
Operating interest	1.83	0.79	0.00
Miscellaneous	2.45	1.91	2.23
Total direct expenses per acre	176.00	174.16	153.06
Return over direct expenses per acre	182.71	133.73	253.77
Overhead expenses per acre			
Hired labor	12.60	8.93	25.17
Machinery & bldg leases	1.74	4.68	3.14
Farm insurance	2.87	1.00	3.15
Utilities	0.96	1.02	0.92
Interest	4.26	2.99	4.83
Mach & bldg depreciation	24.74	25.66	36.13
Miscellaneous	5.24	4.92	8.80
Total overhead expenses per acre	52.43	49.19	82.14
Total listed expenses per acre	228.43	223.36	235.20
Net return per acre	130.28	84.53	171.64
Total direct expense per ton	44.16	50.91	33.86
Total listed expense per ton	57.31	65.29	52.03
Net return per ton	32.69	24.71	37.97
Breakeven yield per acre	2.54	2.48	2.61
Est. labor hours per acre	6.44	8.44	7.66
Net return including govt. payments	152.57	112.67	185.96
Lbr & mgt charge per acre	33.48	37.79	21.97
Net return over lbr & mgt	119.09	74.89	163.98

**Table 11 - 12**  
**Crop Enterprise Analysis, 1997**  
**Southeastern Minnesota Farm Business Management Association**  
**(Farms sorted according to Return to Overhead per Acre)**

**CORN SILAGE ON OWNED LAND**

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of fields	26	5	6
Number of farms	25	5	5
Acres	31.81	31.83	50.10
Yield per acre (ton)	19.43	13.29	23.11
Operators share of yield %	100.00	100.00	100.00
Value per ton	19.00	19.00	19.00
Total product return per acre	369.17	252.59	439.17
Miscellaneous income per acre	0.00	0.00	0.00
Gross return per acre	369.17	252.59	439.17
Direct expenses per acre			
Seed	26.50	28.48	25.78
Fertilizer	36.71	47.10	35.03
Crop chemicals	37.45	32.64	37.38
Crop insurance	0.95	0.23	0.85
Irrigation energy	0.01	0.00	0.00
Fuel & oil	13.88	13.91	14.01
Repairs	36.87	31.16	34.70
Custom hire	4.02	1.57	1.16
Machinery & bldg leases	0.01	0.00	0.04
Operating interest	3.55	0.31	0.07
Miscellaneous	2.05	0.00	1.29
Total direct expenses per acre	162.01	155.39	150.31
Return over direct expenses per acre	207.17	97.19	288.86
Overhead expenses per acre			
Hired labor	8.83	9.64	6.52
Machinery & bldg leases	0.36	0.27	0.48
RE & pers. property taxes	10.49	12.88	13.00
Farm insurance	3.85	2.53	5.80
Utilities	1.29	1.19	1.97
Interest	26.70	11.92	12.89
Mach & bldg depreciation	20.86	13.43	30.56
Miscellaneous	3.45	1.25	4.52
Total overhead expenses per acre	75.82	53.11	75.76
Total listed expenses per acre	237.83	208.50	226.07
Net return per acre	131.34	44.08	213.10
Total direct expense per ton	8.34	11.69	6.50
Total listed expense per ton	12.24	15.68	9.78
Net return per ton	6.76	3.32	9.22
Breakeven yield per acre	12.52	10.97	11.90
Est. labor hours per acre	4.23	3.86	3.97
Net return including govt. payments	153.28	62.27	236.40
Lbr & mgt charge per acre	24.72	23.40	28.12
Net return over lbr & mgt	128.56	38.87	208.28

*Table 11 - 13*  
**Crop Enterprise Analysis, 1997**  
**Southeastern Minnesota Farm Business Management Association**  
**(Average of all farms reporting)**

**CORN SILAGE ON CASH RENTED LAND**

	Average For All Farms
	-----
Number of fields	18
Number of farms	17
Acres	24.16
Yield per acre (ton)	18.60
Operators share of yield %	100.00
Value per ton	19.00
Total product return per acre	353.46
Miscellaneous income per acre	0.00
Gross return per acre	353.46
Direct expenses per acre	
Seed	26.81
Fertilizer	34.21
Crop chemicals	36.68
Crop insurance	1.01
Fuel & oil	14.25
Repairs	28.92
Custom hire	4.31
Land rent	73.60
Machinery & bldg leases	2.15
Operating interest	2.68
Miscellaneous	2.12
Total direct expenses per acre	226.75
Return over direct expenses per acre	126.71
Overhead expenses per acre	
Hired labor	9.27
Machinery & bldg leases	0.84
Farm insurance	3.92
Utilities	1.64
Interest	5.33
Mach & bldg depreciation	25.42
Miscellaneous	5.62
Total overhead expenses per acre	52.03
Total listed expenses per acre	278.79
Net return per acre	74.68
Total direct expense per ton	12.19
Total listed expense per ton	14.99
Net return per ton	4.01
Breakeven yield per acre	14.67
Est. labor hours per acre	4.62
Net return including govt. payments	97.17
Lbr & mgt charge per acre	25.28
Net return over lbr & mgt	71.89

**Table 11 - 14**  
**Crop Enterprise Analysis, 1997**  
**Southeastern Minnesota Farm Business Management Association**  
**(Average of all farms reporting)**

**OATLAGE ON OWNED LAND**

	Average For All Farms
	-----
Number of fields	6
Number of farms	6
Acres	24.90
Yield per acre (ton)	4.59
Operators share of yield %	100.00
Value per ton	14.80
Total product return per acre	67.90
Miscellaneous income per acre	80.72
Gross return per acre	148.62
Direct expenses per acre	
Seed	6.47
Fuel & oil	8.41
Repairs	24.70
Total direct expenses per acre	39.59
Return over direct expenses per acre	109.03
Overhead expenses per acre	
Hired labor	12.41
RE & pers. property taxes	9.44
Farm insurance	5.19
Utilities	0.77
Interest	11.71
Mach & bldg depreciation	25.29
Miscellaneous	4.17
Total overhead expenses per acre	68.98
Total listed expenses per acre	108.57
Net return per acre	40.05
Total direct expense per ton	8.63
Total listed expense per ton	23.67
Net return per ton	8.73
Breakeven yield per acre	1.88
Est. labor hours per acre	3.30
Net return including govt. payments	65.65
Lbr & mgt charge per acre	17.05
Net return over lbr & mgt	48.60

**Table 11 - 15**  
**Crop Enterprise Analysis, 1997**  
**Southeastern Minnesota Farm Business Management Association**  
**(Average of all farms reporting)**

**OATLAGE ON CASH RENTED LAND**

	Average For All Farms
	-----
Number of fields	7
Number of farms	7
Acres	23.21
Yield per acre (ton)	3.80
Operator's share of yield %	100.00
Value per ton	14.88
Total product return per acre	56.49
Miscellaneous income per acre	28.93
Gross return per acre	85.42
Direct expenses per acre	
Seed	8.00
Crop chemicals	0.17
Fuel & oil	8.60
Repairs	18.24
Land rent	78.71
Operating interest	1.63
Total direct expenses per acre	115.34
Return over direct expenses per acre	-29.92
Overhead expenses per acre	
Hired labor	7.83
Farm insurance	2.05
Utilities	0.45
Interest	2.43
Mach & bldg depreciation	9.79
Miscellaneous	2.64
Total overhead expenses per acre	25.20
Total listed expenses per acre	140.54
Net return per acre	-55.12
Total direct expense per ton	30.38
Total listed expense per ton	37.02
Net return per ton	-14.52
Breakeven yield per acre	7.50
Est. labor hours per acre	2.30
Net return including govt. payments	-25.91
Lbr & mgt charge per acre	47.01
Net return over lbr & mgt	-72.92

*Table 11 - 16*  
***Crop Enterprise Analysis, 1997***  
***Southeastern Minnesota Farm Business Management Association***  
***(Average of all farms reporting)***

***PASTURE ON OWNED LAND***

	Average For All Farms
Number of fields	12
Number of farms	10
Acres	52.14
Yield per acre	6.19
Operators share of yield %	100.00
Value per unit	10.00
Total product return per acre	61.91
Miscellaneous income per acre	3.50
Gross return per acre	65.42
Direct expenses per acre	
Seed	0.48
Fertilizer	0.99
Crop chemicals	1.13
Fuel & oil	2.42
Repairs	4.13
Operating interest	0.26
Total direct expenses per acre	9.41
Return over direct expenses per acre	56.01
Overhead expenses per acre	
Hired labor	0.50
Machinery & bldg leases	0.02
RE & pers. property taxes	8.46
Farm insurance	2.06
Utilities	0.19
Interest	15.93
Mach & bldg depreciation	1.82
Miscellaneous	2.68
Total overhead expenses per acre	31.67
Total listed expenses per acre	41.08
Net return per acre	24.34
Total direct expense per unit	1.52
Total listed expense per unit	6.64
Net return per unit	3.93
Breakeven yield per acre	3.76
Est. labor hours per acre	1.26
Net return including govt. payments	25.50
Lbr & mgt charge per acre	7.43
Net return over lbr & mgt	18.07

**Table 11 - 17**  
**Crop Enterprise Analysis, 1997**  
**Southeastern Minnesota Farm Business Management Association**  
**(Average of all farms reporting)**

**PASTURE ON CASH RENTED LAND**

	Average For All Farms
	-----
Number of fields	7
Number of farms	6
Acres	48.31
Yield per acre	8.18
Operators share of yield %	100.00
Value per unit	10.00
Total product return per acre	81.84
Miscellaneous income per acre	0.00
Gross return per acre	81.84
Direct expenses per acre	
Seed	3.55
Fertilizer	7.33
Crop chemicals	4.49
Fuel & oil	1.42
Repairs	2.62
Land rent	41.24
Operating interest	0.16
Total direct expenses per acre	60.81
Return over direct expenses per acre	21.03
Overhead expenses per acre	
Hired labor	2.63
Machinery & bldg leases	0.69
Farm insurance	2.25
Utilities	0.07
Interest	0.68
Mach & bldg depreciation	3.95
Miscellaneous	1.51
Total overhead expenses per acre	11.78
Total listed expenses per acre	72.59
Net return per acre	9.25
Total direct expense per unit	7.43
Total listed expense per unit	8.87
Net return per unit	1.13
Breakeven yield per acre	7.26
Est. labor hours per acre	0.63
Net return including govt. payments	11.33
Lbr & mgt charge per acre	1.79
Net return over lbr & mgt	9.54

**Table 11 - 18**  
**Crop Enterprise Analysis, 1997**  
**Southeastern Minnesota Farm Business Management Association**  
**(Average of all farms reporting)**

**CRP ON OWNED LAND**

	Average For All Farms
	-----
Number of fields	7
Number of farms	7
Acres	30.46
Yield per acre	72.93
Operators share of yield %	100.00
Value per unit	1.00
Total product return per acre	72.93
Miscellaneous income per acre	0.00
Gross return per acre	72.93
Direct expenses per acre	
Fuel & oil	0.09
Operating interest	1.54
Total direct expenses per acre	1.64
Return over direct expenses per acre	71.29
Overhead expenses per acre	
Hired labor	0.06
RE & pers. property taxes	8.66
Farm insurance	1.50
Utilities	0.08
Interest	22.46
Mach & bldg depreciation	0.06
Miscellaneous	1.19
Total overhead expenses per acre	34.01
Total listed expenses per acre	35.65
Net return per acre	37.28
Total direct expense per unit	0.02
Total listed expense per unit	0.49
Net return per unit	0.51
Breakeven yield per acre	35.65
Est. labor hours per acre	0.23
Lbr & mgt charge per acre	1.59
Net return over lbr & mgt	35.69

## EXPLANATORY NOTES FOR LIVESTOCK TABLES

The "Livestock Enterprise Analysis" tables show the average physical production, gross returns, direct costs, overhead costs, and net returns per budget unit. All costs are actual costs; no opportunity costs are included. The "Net Return" to the enterprise is the "Gross Return" minus the direct and overhead costs. The last section of each livestock table contains both economic and technical efficiency measures.

The "Dairy" table contains the information for only the milking herd (which includes dry cows). "Dairy Replacement Heifers" are those heifers kept for replacement into the milking herd. "Dairy Steers" includes only steers for feeding. The "Dairy and Replacement Heifers" table is for the whole herd and includes those farms in the "Dairy" and "Dairy Replacement Heifers" tables; it does not include "Dairy Steers."

The "Beef, Finish Beef Calves" table includes the FINPACK codes for beef steer and heifer calf finishing; there was no yearling feeding.

When there is a sufficient number (i.e., more than 24), farms are divided into low 20% and high 20% on the basis of returns to overhead costs. The classification is done separately for each livestock enterprise.

"Lbs. feed per lb. of gain" is the lbs. of total feed divided by "Total production." For grains, these pounds per bushel are used: corn, 56; oats, 32; barley, 48; grain sorghum, 56; wheat, 60; and millet, 48. For these forages, the pounds are calculated by these factors: alfalfa haylage, 0.5; corn silage, 0.33; oatlage, 0.5; and sorghum silage, 0.33; and small grain silage, 0.33.

The calving and weaning percentages are calculated as the number of calves which are calved and weaned, respectively, divided by the number of cows which are supposed to bear young.

Rounding of individual items for the report may have caused minor discrepancies with the calculated totals.

**Table 12 - 1**  
**Livestock Enterprise Analysis, 1997**  
**Southeastern Minnesota Farm Business Management Association**  
**(Farms sorted according to Return to Overhead per head)**

**Dairy -- Average per Cow**

	Average For All Farms		Average For Low 20%		Average For High 20%	
	Quantity	Value	Quantity	Value	Quantity	Value
Number of farms		28		6		6
Milk sold (lb)	18772.13	2540.75	16731.01	2172.85	21695.23	3027.91
Milk used in home (lb)	15.81	1.60	9.85	0.98	25.52	2.55
Milk fed to animals (lb)	118.47	12.04	141.92	14.19	216.73	21.67
Dairy Calves sold (hd)	0.01	1.31	0.00	0.00	0.00	0.00
Transferred out (hd)	1.04	78.61	1.01	77.81	1.03	77.61
Cull sales (hd)	0.38	176.12	0.38	138.72	0.56	359.59
Less purchased (hd)	-0.10	-91.26	-0.29	-304.01	-0.10	-70.11
Less transferred in (hd)	-0.39	-390.79	-0.26	-271.29	-0.48	-505.03
Inventory change (hd)	0.05	34.43	0.09	84.65	-0.02	-16.42
Total production		2362.80		1913.90		2897.77
Other income		6.92		13.50		5.54
Gross return		2369.72		1927.41		2903.31
Direct expenses						
Barley (bu.)	0.39	0.89	1.00	2.26	0.00	0.00
Corn (bu.)	100.38	260.61	93.93	244.23	118.22	307.36
Corn Silage (lb.)	10225.16	104.61	8922.38	96.46	8811.77	88.12
Hay, Alfalfa (lb.)	2617.17	124.62	2791.26	159.94	2215.34	92.91
Hay, Grass & Other (lb.)	311.62	7.17	396.89	13.89	0.00	0.00
Haylage, Alfalfa (lb.)	6621.67	151.36	4928.41	110.89	8130.13	182.95
Oatlage (lb.)	133.64	2.11	0.00	0.00	347.02	6.94
Oats (bu.)	0.84	1.51	0.17	0.39	0.98	2.37
Pasture (aum)	0.84	10.40	2.64	26.38	0.63	6.33
Complete Ration (lb.)	519.90	44.25	2185.38	205.51	452.36	22.71
Protein Vit Minerals (lb.)	3039.90	466.85	4811.35	354.27	3064.97	561.90
Breeding fees		30.51		23.11		48.14
Veterinary		89.79		83.34		119.73
Livestock supplies		168.20		133.14		163.42
Fuel & oil		15.57		17.93		20.28
Repairs		98.10		92.50		96.09
Custom hire		16.10		23.52		2.42
Machinery & bldg leases		10.99		0.00		0.00
Livestock leases		2.27		0.25		8.78
Marketing		32.53		40.41		37.05
Operating interest		3.77		0.00		3.11
Total direct expenses		1642.21		1628.41		1770.61
Return over direct expense		727.52		298.99		1132.70
Overhead expenses						
Hired labor		125.16		34.40		155.85
Machinery & bldg leases		17.77		2.91		21.71
RE & pers. property taxes		11.84		5.91		11.71
Farm insurance		16.04		13.12		15.26
Utilities		49.00		57.55		40.30
Interest		80.51		51.31		45.86
Mach & bldg depreciation		78.85		34.41		76.89
Miscellaneous		17.89		15.24		28.34
Total overhead expenses		397.06		214.86		395.93
Total listed expenses		2039.26		1843.27		2166.54
Net return		330.46		84.13		736.76
Est. labor hours per unit		50.51		61.80		50.83
Labor & management charge		237.16		303.69		231.89
Net return over lbr & mgt		93.29		-219.56		504.88
Other Information						
Avg. number of Cows		90.5		66.3		107.6
Milk produced per Cow		18906		16883		21937
Percent butterfat in milk		4.4		3.8		3.8
Culling percentage		37.6		38.4		56.2
Percent of barn capacity		109.8		101.6		122.0
Lbs. milk/lb grain & conc.		2.1		1.4		2.2
Feed cost per cwt of milk		6.21		7.19		5.80
Feed cost per Cow		1174.37		1214.21		1271.60
Avg. milk price per cwt.		13.53		12.99		13.96

**Table 12 - 2**  
**Livestock Enterprise Analysis, 1997**  
**Southeastern Minnesota Farm Business Management Association**  
**(Farms sorted according to Return to Overhead per head)**

**Dairy Replacement Heifers -- Average per Head Sold or Transferred Out**

Number of farms	Average For All Farms		Average For Low 20%		Average For High 20%	
	Quantity	Value	Quantity	Value	Quantity	Value
		30		6		6
Replacements sold (hd)	0.46	118.29	0.45	43.75	0.25	51.41
Transferred out (hd)	0.54	433.36	0.55	407.06	0.75	552.40
Cull sales (hd)	0.02	2.74	0.00	0.00	0.00	0.00
Butchered (hd)	0.00	0.95	0.00	2.06	0.00	0.00
Less purchased (hd)	-0.07	-38.75	-0.23	-103.67	-0.04	-31.89
Less transferred in (hd)	-1.08	-83.47	-1.15	-106.96	-1.15	-86.34
Inventory change (hd)	-0.00	-0.37	0.20	90.23	0.10	55.23
Total production (hd)	0.00	432.74	0.00	332.47	0.00	540.82
Other income		0.00		0.00		0.00
Gross return		432.74		332.47		540.82
Direct expenses						
Barley (bu.)	0.52	1.17	4.34	9.77	0.00	0.00
Corn (bu.)	23.06	58.60	29.89	72.41	16.80	42.25
Corn Silage (lb.)	4568.01	45.84	6986.25	67.80	4497.16	45.36
Hay, Alfalfa (lb.)	1561.96	73.71	3697.59	175.74	1028.42	46.28
Hay, Grass & Other (lb.)	396.54	10.71	1491.41	30.93	0.00	0.00
Haylage, Alfalfa (lb.)	1959.44	45.89	2329.90	58.25	2623.51	59.03
Haylage, Grass & Other (lb.)	103.87	2.08	0.00	0.00	0.00	0.00
Oatlage (lb.)	153.59	1.15	0.00	0.00	142.89	1.07
Oats (bu.)	1.78	2.68	0.00	0.00	0.67	1.00
Pasture (aum)	0.64	6.35	2.00	20.00	0.09	0.90
Rye Silage (lb.)	59.36	0.59	494.85	4.95	0.00	0.00
Stover (lb.)	128.61	0.76	0.00	0.00	0.00	0.00
Complete Ration (lb.)	81.62	6.71	0.00	0.00	0.00	0.00
Milk (lb.)	93.38	9.54	302.77	30.27	93.02	9.30
Protein Vit Minerals (lb.)	463.89	67.36	485.36	63.43	507.75	85.47
Breeding fees		6.42		11.67		3.88
Veterinary		8.03		11.32		3.19
Livestock supplies		5.80		14.56		1.28
Fuel & oil		4.10		5.01		5.04
Repairs		23.67		30.17		13.85
Custom hire		9.56		3.34		0.00
Livestock leases		3.34		0.00		10.48
Marketing		0.70		0.18		0.00
Operating interest		1.05		0.20		1.18
Total direct expenses		395.80		610.01		329.57
Return over direct expense		36.94		-277.54		211.25
Overhead expenses						
Hired labor		26.50		25.16		48.89
Machinery & bldg leases		5.49		20.34		7.07
RE & pers. property taxes		3.12		4.68		3.16
Farm insurance		3.95		6.26		4.79
Utilities		9.19		11.79		8.95
Interest		25.62		5.75		55.47
Mach & bldg depreciation		21.40		12.26		25.48
Miscellaneous		4.64		5.44		7.97
Total overhead expenses		99.91		91.67		161.79
Total listed expenses		495.72		701.68		491.36
Net return		-62.98		-369.21		49.46
Est. labor hours per unit		11.54		14.57		9.02
Labor & management charge		54.94		63.09		30.70
Net return over lbr & mgt		-117.91		-432.30		18.77
Other Information						
No. purchased or trans in		93		67		154
Number sold or trans out		81		49		129
Average number of head		92		69		142
Percentage death loss		5.6		6.3		4.0
Feed cost per average head		291.27		375.67		264.99
Feed cost/head sold+trans		333.13		533.55		290.67
Avg. purchase weight		-		0		0
Avg. sales weight		-		0		0
Avg. purch price / head		537.14		443.65		771.25
Avg. sales price / head		259.69		97.19		205.11

**Table 12 - 3**  
**Livestock Enterprise Analysis, 1997**  
**Southeastern Minnesota Farm Business Management Association**  
**(Farms sorted according to Return to Overhead per head)**  
**Dairy Cows and Replacement Heifers -- Average per Cow**

Number of farms	Average For All Farms		Average For Low 20%		Average For High 20%	
	Quantity	Value	Quantity	Value	Quantity	Value
		28		6		6
Milk sold (lb)	18772.13	2540.75	16573.57	2182.95	20942.75	2926.76
Milk used in home (lb)	15.81	1.60	9.75	0.98	20.65	2.06
Milk fed to animals (lb)	118.47	12.04	53.88	5.39	153.10	15.31
Dairy Calves sold (hd)	0.42	99.82	0.61	180.08	0.16	53.35
Transferred out (hd)	1.57	493.32	1.41	383.52	1.98	686.64
Cull sales (hd)	0.39	178.50	0.38	135.60	0.56	362.17
Butchered (hd)	0.00	0.91	0.00	0.00	0.00	0.00
Less purchased (hd)	-0.14	-120.51	-0.45	-364.29	-0.09	-37.82
Less transferred in (hd)	-1.42	-470.67	-1.18	-357.15	-1.61	-632.91
Inventory change (hd)	0.05	30.19	-0.05	-44.97	-0.07	-73.35
Total production		2765.95		2122.11		3302.22
Other income		6.92		8.07		5.48
Gross return		2772.87		2130.19		3307.69
<b>Direct expenses</b>						
Barley (bu.)	0.89	2.01	2.16	4.85	0.00	0.00
Corn (bu.)	121.82	315.09	104.19	260.34	139.69	363.65
Corn Silage (lb.)	14257.35	145.08	14075.97	149.33	14032.18	145.69
Hay, Alfalfa (lb.)	4111.92	195.15	4423.49	237.98	2470.50	104.47
Hay, Grass & Other (lb.)	572.76	13.87	501.08	17.54	0.00	0.00
Haylage, Alfalfa (lb.)	8496.79	195.27	4983.84	116.70	10881.23	244.84
Haylage, Grass & Other (lb.)	99.40	1.99	0.00	0.00	0.00	0.00
Oatlage (lb.)	280.62	3.21	0.00	0.00	603.83	8.82
Oats (bu.)	2.55	4.08	2.09	3.13	2.02	3.03
Pasture (aum)	1.40	15.98	3.59	35.86	0.94	17.01
Rye Silage (lb.)	56.80	0.57	0.00	0.00	0.00	0.00
Stover (lb.)	123.07	0.73	840.52	4.97	0.00	0.00
Complete Ration (lb.)	598.00	50.68	2478.45	225.01	447.51	22.47
Milk (lb.)	89.36	9.13	53.88	5.39	110.34	11.03
Protein Vit Minerals (lb.)	3480.08	530.73	5483.84	441.27	2703.39	587.32
Breeding fees		36.66		27.25		52.66
Veterinary		97.34		89.39		117.51
Livestock supplies		173.75		124.20		144.25
Fuel & oil		19.29		21.55		21.81
Repairs		120.50		131.33		101.84
Custom hire		25.25		28.46		2.39
Machinery & bldg leases		10.99		0.00		0.00
Livestock leases		5.47		0.27		21.11
Marketing		33.10		49.19		41.26
Operating interest		4.48		0.91		3.87
Total direct expenses		2010.38		1974.91		2015.03
Return over direct expense		762.48		155.27		1292.67
<b>Overhead expenses</b>						
Hired labor		150.52		31.56		185.14
Machinery & bldg leases		23.03		7.50		28.28
RE & pers. property taxes		14.83		12.26		13.95
Farm insurance		19.74		17.68		20.28
Utilities		57.59		68.75		45.14
Interest		104.92		56.58		47.29
Mach & bldg depreciation		99.25		53.13		79.08
Miscellaneous		22.31		18.69		29.38
Total overhead expenses		492.19		266.14		448.55
Total listed expenses		2502.57		2241.06		2463.57
Net return		270.30		-110.87		844.12
Est. labor hours per unit		61.35		72.18		65.20
Labor & management charge		287.35		393.45		282.38
Net return over lbr & mgt		-17.06		-504.32		561.74
<b>Other Information</b>						
Avg. number of Cows		90.5		61.9		108.8
Milk produced per Cow		18906		16637		21117
Percent butterfat in milk		4.4		3.8		3.8
Culling percentage		39.3		38.0		56.2
Percent of barn capacity		109.8		103.7		131.3
Lbs. milk/lb grain & conc.		1.8		1.2		1.9
Feed cost per cwt of milk		7.85		9.03		7.14
Feed cost per Cow		1483.55		1502.36		1508.33
Avg. milk price per cwt.		13.53		13.17		13.98

**Table 12 - 4**  
**Livestock Enterprise Analysis, 1997**  
**Southeastern Minnesota Farm Business Management Association**

**Hogs, Farrow To Finish -- Average per Litter**

	Average For All Farms	
Number of farms	7	
	Quantity	Value
Raised Hogs sold (lb)	1626.15	851.24
Cull sales (lb)	126.76	50.12
Butchered (lb)	0.41	0.10
Less purchased (lb)	-18.42	-21.48
Inventory change (lb)	20.61	-34.17
Total production (lb)	1755.52	845.80
Other income		0.00
Gross return		845.80
Direct expenses		
Corn (bu.)	99.93	262.75
Oats (bu.)	1.61	2.42
Complete Ration (lb.)	33.94	10.77
Protein Vit Minerals (lb.)	1480.70	306.53
Breeding fees		1.54
Veterinary		11.15
Livestock supplies		18.48
Fuel & oil		8.02
Repairs		42.58
Marketing		5.40
Operating interest		11.50
Total direct expenses		681.14
Return over direct expense		164.67
Overhead expenses		
Hired labor		20.03
RE & pers. property taxes		7.31
Farm insurance		13.81
Utilities		29.74
Interest		41.51
Mach & bldg depreciation		34.81
Miscellaneous		10.78
Total overhead expenses		157.99
Total listed expenses		839.13
Net return		6.67
Est. labor hours per unit		20.49
Labor & management charge		156.89
Net return over lbr & mgt		-150.22
Other Information		
Average number of sows		89.7
Litters farrowed		143
Litters per sow		1.59
Litters per crate		5.78
Pigs born per litter		10.32
Pigs weaned per litter		8.22
Pigs weaned per sow		13.09
Number sold per litter		6.55
Lbs of feed / lb of gain		3.70
Feed cost / cwt. of gain		33.18
Feed cost per litter		582.47
Avg wgt/Raised Hog sold		248
Avg price / cwt		52.35

**Table 12 - 5**  
**Livestock Enterprise Analysis, 1997**  
**Southeastern Minnesota Farm Business Management Association**

**Hogs, Farrow To Finish -- Average per Cwt Produced**

	Average For All Farms	
Number of farms	7	
	Quantity	Value
Raised Hogs sold (lb)	92.63	48.49
Cull sales (lb)	7.22	2.85
Less purchased (lb)	-1.05	-1.22
Inventory change (lb)	1.17	-1.95
Total production (lb)	100.00	48.18
Other income		0.00
Gross return		48.18
<b>Direct expenses</b>		
Corn (bu.)	5.69	14.97
Oats (bu.)	0.09	0.14
Complete Ration (lb.)	1.93	0.61
Protein Vit Minerals (lb.)	84.35	17.46
Breeding fees		0.09
Veterinary		0.63
Livestock supplies		1.05
Fuel & oil		0.46
Repairs		2.43
Marketing		0.31
Operating interest		0.65
Total direct expenses		38.80
Return over direct expense		9.38
<b>Overhead expenses</b>		
Hired labor		1.14
RE & pers. property taxes		0.42
Farm insurance		0.79
Utilities		1.69
Interest		2.36
Mach & bldg depreciation		1.98
Miscellaneous		0.61
Total overhead expenses		9.00
Total listed expenses		47.80
Net return		0.38
Est. labor hours per unit		1.17
Labor & management charge		8.94
Net return over lbr & mgt		-8.56
<b>Other Information</b>		
Average number of sows		89.7
Litters farrowed		143
Litters per sow		1.59
Litters per crate		5.78
Pigs born per litter		10.32
Pigs weaned per litter		8.22
Pigs weaned per sow		13.09
Number sold per litter		6.55
Lbs of feed / lb of gain		3.70
Feed cost / cwt. of gain		33.18
Feed cost per litter		582.47
Avg wgt/Raised Hog sold		248
Avg price / cwt		52.35

**Table 12 - 6**  
**Livestock Enterprise Analysis, 1997**  
**Southeastern Minnesota Farm Business Management Association**

**Hogs, Finish Feeder Pigs -- Average per Head**

	Average For All Farms	
Number of farms	5	
	Quantity	Value
Finish Hogs sold (lb)	249.50	131.88
Less purchased (lb)	-55.76	-56.48
Inventory change (lb)	3.01	-7.91
Total production (lb)	196.75	67.49
Other income		0.00
Gross return		67.49
Direct expenses		
Corn (bu.)	10.88	28.26
Oats (bu.)	0.19	0.28
Protein Vit Minerals (lb.)	141.07	23.82
Veterinary		0.08
Livestock supplies		0.37
Fuel & oil		0.50
Repairs		2.51
Custom hire		1.80
Operating interest		0.51
Total direct expenses		58.12
Return over direct expense		9.37
Overhead expenses		
Machinery & bldg leases		0.02
RE & pers. property taxes		0.90
Farm insurance		0.40
Utilities		2.14
Interest		1.79
Mach & bldg depreciation		2.85
Miscellaneous		1.43
Total overhead expenses		9.53
Total listed expenses		67.65
Net return		-0.16
Est. labor hours per unit		0.87
Labor & management charge		8.10
Net return over lbr & mgt		-8.26
Other Information		
No. purchased or trans in		872
Number sold or trans out		846
Percentage death loss		4.6
Avg. daily gain (lbs)		1.28
Lbs of conc / lb of gain		3.43
Lbs of feed / lb of gain		3.43
Feed cost per cwt of gain		26.61
Feed cost per head		52.36
Average purchase weight		55
Average sales weight		254
Avg purch price / head		55.84
Avg sales price / cwt		52.86

**Table 12 - 7**  
**Livestock Enterprise Analysis, 1997**  
**Southeastern Minnesota Farm Business Management Association**

**Hogs, Finish Feeder Pigs -- Average per Cwt Produced**

	Average For All Farms	
Number of farms	5	
	Quantity	Value
Finish Hogs sold (lb)	126.81	67.03
Less purchased (lb)	-28.34	-28.71
Inventory change (lb)	1.53	-4.02
Total production (lb)	100.00	34.30
Other income		0.00
Gross return		34.30
Direct expenses		
Corn (bu.)	5.53	14.37
Oats (bu.)	0.09	0.14
Protein Vit Minerals (lb.)	71.70	12.11
Veterinary		0.04
Livestock supplies		0.19
Fuel & oil		0.25
Repairs		1.27
Custom hire		0.92
Operating interest		0.26
Total direct expenses		29.54
Return over direct expense		4.76
Overhead expenses		
Machinery & bldg leases		0.01
RE & pers. property taxes		0.45
Farm insurance		0.20
Utilities		1.09
Interest		0.91
Mach & bldg depreciation		1.45
Miscellaneous		0.73
Total overhead expenses		4.84
Total listed expenses		34.38
Net return		-0.08
Est. labor hours per unit		0.44
Labor & management charge		4.12
Net return over lbr & mgt		-4.20
Other Information		
No. purchased or trans in		872
Number sold or trans out		846
Percentage death loss		4.6
Avg. daily gain (lbs)		1.28
Lbs of conc / lb of gain		3.43
Lbs of feed / lb of gain		3.43
Feed cost per cwt of gain		26.61
Feed cost per head		52.36
Average purchase weight		55
Average sales weight		254
Avg purch price / head		55.84
Avg sales price / cwt		52.86

**Table 12 - 8**  
**Livestock Enterprise Analysis, 1997**  
**Southeastern Minnesota Farm Business Management Association**

**Beef Cow-Calf -- Average per Cow**

	Average For All Farms	
Number of farms	7	
	Quantity	Value
Beef Calves sold (lb)	19.81	13.93
Transferred out (lb)	369.25	269.61
Cull sales (lb)	93.39	34.05
Less purchased (lb)	-26.62	-25.01
Less transferred in (lb)	-63.13	-43.83
Inventory change (lb)	9.14	21.48
Total production (lb)	401.84	270.22
Other income		0.00
Gross return		270.22
Direct expenses		
Corn Silage (lb.)	5589.38	55.91
Hay, Alfalfa (lb.)	17.70	0.80
Hay, Grass & Other (lb.)	3410.03	101.06
Haylage, Alfalfa (lb.)	993.51	22.35
Oatlage (lb.)	530.97	3.76
Pasture (aum)	4.87	48.70
Stover (lb.)	294.99	2.21
Protein Vit Minerals (lb.)	68.44	11.36
Breeding fees		0.88
Veterinary		7.23
Livestock supplies		4.68
Fuel & oil		3.54
Repairs		29.74
Custom hire		1.25
Hired labor		0.76
Marketing		0.11
Operating interest		1.67
Total direct expenses		296.02
Return over direct expense		-25.80
Overhead expenses		
Hired labor		1.50
Machinery & bldg leases		0.05
RE & pers. property taxes		1.60
Farm insurance		5.43
Utilities		8.84
Interest		1.26
Mach & bldg depreciation		7.73
Miscellaneous		6.88
Total overhead expenses		33.28
Total listed expenses		329.30
Net return		-59.08
Est. labor hours per unit		9.95
Labor & management charge		104.25
Net return over lbr & mgt		-163.33
Other Information		
Number of cows		48.4
Pregnancy percentage		83.4
Pregnancy loss percentage		5.0
Culling percentage		10.0
Calving percentage		79.2
Weaning percentage		65.7
Calves sold per cow		0.77
Calf death loss percent		7.0
Average weaning weight		482
Lbs weaned/exposed female		316
Feed cost per cow		246.14
Avg wgt/Beef Calf sold		560
Avg price / cwt		70.32

**Table 12 - 9**  
**Livestock Enterprise Analysis, 1997**  
**Southeastern Minnesota Farm Business Management Association**

**Beef, Finish Beef Calves -- Average per Head**

	Average For All Farms	
	9	
	Quantity	Value
Number of farms		9
Finish Beef sold (lb)	1131.20	718.01
Transferred out (lb)	29.87	23.22
Butchered (lb)	3.45	1.99
Less purchased (lb)	-412.36	-286.48
Less transferred in (lb)	-118.14	-88.06
Inventory change (lb)	-7.76	28.21
Total production (lb)	626.26	396.90
Other income		0.00
Gross return		396.90
Direct expenses		
Corn (bu.)	70.91	184.38
Corn Silage (lb.)	3080.66	30.81
Hay, Alfalfa (lb.)	279.90	12.59
Hay, Grass & Other (lb.)	736.63	24.96
Haylage, Alfalfa (lb.)	705.14	15.87
Oatlage (lb.)	60.96	0.46
Oats (bu.)	0.76	1.14
Protein Vit Minerals (lb.)	343.08	43.94
Veterinary		10.93
Livestock supplies		4.41
Fuel & oil		4.74
Repairs		15.96
Custom hire		1.07
Marketing		2.68
Operating interest		2.59
Total direct expenses		356.53
Return over direct expense		40.38
Overhead expenses		
Hired labor		4.59
Machinery & bldg leases		5.11
RE & pers. property taxes		0.31
Farm insurance		1.61
Utilities		4.64
Interest		7.54
Mach & bldg depreciation		10.25
Miscellaneous		2.89
Total overhead expenses		36.92
Total listed expenses		393.45
Net return		3.46
Est. labor hours per unit		6.02
Labor & management charge		47.63
Net return over lbr & mgt		-44.17
Other Information		
No. purchased or trans in		110
Number sold or trans out		110
Percentage death loss		0.9
Avg. daily gain (lbs)		1.87
Lbs of conc / lb of gain		6.92
Lbs of feed / lb of gain		10.78
Feed cost per cwt of gain		50.16
Feed cost per head		314.14
Average purchase weight		571
Average sales weight		1163
Avg purch price / cwt		69.47
Avg sales price / cwt		63.47

**Table 12 - 10**  
**Livestock Enterprise Analysis, 1997**  
**Southeastern Minnesota Farm Business Management Association**

**Beef, Finish Beef Calves -- Average per Cwt Produced**

	Average For All Farms	
	9	
	Quantity	Value
Number of farms		9
Finish Beef sold (lb)	180.63	114.65
Transferred out (lb)	4.77	3.71
Butchered (lb)	0.55	0.32
Less purchased (lb)	-65.85	-45.74
Less transferred in (lb)	-18.86	-14.06
Inventory change (lb)	-1.24	4.50
Total production (lb)	100.00	63.38
Other income		0.00
Gross return		63.38
Direct expenses		
Corn (bu.)	11.32	29.44
Corn Silage (lb.)	491.92	4.92
Hay, Alfalfa (lb.)	44.69	2.01
Hay, Grass & Other (lb.)	117.63	3.99
Haylage, Alfalfa (lb.)	112.60	2.53
Oatlage (lb.)	9.73	0.07
Oats (bu.)	0.12	0.18
Protein Vit Minerals (lb.)	54.78	7.02
Veterinary		1.75
Livestock supplies		0.70
Fuel & oil		0.76
Repairs		2.55
Custom hire		0.17
Marketing		0.43
Operating interest		0.41
Total direct expenses		56.93
Return over direct expense		6.45
Overhead expenses		
Hired labor		0.73
Machinery & bldg leases		0.82
RE & pers. property taxes		0.05
Farm insurance		0.26
Utilities		0.74
Interest		1.20
Mach & bldg depreciation		1.64
Miscellaneous		0.46
Total overhead expenses		5.90
Total listed expenses		62.83
Net return		0.55
Est. labor hours per unit		0.96
Labor & management charge		7.61
Net return over lbr & mgt		-7.05
Other Information		
No. purchased or trans in		110
Number sold or trans out		110
Percentage death loss		0.9
Avg. daily gain (lbs)		1.87
Lbs of conc / lb of gain		6.92
Lbs of feed / lb of gain		10.78
Feed cost per cwt of gain		50.16
Feed cost per head		314.14
Average purchase weight		571
Average sales weight		1163
Avg purch price / cwt		69.47
Avg sales price / cwt		63.47

**Table 12 - 11**  
**Livestock Enterprise Analysis, 1997**  
**Southeastern Minnesota Farm Business Management Association**

**Dairy Steers -- Average per Head**

	Average For All Farms	
	9	
	Quantity	Value
Number of farms		9
Dairy Steers sold (lb)	862.02	558.04
Transferred out (lb)	30.45	24.38
Butchered (lb)	18.21	10.57
Less purchased (lb)	-136.48	-83.52
Less transferred in (lb)	-182.70	-118.50
Inventory change (lb)	150.72	115.77
Total production (lb)	742.22	506.75
Other income		13.53
Gross return		520.28
Direct expenses		
Barley (bu.)	1.66	3.73
Corn (bu.)	83.65	210.33
Corn Silage (lb.)	553.12	5.72
Hay, Alfalfa (lb.)	399.33	18.37
Hay, Grass & Other (lb.)	352.30	10.57
Haylage, Alfalfa (lb.)	2543.99	59.55
Oatlage (lb.)	747.78	5.23
Pasture (aum)	0.29	2.02
Protein Vit Minerals (lb.)	423.03	97.72
Veterinary		3.42
Livestock supplies		13.36
Fuel & oil		3.41
Repairs		16.10
Custom hire		0.91
Marketing		2.64
Operating interest		0.89
Total direct expenses		453.99
Return over direct expense		66.28
Overhead expenses		
Hired labor		7.06
Machinery & bldg leases		2.21
RE & pers. property taxes		2.95
Farm insurance		3.79
Utilities		6.54
Interest		4.99
Mach & bldg depreciation		8.68
Miscellaneous		3.89
Total overhead expenses		40.11
Total listed expenses		494.10
Net return		26.17
Est. labor hours per unit		6.03
Labor & management charge		41.31
Net return over lbr & mgt		-15.14
Other Information		
No. purchased or trans in		57
Number sold or trans out		50
Percentage death loss		2.4
Avg. daily gain (lbs)		2.13
Lbs of conc / lb of gain		6.86
Lbs of feed / lb of gain		10.17
Feed cost per cwt of gain		55.68
Feed cost per head		413.25
Average purchase weight		315
Average sales weight		1127
Avg purch price / head		192.60
Avg sales price / cwt		64.74

**Table 12 - 12**  
**Livestock Enterprise Analysis, 1997**  
**Southeastern Minnesota Farm Business Management Association**

**Dairy Steers -- Average per Cwt Produced**

	Average For All Farms	
Number of farms	9	
	Quantity	Value
Dairy Steers sold (lb)	116.14	75.19
Transferred out (lb)	4.10	3.28
Butchered (lb)	2.45	1.42
Less purchased (lb)	-18.39	-11.25
Less transferred in (lb)	-24.62	-15.97
Inventory change (lb)	20.31	15.60
Total production (lb)	100.00	68.27
Other income		1.82
Gross return		70.10
Direct expenses		
Barley (bu.)	0.22	0.50
Corn (bu.)	11.27	28.34
Corn Silage (lb.)	74.52	0.77
Hay, Alfalfa (lb.)	53.80	2.48
Hay, Grass & Other (lb.)	47.47	1.42
Haylage, Alfalfa (lb.)	342.75	8.02
Oatlage (lb.)	100.75	0.71
Pasture (aum)	0.04	0.27
Protein Vit Minerals (lb.)	57.00	13.17
Veterinary		0.46
Livestock supplies		1.80
Fuel & oil		0.46
Repairs		2.17
Custom hire		0.12
Marketing		0.36
Operating interest		0.12
Total direct expenses		61.17
Return over direct expense		8.93
Overhead expenses		
Hired labor		0.95
Machinery & bldg leases		0.30
RE & pers. property taxes		0.40
Farm insurance		0.51
Utilities		0.88
Interest		0.67
Mach & bldg depreciation		1.17
Miscellaneous		0.52
Total overhead expenses		5.40
Total listed expenses		66.57
Net return		3.53
Est. labor hours per unit		0.81
Labor & management charge		5.57
Net return over lbr & mgt		-2.04
Other Information		
No. purchased or trans in		57
Number sold or trans out		50
Percentage death loss		2.4
Avg. daily gain (lbs)		2.13
Lbs of conc / lb of gain		6.86
Lbs of feed / lb of gain		10.17
Feed cost per cwt of gain		55.68
Feed cost per head		413.25
Average purchase weight		315
Average sales weight		1127
Avg purch price / head		192.60
Avg sales price / cwt		64.74

**Table 13**  
**PRICES USED IN ANALYSIS - 1997**  
**Southeastern Minnesota Farm Business Management Association**

Item	Beginning Inventory Price	Average Feed Price/Year	Harvest Price	Ending Inventory Price
Corn	\$2.40	\$2.60	\$2.40	\$2.40
Oats	1.50	1.50	1.50	1.50
Soybeans	6.50	7.00	6.60	6.50
Alfalfa Hay	100.00	90.00	90.00	100.00
Mixed Hay	70.00	60.00	60.00	70.00
Haylage	50.00	45.00	45.00	50.00
Corn Silage	20.00	20.00	19.00	20.00
Oat Silage	14.00	14.00	14.00	14.00
Straw/ton	80.00	--	80.00	80.00
Corn Stalks	12.00	12.00	12.00	12.00
Barley	2.00	2.25	2.25	2.00

Pasture Rates	Tillable Pasture or Green Crop		Nontillable or Permanent Pasture	
	Per Month	Per Day	Per Month	Per Day
Dairy cow, bull, beef cow, feeder cattle & horses	\$10.00	\$.333	\$7.00	\$.233
Young cattle	5.00	.167	3.50	.117

Board for hired help: \$6.00/day

Homegrown seed - soybeans: \$8.00/bu.

Homegrown seed - oats: \$2.50/bu.

## EXPLANATORY NOTES FOR SUMMARY TABLES

A better picture of the current profitability, liquidity and solvency conditions can be seen by comparing this year to previous years (Table 14). All items are taken from the annual report for that year. Monetary values are left in nominal terms unadjusted for inflation. The one exception is the "Net Farm Income (Constant \$)" using the Consumer Price Index (CPI-U) from the U.S. Department of Commerce. This shows the changes in "buying power" for the farmers, compared to this year.

The debt-to-asset percentage measures the degree to which assets are financed by external sources. The year-end total assets is divided by year-end total liabilities to obtain this measure. The Southeastern Association uses the cost basis of asset valuation.

Starting with 1983, financial analysis was done by FINPACK. This new program added new measures which had not been available previously and in some cases used slightly different formulas.

To evaluate current financial performance in other ways, the whole-farm analysis is summarized on a county basis (Table 15), on a gross income category basis (Table 16), by type of farm (Table 17), and by age of operator (Table 18). Farms are classified as a certain type (e.g., dairy) on the basis of having 70 percent or more of their gross sales from that category.

<u>Year</u>	<u>CPI-U</u> <u>1982-84=100</u>
1983	99.6
1984	103.9
1985	107.6
1986	109.6
1987	113.6
1988	118.3
1989	124.0
1990	130.7
1991	136.2
1992	140.3
1993	144.5
1994	148.2
1995	152.4
1996	156.9
1997	160.5

TABLE 14  
SUMMARY OF THE WHOLE FARM ANALYSIS BY YEARS  
Southeastern Minnesota Farm Business Management Association  
(Overall averages for all farms reporting)

Items	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Number of Farms	53	57	59	61	62	63	58	65	65	63	65	64	62	61	64
<b>Farm Income Statement</b>															
Gross Cash Farm Income	178,365	187,562	197,842	190,124	190,481	187,712	203,126	219,696	212,943	219,457	236,401	242,784	269,666	291,050	294,687
Total Cash Farm Expense	116,369	144,048	151,162	141,090	136,802	135,159	146,353	146,315	144,519	153,908	172,893	178,968	198,873	211,486	225,501
Inventory Change	7,628	9,584	415	1,833	9,817	2,922	3,482	8,706	1,827	-7,685	2,930	7,424	20,130	3,690	21,010
Depr. & Cap. Adj.	-35,150	-32,373	-30,386	-25,685	-18,298	-13,646	-15,010	-20,043	-19,416	-17,897	-23,192	-15,047	-19,541	-15,676	-16,885
Net Farm Income	34,473	20,724	16,709	25,180	45,197	41,829	45,244	62,044	50,835	39,967	43,246	56,192	71,382	67,579	73,311
Net Farm Income (Constant \$)	55,551	32,013	24,924	36,874	63,857	56,750	58,562	76,190	59,905	45,721	48,034	60,856	75,176	69,130	73,311
<b>Profitability and Liquidity Analysis</b>															
Labor and Management Earnings	22,365	8,630	6,630	16,418	34,905	29,793	31,106	46,923	34,143	22,049	25,084	37,384	47,696	41,777	45,620
Rate of return on:															
Average Assets (%)	9	6	5	8	12	10	10	12	9	5	6	8	9	8	9
Average Equity (%)	8	1	-1	5	15	11	10	15	9	3	5	9	10	8	9
Operating Profit Margin (%)	20	13	10	16	22	20	19	23	19	11	14	20	22	21	24
Asset Turnover Rate (%)	46	45	50	50	54	52	50	53	46	42	38	40	40	39	37
Value of Farm Production	170,219	181,517	190,882	173,619	194,420	187,789	199,804	215,976	200,904	198,818	184,576	201,239	239,151	242,598	256,273
Farm Interest Paid	17,680	19,863	22,207	21,168	16,542	15,543	15,151	12,963	13,983	12,509	13,339	14,175	15,370	15,571	18,957
Cash Expense as a % of Income	65	77	76	74	72	72	72	67	68	70	73	74	74	73	77
Interest Paid as a % of:															
Gross Cash Income	10	11	11	11	9	8	7	6	7	6	6	6	6	5	6
Total Cash Expenses	15	14	15	15	12	11	10	9	10	8	8	8	8	7	8
Yrs. to T/O Non R.E. Debt	0	1	2	4	4	3	5	2	2	2	2	1	1	1	1
<b>Comparative Financial Statement (Cost Basis)</b>															
No. of Sole Proprietors	49	41	40	46	49	48	44	51	48	46	47	46	44	45	47
Total Ending Assets	407,995	391,624	370,853	320,601	326,849	331,420	376,054	384,259	417,616	474,752	455,144	507,456	571,147	610,645	673,379
Total Ending Liabilities	163,744	192,733	201,572	170,318	162,013	154,430	164,661	159,333	172,612	192,695	198,475	218,738	227,621	217,061	251,000
Ending Net Worth	244,251	198,891	169,281	150,283	164,836	176,990	211,393	224,926	245,004	282,057	256,670	288,718	343,526	393,584	422,379
Ending Farm C+I Debt to Asset %	32	42	50	45	38	33	33	31	31	33	40	38	36	35	37
Ending Total Debt to Asset %	40	49	54	53	50	47	44	41	41	41	44	43	40	36	37
<b>Acreage Information</b>															
Total Acres Owned	*	264	288	264	268	274	294	280	272	285	325	335	362	336	325
Total Crop Acres Farmed	*	363	423	376	365	348	372	350	401	417	432	430	496	504	513
Crop Acres Owned	*	210	231	198	225	223	222	210	237	261	264	258	276	252	266
Crop Acres Cash Rented	*	140	180	157	123	105	128	124	159	152	162	163	214	244	241
Crop Acres Share Rented	*	13	12	21	18	20	22	16	5	4	5	8	6	8	7
<b>Crop Yields</b>															
Corn per acre	100	127	125	140	143	88	142	140	134	117	91	158	129	126	146
Soybean per acre	39	39	37	41	44	31	42	41	42	32	33	46	44	42	44
<b>Crop Prices Received (cash sales)</b>															
Corn per Bushel	*	2.99	2.44	2.02	1.77	2.17	2.36	2.39	2.28	2.34	1.97	2.22	2.37	3.19	2.54
Soybeans per Bushel	*	7.20	5.06	5.07	4.95	6.87	6.88	5.89	5.33	5.28	5.98	5.94	5.72	7.00	7.11
<b>Household Information</b>															
No. Farms Reporting HseHld Info	13	14	15	15	14	12	11	16	16	16	19	30	21	18	17
Average Family Size	*	3.5	3.4	3.5	3.5	3.5	3.7	3.4	3.8	4.0	3.3	3.0	2.1	3.6	3.5
Total Family Use of Cash	26,003	24,531	27,308	26,945	35,772	41,392	44,050	49,370	46,635	44,940	32,132	37,652	41,005	36,438	60,231
Average Net Nonfarm Income	*	8,108	6,065	8,429	8,788	8,396	9,370	8,403	8,343	10,377	12,192	12,435	14,786	20,634	26,290

\* Not available.

**Table 15**  
**County Report, 1997**  
**Southeastern Minnesota Farm Business Management Association**

	Average For All Farms	Dakota Le Sueur Nicollet Rice Scott	Goodhue Houston Olmsted Wabasha Winona	Dodge Faribault Freeborn Mower Steele Waseca
Number of farms	62	13	40	9
<b>Income Statement</b>				
Gross cash farm income	298820	377358	271947	304817
Total cash farm expense	227890	290056	206109	234903
Net cash farm income	70930	87301	65838	69914
Inventory change	21285	42214	7707	51398
Depreciation and capital adjustment	-17332	-32837	-13495	-11991
Net farm income	74882	96678	60050	109321
<b>Profitability (cost)</b>				
Labor and management earnings	46339	47795	37583	83152
Rate of return on assets	9 %	8 %	8 %	13 %
Rate of return on equity	9 %	8 %	8 %	18 %
Operating profit margin	24 %	27 %	19 %	34 %
Asset turnover rate	36 %	30 %	40 %	37 %
<b>Liquidity</b>				
Term debt coverage ratio	4942 %	- %	4422 %	2050 %
Expense as a percent of income	71 %	69 %	74 %	65 %
Interest as a percent of income	6 %	7 %	5 %	6 %
<b>Solvency (cost)</b>				
Number of sole proprietors	45	7	32	6
Ending farm assets	568185	907785	479581	644537
Ending farm liabilities	241842	391487	194499	319750
Ending total assets	688773	1080101	596497	724361
Ending total liabilities	252156	392140	205239	339061
Ending net worth	436618	687961	391258	385301
Net worth change	36105	48469	27463	67771
Ending farm debt to asset ratio	43 %	43 %	41 %	50 %
Beg total debt to asset ratio	36 %	35 %	33 %	51 %
End total debt to asset ratio	37 %	36 %	34 %	47 %
<b>Nonfarm Information</b>				
Farms reporting living expenses	39	6	29	4
Total family living expense	20835	8351	23199	-
Total living, invest, & capital purch	45954	42622	46631	-
Net nonfarm income	21349	28994	18792	21672
<b>Crop Acres</b>				
Total acres owned	334	410	313	317
Total crop acres	514	714	441	548
Total crop acres owned	272	475	202	292
Total crop acres cash rented	235	231	232	254
Total crop acres share rented	6	9	6	2

**Table 16**  
**Size Of Farm Report, 1997**  
**Southeastern Minnesota Farm Business Management Association**  
**(Farms Sorted By Gross Cash Farm Income)**

	Average For All Farms	40,001 - 100,000	100,001 - 200,000	200,001 - 500,000	500,001 +
Number of farms	64	11	14	32	7
<b>Income Statement</b>					
Gross cash farm income	294687	77439	139089	323256	816669
Total cash farm expense	225501	61870	97453	257005	594713
Net cash farm income	69186	15568	41636	66251	221957
Inventory change	21010	10885	16809	12824	82748
Depreciation and capital adjustment	-16885	-2744	-10190	-14048	-65463
Net farm income	73311	23709	48255	65027	239242
<b>Profitability (cost)</b>					
Labor and management earnings	45620	16280	34270	40405	138261
Rate of return on assets	9 %	7 %	8 %	8 %	10 %
Rate of return on equity	9 %	7 %	9 %	8 %	11 %
Operating profit margin	24 %	18 %	21 %	19 %	33 %
Asset turnover rate	37 %	39 %	40 %	39 %	32 %
<b>Liquidity</b>					
Term debt coverage ratio	4951 %	814 %	- %	3183 %	- %
Expense as a percent of income	71 %	69 %	63 %	76 %	66 %
Interest as a percent of income	6 %	8 %	5 %	6 %	6 %
<b>Solvency (cost)</b>					
Number of sole proprietors	47	9	13	22	3
Ending farm assets	551285	191090	348643	645012	-
Ending farm liabilities	239539	115866	115309	292789	-
Ending total assets	673379	319690	434359	768461	-
Ending total liabilities	251000	158417	115578	299707	-
Ending net worth	422379	161272	318781	468754	-
Net worth change	34933	20320	41243	46185	-
Ending farm debt to asset ratio	43 %	61 %	33 %	45 %	42 %
Beg total debt to asset ratio	37 %	53 %	29 %	39 %	31 %
End total debt to asset ratio	37 %	50 %	27 %	39 %	37 %
<b>Nonfarm Information</b>					
Farms reporting living expenses	41	9	11	18	3
Total family living expense	20913	27154	13994	22141	-
Total living, invest, & capital purch	44837	35787	29795	50822	-
Net nonfarm income	21693	36341	18850	16338	28841
<b>Crop Acres</b>					
Total acres owned	325	178	234	301	854
Total crop acres	513	220	272	552	1280
Total crop acres owned	266	106	152	228	913
Total crop acres cash rented	241	109	113	318	356
Total crop acres share rented	7	5	8	6	10

**Table 17**  
**Type Of Farm Report, 1997**  
**Southeastern Minnesota Farm Business Management Association**

	Average For All Farms	Crop	Dairy	Crop and Dairy	Crop and Hog	Other
Number of farms	64	17	17	8	7	9
<b>Income Statement</b>						
Gross cash farm income	294687	239609	335193	293393	326652	323496
Total cash farm expense	225501	175217	276134	224353	251703	201848
Net cash farm income	69186	64392	59059	69040	74949	121648
Inventory change	21010	28886	10007	6369	16904	49828
Depreciation and capital adjustment	-16885	-10569	-24447	-12092	-16618	-29903
Net farm income	73311	82709	44618	63318	75234	141573
<b>Profitability (cost)</b>						
Labor and management earnings	45620	56489	20192	33650	56508	95122
Rate of return on assets	9 %	11 %	5 %	6 %	9 %	12 %
Rate of return on equity	9 %	13 %	3 %	5 %	12 %	14 %
Operating profit margin	24 %	28 %	13 %	16 %	24 %	39 %
Asset turnover rate	37 %	40 %	38 %	38 %	38 %	32 %
<b>Liquidity</b>						
Term debt coverage ratio	4951 %	3572 %	6360 %	- %	- %	- %
Expense as a percent of income	71 %	64 %	80 %	75 %	73 %	54 %
Interest as a percent of income	6 %	6 %	6 %	6 %	7 %	5 %
<b>Solvency (cost)</b>						
Number of sole proprietors	47	15	14	4	4	7
Ending farm assets	551285	565242	594298	-	-	345137
Ending farm liabilities	239539	235031	267569	-	-	132530
Ending total assets	673379	724845	692524	-	-	508470
Ending total liabilities	251000	265661	269731	-	-	135708
Ending net worth	422379	459183	422792	-	-	372762
Net worth change	34933	72739	-775	-	-	55983
Ending farm debt to asset ratio	43 %	42 %	45 %	31 %	78 %	38 %
Beg total debt to asset ratio	37 %	40 %	34 %	26 %	59 %	30 %
End total debt to asset ratio	37 %	37 %	39 %	29 %	58 %	27 %
<b>Nonfarm Information</b>						
Farms reporting living expenses	41	13	13	3	4	6
Total family living expense	20913	21773	17808	-	-	20190
Total living, invest, & capital purch	44837	46250	40134	-	-	62116
Net nonfarm income	21693	22545	17041	15601	19270	41355
<b>Crop Acres</b>						
Total acres owned	325	376	239	406	314	385
Total crop acres	513	653	290	597	665	646
Total crop acres owned	266	274	167	295	322	481
Total crop acres cash rented	241	378	122	275	343	152
Total crop acres share rented	7	1	-	27	-	12

**Table 18**  
**Age Of Operator Report, 1997**  
**Southeastern Minnesota Farm Business Management Association**

	Average For All Farms	31 - 40	41 - 50	51 - 60	Over 60
Number of farms	64	15	24	11	10
<b>Income Statement</b>					
Gross cash farm income	294687	252733	313688	312685	294879
Total cash farm expense	225501	206744	228143	256414	218478
Net cash farm income	69186	45989	85545	56271	76401
Inventory change	21010	-2040	39749	16811	12216
Depreciation and capital adjustment	-16885	-9424	-19848	-26197	-13759
Net farm income	73311	34525	105446	46884	74858
<b>Profitability (cost)</b>					
Labor and management earnings	45620	22008	73602	14059	44422
Rate of return on assets	9 %	5 %	12 %	5 %	7 %
Rate of return on equity	9 %	3 %	14 %	2 %	7 %
Operating profit margin	24 %	10 %	31 %	17 %	21 %
Asset turnover rate	37 %	46 %	38 %	30 %	35 %
<b>Liquidity</b>					
Term debt coverage ratio	4951 %	476 %	- %	- %	- %
Expense as a percent of income	71 %	82 %	64 %	78 %	72 %
Interest as a percent of income	6 %	5 %	5 %	10 %	6 %
<b>Solvency (cost)</b>					
Number of sole proprietors	47	13	18	9	4
Ending farm assets	551285	370643	541527	885954	-
Ending farm liabilities	239539	180325	268732	322750	-
Ending total assets	673379	438954	698776	1037368	-
Ending total liabilities	251000	195395	286299	325700	-
Ending net worth	422379	243560	412476	711668	-
Net worth change	34933	18157	41782	34278	-
Ending farm debt to asset ratio	43 %	49 %	50 %	36 %	27 %
Beg total debt to asset ratio	37 %	42 %	41 %	30 %	27 %
End total debt to asset ratio	37 %	45 %	41 %	31 %	22 %
<b>Nonfarm Information</b>					
Farms reporting living expenses	41	11	14	9	4
Total family living expense	20913	16437	32503	11774	-
Total living, invest, & capital purch	44837	31756	66347	42877	-
Net nonfarm income	21693	12711	27970	20187	22999
<b>Crop Acres</b>					
Total acres owned	325	142	355	416	426
Total crop acres	513	308	615	529	525
Total crop acres owned	266	78	327	378	338
Total crop acres cash rented	241	226	279	138	187
Total crop acres share rented	7	5	9	13	-