

**2005 Michigan Cash Grain Farm
Business Analysis Summary**

Eric Wittenberg
And
Stephen Harsh

Staff Paper 2006-30

December, 2006



Department of Agricultural Economics
MICHIGAN STATE UNIVERSITY
East Lansing, Michigan 48824

MSU is an Affirmative Action/Equal Opportunity Institution

2005 Michigan Cash Grain Farm Business Analysis Summary

2005 Michigan TelFarm and Farm Credit Services Data
Staff Paper No. 06-30

by

Eric Wittenberg

and

Stephen Harsh

Copyright 2006 by Eric Wittenberg and Stephen Harsh. Readers may make verbatim copies of this document for non-commercial purposes by any means, provided that this copyright notice appears on all such copies.

2005 Michigan Cash Grain Farm Business Analysis Summary
by
Eric Wittenberg and Stephen Harsh¹

Table of Contents **Page**

Executive Summary..... 5

List of Tables

Summary Tables

1) Average MI 2001-2005 Farm Characteristics	5
2) Average MI 2001-2005 Farm Income Statement.....	6
3) Average MI 2001-2005 Profitability Indicators.....	7
4) Average Characteristics by Farm Size.....	7
5) Average Income and Expenses by Farm Size.....	7
6) Average Profitability Indicators by Farm Size (Cost)...	8
7) Average Profitability Indicators by Farm Size (Market)...	8

A) Averages of 64 Cash Grain Farms, All Sizes

8) Crop Production Summary	9
9) Farm Income Statement.....	10
10) Inventory Changes.....	12
11) Depreciation and Other Capital Adjustments.....	13
12) Profitability Measures.....	14
13) Liquidity Measures.....	15
14) Balance Sheet at Cost Values.....	16
15) Balance sheet at Market Values.....	17
16) Statement of Cash Flows.....	18
17) Financial Standards Measures.....	19
18) Operator and Labor Information ...	20
19) Financial Summary.....	21

B) Average of 34 Cash Grain Farms, 140 to 799 Acres..... 22

Similar tables as previous summary, Tables 20 to 31

¹ Co-workers in the TelFarm project were: R. Betz, L. Borton, B. Battel, W. Schauer, D. Stein, and V. Varner with the assistance of Michigan State University Extension Agents. Farm Credit Services of Michigan co-workers were Kelly Tobin, Steve Eshelman, Janice Raymond, Tiffany Aldrich, Anne Gerke, Kathleen Spranger, Sonya Pentecost, and Lynette Wood. Farm Credit Services of Wisconsin co-worker was Steve Zimmerman.

<i>C) Average of 11 Cash Grain Farms, 800 to 1199 Acres...</i>	35
Similar tables as previous summary, Tables 32 to 43	
<i>D) Average of 19 Cash Grain Farms, 1200 Acres plus.....</i>	48
Similar tables as previous summary, Tables 44 to 55	

Executive Summary

This report summarizes the 2005 financial and production records of 64 Michigan cash grain farms. To be included, the farms must have produced at least 50 percent of gross cash farm income from one or a combination of these items: corn, soybeans, wheat, navy beans, oats, sugar beets and other small grains. The records came from Michigan State University's TelFarm project and Farm Credit Service of Michigan. The values were pooled into averages for reporting purposes.

Farm records were included if a farm financial analysis had completed 2005 data including beginning and ending balance sheets and a statement of income and expenses. The data were checked to verify that cash discrepancy was less than 10% of gross cash inflow and that debt discrepancy was less than \$1,000. While considerable variation in the data exists, average values are reported in the summary tables below.

Summary of Results

Average size of farms measured in acres is presented in Table 1. However, there is considerable range and variability around this average.

Table 1. Average Michigan Cash Grain Farm Characteristics, 2001-2005

	2001	2002	2003	2004	2005
Total acres owned	473	416	379	401	430
Total crop acres	1136	1132	1069	1123	1145
Number of farms	49	78	92	88	64

Net farm income is the profit (loss) remaining after all farm expenses and inventory changes have been recognized. The net farm income value is the return to unpaid operator management, labor and equity capital invested, as illustrated in Table 2. Net farm income in 2005 averaged \$57,310; and the median was \$24,117, with a standard deviation of \$106,670. This average somewhat obscures a very large range of net farm income values. As illustrated in the second page of Table 9, the farms in the top 25 percent of the net farm income distribution averaged \$142,476 while those in the bottom 25 percent had a negative \$7,108. The total difference across the averages of the top versus the bottom groups of farms is \$149,584.

Gross cash farm income averaged \$474,575 in 2005, (Table 2). The two largest components of these revenues were corn and soybeans sales, which averaged \$95,521 and \$91,910, respectively. Government payments averaged \$70,334 per farm in 2005.

Average total cash expenses were \$401,511 in 2005 and average net cash farm income was \$73,063. The net inventory changes in 2005 were \$31,182 because of changes in prepaid expenses and supplies, crops and feed inventories, and accounts receivable.

Table 2. Average Michigan Cash Grain Farm Income Statement, 2001-2005

	2001	2002	2003	2004	2005
	(\$)				
Gross cash farm income	370,924	359,406	365,699	430,857	474,575
<u>- Total cash expense</u>	<u>305,393</u>	<u>326,884</u>	<u>320,235</u>	<u>361,681</u>	<u>401,511</u>
= Net cash farm income	65,531	32,522	45,464	69,176	73,063
+ Inventory change*	-17,551	9,624	9,635	11,042	31,182
<u>+ Depreciation + capital adjustments*</u>	<u>-47,285</u>	<u>-44,324</u>	<u>-42,311</u>	<u>-50,693</u>	<u>-46,936</u>
= Net farm income	696	-2,178	12,788	29,524	57,310

* Changes calculated as ending values minus beginning value

Four key financial performance indicators are presented in Table 3. The rate of return on assets (ROA) is calculated as if the farm has no debt. ROA indicates the farm earnings, after subtracting out an allowance for unpaid operator labor and management. ROA provides the key summary performance indicator for your farm. By multiplying the operating profit margin by the asset turnover rate, the ROA is determined. The average ROA was 5.8 percent, an improvement over the last five years, (Table 3).

The rate of return on equity (ROE) represents the farm earnings after interest payments which covers the cost of borrowed funds. In 2005, ROE was higher than the ROA, 6.2 and 5.8 respectively, indicating that profits were being made on borrowed money. Table 3 reveals that for the first time in the last five years ROE is greater than ROA.

Operating profit margin (OPM) measures the dollars of profit generated per dollar of revenue. In 2005, Michigan cash grain farms generated 21.1 cents of profit per dollar of revenue. Asset turnover ratio (ATO) measures the efficiency with which farm assets generate revenue. In 2005, this ratio was 27.3 percent. Table 3 indicates that all profitability ratios were above the four previous years.

Table 3. Average Michigan Cash Grain Farm Profitability Indicators, 2001-2005

	2001	2002	2003	2004	2005
	(percent)				
Rate of return on assets*	3.1	3.1	3.1	3.3	5.8
Rate of return on equity	1.7	2.2	2.5	3.1	6.2
Operating profit margin	12.8	12.9	12.4	13.2	21.1
Asset turnover rate*	24.4	24.3	25.2	25.1	27.3

* Assets valued at **market** value (rather than cost value).

Results by Farm Size

To further facilitate financial comparisons and benchmarking, the financial summaries were categorized by cropped acres, Table 4. The smallest size category, 140 to 799 cropped acres, includes 34 farms. The medium size category, 800 to 1199 cropped acres, includes 11 farms. The largest size category, 1200 plus cropped acres, contains the remaining 19 farms.

**Table 4. Average
2005 Michigan Cash Grain Farm Characteristics by Farm Size Category**

	140-799	800-1199	1200+
	Acres	Acres	Acres
Total acres owned	308	433	647
Total crop acres	463	1,074	2,406
Number of farms	34	11	19

Table 5 presents the average farm income statement by farm acreage size. The smallest farms returned \$23,795; the medium farms \$29,645; and the largest farms \$133,299.

Table 5. Average 2005 Michigan Cash Grain Farm Income Statement by Size

	140-799	800-1199	1200+
	Acres	Acres	Acres
	(\$)	(\$)	(\$)
Gross cash farm income	188,485	472,002	988,013
- <u>Total cash expense</u>	<u>156,430</u>	<u>420,773</u>	<u>828,926</u>
= Net cash farm income	32,055	51,230	159,087
+ Inventory change*	14,282	28,158	63,175
+ <u>Depreciation and capital adjustments*</u>	<u>-22,542</u>	<u>-49,742</u>	<u>-88,962</u>
= Net farm income	23,795	29,645	133,299

* Changes calculated as ending values minus beginning value

Table 6 compares profitability measures across farm sizes with assets valued at cost. With assets valued on a cost basis, both small-sized farms (140-799 acres) and mid-sized farms (800 - 1199 acres) financial profitability indicators were similar in value, Table 6. While the larger-sized farms (1200 + acres) had the most positive financial profitability indicators. The larger-sized farms had the highest ROA, ROE, OPM and ATO, 8.3 percent, 15.8 percent, 11.6 percent and 71.8 percent, respectively.

**Table 6. Average 2005
Michigan Cash Grain Farm Profitability Indicators by Size**

	140-799	800-1199	1200+
	Acres	Acres	Acres
	(Percent)		
Rate of return on assets*	2.1	2.2	8.3
Rate of return on equity	0.3	-0.9	15.8
Operating profit margin	4.9	4.3	11.6
Asset turnover rate*	43.7	51.3	71.8

* Assets valued at **cost** value (rather than market).

Table 7 compares profitability measures across farm sizes with assets valued at market. The market value approach includes the impact of price appreciation (inflation) of the asset base (land primarily) as a form of income. Financial performance indicators like ROA can be looked upon in this comparison as the “opportunity cost” of farming versus alternative investments. Market value for assets is more appropriate when comparing across different farms (while cost is more appropriate to compare the same farm across time). The larger size farms had the highest ROA and ROE in 2005. Also, the larger size farms realized the highest average ATO.

**Table 7. Average
2005 Michigan Cash Grain Farm Profitability Indicators by Size**

	140-799	800-1199	1200+
	Acres	Acres	Acres
	(Percent)		
Rate of return on assets*	4.9	3.7	7.0
Rate of return on equity	4.9	3.5	8.2
Operating profit margin	27.8	13.3	20.9
Asset turnover rate*	17.6	27.9	33.5

*Assets valued at **market** value (rather than cost).

The details in deriving these profitability measures are provided in the following pages. The data for the smallest sized farms starts in Section B, page 22, Tables 20 to 31. The data for the mid-sized farms starts in section C, page 35, Tables 32 to 43. The data for the largest size category of farms starts in section D, page 48, Tables 44 to 55.

A) Average of 64 Cash Grain Farms, All Sizes

Table 8 Crop Production and Marketing Summary			
Michigan Cash Grain, All Sizes, 2005			
(Farms Sorted By Rate of Return on Assets - Mkt)			
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	64	15	17
Acreage Summary			
Total acres owned	430	272	438
Total crop acres	1,145	597	1,518
Crop acres owned	442	272	472
Crop acres cash rented	662	294	1,038
Crop acres share rented	41	31	8
Total pasture acres	1	-	-
Average Price Received (Cash Sales Only)			
Corn per bushel	2.17	2.05	2.09
Soybeans per bushel	5.67	5.65	5.66
Wheat, Winter per bushel	3.24	2.99	3.29
Sugar Beets per ton	23.18	-	-
Straw per ton	7.17	-	-
Hay, Mixed per ton	60.89	-	-
Hay, Alfalfa per ton	39.04	-	-
Beans, Navy per cwt	11.25	-	-

Table 9

Farm Income Statement
Michigan Cash Grain, All Sizes, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	64	15	17
Cash Farm Income			
Barley	131	-	493
Beans, Black Turtle	114	-	-
Beans, Dark Red Kidney	802	-	-
Beans, Green	1,972	-	-
Beans, Light Red Kidney	173	-	652
Beans, Navy	13,435	14,147	8,645
Beans, Small Red	1,229	-	1,018
Clover Seed	1,007	-	3,790
Corn	95,521	40,776	120,690
Corn Silage	852	-	3,209
Corn, Seed	21,337	1,469	17,236
Cucumbers	13,485	9,690	20,374
Hay, Alfalfa	4,454	10,629	1,334
Hay, Mixed	2,176	3,113	1,461
Haylage, Alfalfa	112	-	422
Oats	3,413	305	11,565
Potatoes	25,542	4,780	-
Soybeans	91,910	36,393	146,755
Soybeans Seed	771	-	2,902
Speltz	1,497	-	-
Straw	3,716	2,736	9,613
Sugar Beets	14,300	4,997	15,417
Wheat, Winter	30,432	14,989	47,128
Barley, Seed	461	-	1,736
Oats, Seed	300	-	1,130
Wheat, Seed	193	-	725
Miscellaneous crop income	112	14	106
Beef Cow-Calf, Beef Calves	1,384	-	150
Beef, Background Beef	112	-	422
Beef, Finish Beef Calves	2,518	-	3,814
Beef, Finish Yrlg Steers	712	606	-
Dairy Steer Finishing	1,322	704	4,355
Horses, Boarding	674	-	-
Hogs, Weaning to Finish	3,301	-	12,429
Misc. livestock income	3,823	114	-
Direct & CC govt payments	32,939	12,005	32,207
CRP payments	89	120	8
Other government payments	37,395	17,127	70,707
Custom work income	21,285	23,442	41,820
Patronage dividends, cash	95	30	158
Insurance income	18,109	5,317	28,072
Contract livestock income	220	-	829
Other farm income	21,150	3,868	4,375
Gross Cash Farm Income	474,575	207,372	615,748

Table 9

Farm Income Statement (Continued)
Michigan Cash Grain, All Sizes, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of		
	All Farms	Low 25%	High 25%
Number of farms	64	15	17
Cash Farm Expense			
Seed	39,127	18,744	50,819
Fertilizer	73,505	31,582	102,224
Crop chemicals	38,418	15,830	48,163
Crop insurance	4,885	2,178	7,855
Drying fuel	833	338	604
Irrigation energy	485	-	-
Crop repair, machinery	1,087	-	-
Crop custom hire	1,118	-	496
Crop hired labor	1,342	-	-
Crop land rent	642	-	-
Crop utilities	161	-	-
Crop hauling and trucking	1,159	222	1,268
Crop marketing	1,704	370	718
Crop miscellaneous	2,847	1,489	4,871
Feeder livestock purchase	2,936	671	5,753
Purchased feed	1,957	379	2,821
Veterinary	204	31	340
Livestock supplies	358	-	1,197
Livestock repair, machinery	43	-	161
Livestock marketing	367	80	15
Livestock miscellaneous	2,716	-	1,560
Interest	20,105	8,868	20,614
Packaging and supplies	963	1,460	591
Supplies	488	244	222
Fuel & oil	25,555	15,897	31,703
Repairs	29,509	16,625	40,642
Custom hire	11,011	12,266	11,212
Hired labor	25,861	8,771	30,395
Land rent	54,517	27,366	74,950
Machinery leases	5,448	2,547	5,174
Real estate taxes	9,387	5,160	8,521
Personal property taxes	509	75	300
Farm insurance	14,453	8,767	16,448
Utilities	7,525	4,045	8,943
Hauling and trucking	121	-	401
Dues & professional fees	5,164	2,451	4,492
Hedging account deposits	465	658	808
Miscellaneous	14,536	7,205	28,811
Total cash expense	401,511	194,319	513,091
Net cash farm income	73,063	13,053	102,657
Inventory Changes			
Crops and feed	26,206	-6,529	85,773
Market livestock	345	-518	-1,423
Accounts receivable	-9,183	4,819	-28,311
Prepaid expenses and supplies	8,216	2,222	15,540
Accounts payable	5,597	-1,365	28,159
Total inventory change	31,182	-1,371	99,739
Net operating profit	104,245	11,682	202,395
Depreciation and Other Capital Adjustments			
Breeding livestock	417	347	-134
Machinery and equipment	-41,897	-17,524	-51,367
Buildings and improvements	-6,520	-2,852	-8,386
Other farm capital	1,064	1,239	-33
Total depr. and other capital adj	-46,936	-18,790	-59,920
Net farm income	57,310	-7,108	142,476

Table 10

Inventory Changes
Michigan Cash Grain, All Sizes, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	64	15	17
Net cash farm income	73,063	13,053	102,657
Crops and Feed			
Ending inventory	214,606	78,463	332,102
Beginning inventory	188,400	84,992	246,329
Inventory change	26,206	-6,529	85,773
Market Livestock			
Ending inventory	9,686	1,449	16,358
Beginning inventory	9,340	1,967	17,781
Inventory change	345	-518	-1,423
Accts Receivable & Other Current Assets			
Ending inventory	38,327	23,685	41,994
Beginning inventory	47,509	18,866	70,305
Inventory change	-9,183	4,819	-28,311
Prepaid Expenses and Supplies			
Ending inventory	37,057	19,112	51,155
Beginning inventory	28,841	16,890	35,615
Inventory change	8,216	2,222	15,540
Accounts Payable & Accrued Expenses			
Beginning inventory	34,152	10,341	76,786
Ending inventory	28,555	11,706	48,627
Inventory change	5,597	-1,365	28,159
Total inventory change	31,182	-1,371	99,739
Net operating profit	104,245	11,682	202,395

Table 11

Depreciation and Other Capital Adjustments
Michigan Cash Grain, All Sizes, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	64	15	17
Net operating profit	104,245	11,682	202,395
Breeding Livestock			
Ending inventory	5,603	577	118
Capital sales	514	-	109
Beginning inventory	5,377	230	118
Capital purchases	322	-	243
Depreciation, capital adjust.	417	347	-134
Machinery and Equipment			
Ending inventory	106,766	43,272	120,964
Capital sales	3,206	3,770	550
Beginning inventory	110,517	49,190	140,506
Capital purchases	41,352	15,376	32,375
Depreciation, capital adjust.	-41,897	-17,524	-51,367
Buildings and Improvements			
Ending inventory	47,365	26,618	47,257
Capital sales	1,563	-	-
Beginning inventory	49,979	25,026	43,032
Capital purchases	5,468	4,444	12,611
Depreciation, capital adjust.	-6,520	-2,852	-8,386
Other Capital Assets			
Ending inventory	18,137	6,669	6,354
Capital sales	4,591	2,214	5,356
Beginning inventory	19,309	6,072	11,509
Capital purchases	2,355	1,572	234
Depreciation, capital adjust.	1,064	1,239	-33
Total depreciation, capital adj.	-46,936	-18,790	-59,920
Net farm income	57,310	-7,108	142,476

Table 12

Profitability Measures
Michigan Cash Grain, All Sizes, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	64	15	17
Profitability (assets valued at cost)			
Net farm income	57,310	-7,108	142,476
Labor and management earnings	34,459	-19,005	118,777
Rate of return on assets	5.3 %	-5.3 %	12.3 %
Rate of return on equity	6.4 %	-16.4 %	24.2 %
Operating profit margin	8.9 %	-11.2 %	17.5 %
Asset turnover rate	59.6 %	47.0 %	70.2 %
Interest on farm net worth	22,850	11,897	23,698
Farm interest expense	21,072	9,265	21,551
Value of operator lbr and mgmt.	34,763	24,977	47,902
Return on farm assets	43,619	-22,820	116,124
Average farm assets	817,857	434,656	945,081
Return on farm equity	22,547	-32,085	94,574
Average farm equity	355,030	195,445	390,286
Value of farm production	487,468	204,441	663,079
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	64	15	17
Profitability (assets valued at market)			
Net farm income	116,417	1,672	274,429
Labor and management earnings	37,587	-43,104	183,556
Rate of return on assets	5.8 %	-1.4 %	12.0 %
Rate of return on equity	6.2 %	-3.1 %	15.0 %
Operating profit margin	21.1 %	-6.9 %	37.4 %
Asset turnover rate	27.3 %	20.7 %	32.0 %
Interest on farm net worth	78,830	44,776	90,873
Farm interest expense	21,072	9,265	21,551
Value of operator lbr and mgmt.	34,763	24,977	47,902
Return on farm assets	102,727	-14,040	248,078
Average farm assets	1,784,823	985,477	2,069,415
Return on farm equity	81,654	-23,305	226,527
Average farm equity	1,313,837	746,265	1,514,552
Value of farm production	487,468	204,441	663,079

Table 13

Liquidity Measures
Michigan Cash Grain, All Sizes, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	64	15	17
Liquidity (cash)			
Net cash farm income	73,063	13,053	102,657
Net nonfarm income	19,735	35,027	6,182
Family living and taxes	38,726	34,803	45,057
Principal due on long term debt	17,168	9,741	17,084
Cash available for interm. debt	36,903	3,536	46,699
Average intermediate debt	117,731	67,838	165,189
Years to turnover interm. debt	3.2	19.2	3.5
Expense as a % of income	85 %	94 %	83 %
Interest as a % of income	4 %	4 %	3 %
Working capital to gross income	32 %	22 %	43 %
Liquidity (accrual)			
Total accrual farm income	491,943	205,144	671,787
Total accrual operating expense	387,698	193,462	469,392
Net accrual operating income	104,245	11,682	202,395
Net nonfarm income	19,735	35,027	6,182
Family living and taxes	38,726	34,803	45,057
Principal due on long term debt	17,168	9,741	17,084
Available for intermediate debt	68,085	2,166	146,437
Average intermediate debt	117,731	67,838	165,189
Years to turnover interm. debt	1.7	31.3	1.1
Expense as a % of income	79 %	94 %	70 %
Interest as a % of income	4 %	5 %	3 %
Working capital to gross income	31 %	22 %	39 %

Table 14

Balance Sheet at Cost Values
Michigan Cash Grain, All Sizes, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Number of farms	64		15		17	
Assets						
Current Farm Assets						
Cash and checking balance	47,579	44,568	33,020	23,661	37,435	33,027
Prepaid expenses & supplies	28,841	37,057	16,890	19,112	35,615	51,155
Growing crops	10,265	10,738	7,523	7,468	13,755	15,958
Accounts receivable	33,875	25,366	11,047	15,335	50,506	24,601
Hedging accounts	395	512	163	748	0	0
Crops held for sale or feed	187,844	213,462	84,992	78,463	244,234	327,796
Crops under government loan	556	1,144	0	0	2,095	4,306
Market livestock held for sale	9,340	9,686	1,967	1,449	17,781	16,358
Other current assets	2,975	1,711	133	133	6,044	1,435
Total current farm assets	321,671	344,244	155,734	146,368	407,464	474,636
Intermediate Farm Assets						
Breeding livestock	5,377	5,603	230	577	118	118
Machinery and equipment	108,525	105,185	49,190	43,272	140,506	120,465
Titled vehicles	1,992	1,581	0	0	0	499
Other intermediate assets	11,079	10,258	1,481	1,441	11,274	6,119
Total intermediate farm assets	126,974	122,627	50,901	45,290	151,898	127,201
Long Term Farm Assets						
Farm land	297,789	308,956	198,119	211,438	313,986	324,218
Buildings and improvements	49,979	47,365	25,026	26,618	43,032	47,257
Other long-term assets	8,230	7,879	4,591	5,228	235	235
Total long-term farm assets	355,998	364,200	227,736	243,284	357,253	371,710
Total Farm Assets	804,643	831,071	434,371	434,942	916,615	973,547
Total Nonfarm Assets	126,202	147,244	146,703	159,556	85,011	93,889
Total Assets	930,844	978,316	581,074	594,497	1,001,627	1,067,436
Liabilities						
Current Farm Liabilities						
Accrued interest	6,365	7,331	1,640	2,038	7,230	8,167
Accounts payable	27,787	21,223	8,701	9,668	69,556	40,460
Current notes	119,132	122,251	61,286	64,449	104,178	115,343
Government crop loans	556	951	0	0	2,095	3,581
Principal due on term debt	42,905	40,283	27,581	24,242	43,960	44,761
Total current farm liabilities	196,745	192,039	99,208	100,397	227,019	212,311
Total intermediate farm liabs	93,293	90,588	51,637	49,039	138,092	136,053
Total long term farm liabilities	174,153	178,835	81,768	96,372	210,060	186,055
Total farm liabilities	464,192	461,462	232,614	245,809	575,171	534,419
Total nonfarm liabilities	11,406	11,490	10,305	5,351	6,604	7,170
Total liabilities	475,598	472,952	242,919	251,160	581,775	541,589
Net worth (farm and nonfarm)	455,246	505,364	338,155	343,337	419,852	525,848
Net worth change		50,117		5,182		105,996
Ratio Analysis						
Current farm liabilities / assets	61 %	56 %	64 %	69 %	56 %	45 %
Curr. & interm farm liab. / assets	65 %	61 %	73 %	78 %	65 %	58 %
Long term farm liab. / assets	49 %	49 %	36 %	40 %	59 %	50 %
Total debt to asset ratio	51 %	48 %	42 %	42 %	58 %	51 %

Table 15

Balance Sheet at Market Values
Michigan Cash Grain, All Sizes, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Number of farms	64		15		17	
Assets						
Current Farm Assets						
Cash and checking balance	47,579	44,568	33,020	23,661	37,435	33,027
Prepaid expenses & supplies	28,841	37,057	16,890	19,112	35,615	51,155
Growing crops	10,265	10,738	7,523	7,468	13,755	15,958
Accounts receivable	33,875	25,366	11,047	15,335	50,506	24,601
Hedging accounts	395	512	163	748	0	0
Crops held for sale or feed	187,844	213,462	84,992	78,463	244,234	327,796
Crops under government loan	556	1,144	0	0	2,095	4,306
Market livestock held for sale	9,340	9,686	1,967	1,449	17,781	16,358
Other current assets	2,975	1,711	133	133	6,044	1,435
Total current farm assets	321,671	344,244	155,734	146,368	407,464	474,636
Intermediate Farm Assets						
Breeding livestock	6,232	6,149	230	577	1,194	629
Machinery and equipment	391,416	405,936	212,507	209,411	486,823	500,100
Titled vehicles	3,587	5,652	7,067	7,000	0	1,702
Other intermediate assets	12,441	11,811	3,543	3,697	13,396	8,407
Total intermediate farm assets	413,675	429,548	223,346	220,685	501,413	510,839
Long Term Farm Assets						
Farm land	876,859	915,064	535,864	555,737	900,071	976,499
Buildings and improvements	117,968	128,037	61,141	62,007	165,785	201,654
Other long-term assets	11,778	10,803	4,717	5,354	235	235
Total long-term farm assets	1,006,605	1,053,904	601,722	623,099	1,066,091	1,178,388
Total Farm Assets	1,741,950	1,827,696	980,801	990,152	1,974,968	2,163,863
Total Nonfarm Assets	338,179	365,627	371,443	399,180	164,989	177,144
Total Assets	2,080,130	2,193,323	1,352,244	1,389,332	2,139,956	2,341,007
Liabilities						
Current Farm Liabilities						
Accrued interest	6,365	7,331	1,640	2,038	7,230	8,167
Accounts payable	27,787	21,223	8,701	9,668	69,556	40,460
Current notes	119,132	122,251	61,286	64,449	104,178	115,343
Government crop loans	556	951	0	0	2,095	3,581
Principal due on term debt	42,905	40,283	27,581	24,242	43,960	44,761
Total current farm liabilities	196,745	192,039	99,208	100,397	227,019	212,311
Total intermediate farm liabs	93,293	90,588	51,637	49,039	138,092	136,053
Total long term farm liabilities	174,153	178,835	81,768	96,372	210,060	186,055
Total farm liabilities	464,192	461,462	232,614	245,809	575,171	534,419
Total nonfarm liabilities	11,406	11,490	10,305	5,351	6,604	7,170
Total liabs excluding deferreds	475,598	472,952	242,919	251,160	581,775	541,589
Total deferred liabilities	8,379	8,519	0	0	63	73
Total liabilities	483,977	481,471	242,919	251,160	581,838	541,661
Retained earnings	455,246	505,364	338,155	343,337	419,852	525,848
Market valuation equity	1,140,906	1,206,488	771,171	794,834	1,138,266	1,273,498
Net worth (farm and nonfarm)	1,596,153	1,711,852	1,109,326	1,138,171	1,558,118	1,799,345
Net worth excluding deferreds	1,604,532	1,720,371	1,109,326	1,138,171	1,558,181	1,799,418
Net worth change		115,699		28,846		241,227
Ratio Analysis						
Current farm liabilities / assets	61 %	56 %	64 %	69 %	56 %	45 %
Curr. & interm farm liab. / assets	39 %	37 %	40 %	41 %	40 %	35 %
Long term farm liab. / assets	17 %	17 %	14 %	15 %	20 %	16 %
Total debt to asset ratio	23 %	22 %	18 %	18 %	27 %	23 %
Debt to assets excl deferreds	23 %	22 %	18 %	18 %	27 %	23 %

Table 16

Statement Of Cash Flows
Michigan Cash Grain, All Sizes, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	64	15	17
Beginning cash (farm & nonfarm)	54,613	42,759	41,015
Cash From Operating Activities			
Gross cash farm income	474,575	207,372	615,748
Net nonfarm income	19,735	35,027	6,182
Total cash farm expense	-401,511	-194,319	-513,091
Apparent family living expense	-35,219	-32,193	-38,244
Income and social security tax	-3,507	-2,609	-6,813
Cash from operations	54,072	13,277	63,782
Cash From Investing Activities			
Sale of breeding livestock	514	-	109
Sale of machinery & equipment	3,206	3,770	550
Sale of titled vehicles	-	-	-
Sale of farm land	594	-	-
Sale of farm buildings	1,563	-	-
Sale of other farm assets	4,591	2,214	5,356
Sale of nonfarm assets	3,256	861	3,646
Purchase of breeding livestock	-322	-	-243
Purchase of machinery & equip.	-41,337	-15,376	-32,375
Purchase of titled vehicles	-16	-	-
Purchase of farm land	-12,340	-13,333	-12,408
Purchase of farm buildings	-5,468	-4,444	-12,611
Purchase of other farm assets	-2,355	-1,572	-234
Purchase of nonfarm assets	-12,411	-3,243	-1,376
Cash from investing activities	-60,525	-31,124	-49,586
Cash From Financing Activities			
Money borrowed	160,575	64,837	253,315
Cash gifts and inheritances	19,456	17,592	461
Principal payments	-157,600	-57,960	-265,344
Dividends paid	-	-	-
Gifts given	-22,111	-20,649	-6,979
Cash from financing activities	320	3,820	-18,546
Net change in cash balance	-6,134	-14,026	-4,350
Ending cash (farm & nonfarm)	48,480	28,732	36,665

Table 17

Financial Standards Measures
Michigan Cash Grain, All Sizes, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	64	15	17
Liquidity			
Current ratio	1.79	1.46	2.24
Working capital	152,205	45,971	262,325
Solvency (market)			
Farm debt to asset ratio	26 %	25 %	25 %
Farm equity to asset ratio	74 %	75 %	75 %
Farm debt to equity ratio	35 %	33 %	33 %
Profitability (cost)			
Rate of return on farm assets	5.3 %	-5.3 %	12.3 %
Rate of return on farm equity	6.4 %	-16.4 %	24.2 %
Operating profit margin	8.9 %	-11.2 %	17.5 %
Net farm income	57,310	-7,108	142,476
Repayment Capacity			
Term debt coverage ratio	174 %	53 %	289 %
Capital replacement margin	41,531	-16,556	118,325
Efficiency			
Asset turnover rate (cost)	59.6 %	47.0 %	70.2 %
Operating expense ratio	74.5 %	89.8 %	66.7 %
Depreciation expense ratio	9.5 %	9.2 %	8.9 %
Interest expense ratio	4.3 %	4.5 %	3.2 %
Net farm income ratio	11.6 %	-3.5 %	21.2 %

Table 18

Operator and Labor Information
Michigan Cash Grain, All Sizes, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	64	15	17
Operator Information			
Average number of operators	1.2	1.1	1.2
Average age of operators	51.3	53.9	50.9
Average number of years farming	28.7	28.5	26.9
Results Per Operator			
Working capital	128,004	43,098	211,352
Total assets (market)	1,844,581	1,302,499	1,886,119
Total liabilities	404,916	235,463	436,410
Net worth (market)	1,439,665	1,067,036	1,449,710
Net worth excl deferred liabs	1,446,830	1,067,036	1,449,768
Gross farm income	413,724	192,323	541,250
Total farm expense	365,526	198,986	426,460
Net farm income	48,197	-6,663	114,791
Net nonfarm income	16,597	32,838	4,981
Family living & tax withdrawals	32,569	32,628	36,302
Total acres owned	361.5	255.3	352.9
Total crop acres	962.7	559.3	1,223.3
Crop acres owned	371.6	255.0	380.3
Crop acres cash rented	557.0	275.2	836.4
Crop acres share rented	34.1	29.1	6.6
Total pasture acres	0.5	-	-
Labor Analysis			
Number of farms	63	15	17
Total unpaid labor hours	2,366	2,048	2,846
Total hired labor hours	2,217	645	2,506
Total labor hours per farm	4,583	2,693	5,352
Unpaid hours per operator	1,985	1,920	2,293
Value of farm production / hour	105.27	75.92	123.89
Net farm income / unpaid hour	23.18	-3.47	50.06
Average hourly hired labor wage	12.49	13.00	12.22
Partnerships & LLCs			
Number of farms	7	1	2
Number of operators	2.0	-	-
Owner withdrawals per farm	-	-	-
Withdrawals per operator	-	-	-
Corporations			
Number of farms	5	-	-
Number of operators	1.8	-	-

Table 19

Financial Summary
Michigan Cash Grain, All Sizes, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	64	15	17
Income Statement			
Gross cash farm income	474,575	207,372	615,748
Total cash farm expense	401,511	194,319	513,091
Net cash farm income	73,063	13,053	102,657
Inventory change	31,182	-1,371	99,739
Depreciation and capital adjust	-46,936	-18,790	-59,920
Net farm income	57,310	-7,108	142,476
Profitability (cost)			
Labor and management earnings	34,459	-19,005	118,777
Rate of return on assets	5.3 %	-5.3 %	12.3 %
Rate of return on equity	6.4 %	-16.4 %	24.2 %
Operating profit margin	8.9 %	-11.2 %	17.5 %
Asset turnover rate	59.6 %	47.0 %	70.2 %
Profitability (market)			
Labor and management earnings	37,587	-43,104	183,556
Rate of return on assets	5.8 %	-1.4 %	12.0 %
Rate of return on equity	6.2 %	-3.1 %	15.0 %
Operating profit margin	21.1 %	-6.9 %	37.4 %
Asset turnover rate	27.3 %	20.7 %	32.0 %
Liquidity			
Ending current ratio	1.79	1.46	2.24
Ending working capital	152,205	45,971	262,325
End working capital to gross inc	32.1 %	22.2 %	42.6 %
Term debt coverage ratio	173.8 %	52.8 %	288.9 %
Expense as a percent of income	78.8 %	94.3 %	69.9 %
Interest as a percent of income	4.3 %	4.5 %	3.2 %
Solvency (cost)			
Number of farms	64	15	17
Ending farm assets	831,071	434,942	973,547
Ending farm liabilities	461,462	245,809	534,419
Ending total assets	978,316	594,497	1,067,436
Ending total liabilities	472,952	251,160	541,589
Ending net worth	505,364	343,337	525,848
Net worth change	50,117	5,182	105,996
Ending farm debt to asset ratio	56 %	57 %	55 %
Beg total debt to asset ratio	51 %	42 %	58 %
End total debt to asset ratio	48 %	42 %	51 %
Solvency (market)			
Number of farms	64	15	17
Ending farm assets	1,827,696	990,152	2,163,863
Ending farm liabilities	469,725	245,809	534,492
Ending total assets	2,193,323	1,389,332	2,341,007
Ending total liabilities	481,471	251,160	541,661
Ending net worth	1,711,852	1,138,171	1,799,345
Net worth change	115,699	28,846	241,227
Ending farm debt to asset ratio	26 %	25 %	25 %
Beg total debt to asset ratio	23 %	18 %	27 %
End total debt to asset ratio	22 %	18 %	23 %
Nonfarm Information			
Net nonfarm income	19,735	35,027	6,182
Crop Acres			
Total acres owned	430	272	438
Total crop acres	1,145	597	1,518
Total crop acres owned	442	272	472
Total crop acres cash rented	662	294	1,038
Total crop acres share rented	41	31	8

B) Average of 34 Cash Grain Farms, 140 to 799 Acres

Table 20 Crop Production and Marketing Summary
Michigan Cash Grain, 140 to 799 Acres, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	34	8	9
Acreage Summary			
Total acres owned	308	241	461
Total crop acres	463	441	527
Crop acres owned	276	263	355
Crop acres cash rented	174	177	157
Crop acres share rented	13	-	15
Total pasture acres	1	-	-
Average Price Received (Cash Sales Only)			
Corn per bushel	1.98	2.02	1.99
Wheat, Winter per bushel	3.39	3.15	3.45
Soybeans per bushel	5.83	5.44	6.16
Sugar Beets per ton	21.49	-	-
Hay, Mixed per ton	56.65	-	-
Hay, Alfalfa per ton	38.64	-	-
Straw per ton	19.48	-	-

Table 21

Farm Income Statement
Michigan Cash Grain, 140 to 799 Acres, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	34	8	9
Cash Farm Income			
Beans, Black Turtle	215	-	-
Beans, Green	593	-	2,239
Beans, Light Red Kidney	326	-	1,232
Beans, Navy	7,067	4,450	5,190
Beans, Small Red	2,314	-	1,924
Corn	35,808	19,592	42,352
Corn, Seed	657	2,755	33
Cucumbers	527	2,240	-
Hay, Alfalfa	7,561	18,840	9,367
Hay, Mixed	3,353	5,838	2,109
Oats	1,182	525	3,489
Potatoes	17,130	8,962	56,747
Soybeans	24,423	15,475	26,402
Straw	1,903	5,131	1,185
Sugar Beets	11,052	9,369	9,015
Wheat, Winter	15,297	14,192	25,861
Oats, Seed	134	-	506
Wheat, Seed	363	-	1,370
Miscellaneous crop income	59	26	85
Beef Cow-Calf, Beef Calves	2,529	-	3,281
Beef, Background Beef	211	-	796
Beef, Finish Beef Calves	2,832	-	-
Beef, Finish Yrlg Steers	1,339	-	-
Dairy Steer Finishing	1,887	1,319	5,957
Horses, Boarding	250	-	-
Cull breeding livestock	132	-	-
Misc. livestock income	11	-	-
Direct & CC govt payments	13,875	9,560	18,621
CRP payments	167	-	15
Other government payments	12,585	12,027	15,910
Custom work income	11,313	37,391	1,051
Patronage dividends, cash	102	-	102
Insurance income	2,299	3,839	3,832
Other farm income	8,988	5,266	7,814
Gross Cash Farm Income	188,485	176,798	246,486

Table 21

Farm Income Statement (Continued)
Michigan Cash Grain, 140 to 799 Acres, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	34	8	9
Cash Farm Expense			
Seed	14,486	11,836	13,175
Fertilizer	26,248	21,971	36,316
Crop chemicals	13,405	9,302	20,264
Crop insurance	1,786	1,583	2,909
Drying fuel	408	630	126
Crop custom hire	320	-	936
Crop hauling and trucking	299	295	571
Crop marketing	951	267	1,729
Crop miscellaneous	1,496	2,788	2,601
Feeder livestock purchase	2,977	383	1,379
Purchased feed	1,911	263	1,633
Veterinary	239	58	123
Livestock supplies	105	-	111
Repair, machinery	81	-	305
Livestock marketing	690	151	2,270
Interest	8,427	6,140	9,427
Packaging and supplies	713	241	1,116
Supplies	119	458	43
Fuel & oil	11,863	17,811	14,591
Repairs	10,418	13,894	12,596
Custom hire	10,790	19,651	11,944
Hired labor	8,337	11,547	9,488
Land rent	12,218	17,552	8,356
Machinery leases	1,324	4,553	194
Real estate taxes	6,069	3,869	6,919
Personal property taxes	178	42	517
Farm insurance	7,006	7,045	6,892
Utilities	3,997	4,062	6,292
Hauling and trucking	186	-	646
Dues & professional fees	2,078	1,702	2,676
Hedging account deposits	474	-	1,158
Miscellaneous	6,832	6,442	13,712
Total cash expense	156,430	164,535	191,014
Net cash farm income	32,055	12,263	55,472
Inventory Changes			
Crops and feed	5,787	-15,096	33,449
Market livestock	1,676	-25	3,139
Accounts receivable	3,340	8,690	2,633
Prepaid expenses and supplies	4,926	4,863	14,507
Accounts payable	-1,447	-3,866	874
Total inventory change	14,282	-5,435	54,602
Net operating profit	46,337	6,829	110,074
Depreciation and Other Capital Adjustments			
Breeding livestock	-55	-	-559
Machinery and equipment	-20,438	-12,871	-31,968
Buildings and improvements	-3,585	-1,713	-6,481
Other farm capital	1,536	80	185
Total depr. and other capital adj	-22,542	-14,504	-38,822
Net farm income	23,795	-7,675	71,252

Table 22

Inventory Changes
Michigan Cash Grain, 140 to 799 Acres, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	34	8	9
Net cash farm income	32,055	12,263	55,472
Crops and Feed			
Ending inventory	72,615	53,528	111,072
Beginning inventory	66,828	68,625	77,623
Inventory change	5,787	-15,096	33,449
Market Livestock			
Ending inventory	8,867	2,125	8,535
Beginning inventory	7,190	2,150	5,396
Inventory change	1,676	-25	3,139
Accts Receivable & Other Current Assets			
Ending inventory	17,135	26,153	21,671
Beginning inventory	13,795	17,463	19,038
Inventory change	3,340	8,690	2,633
Prepaid Expenses and Supplies			
Ending inventory	17,629	13,018	41,331
Beginning inventory	12,703	8,155	26,823
Inventory change	4,926	4,863	14,507
Accounts Payable & Accrued Expenses			
Beginning inventory	7,072	5,235	8,095
Ending inventory	8,519	9,101	7,221
Inventory change	-1,447	-3,866	874
Total inventory change	14,282	-5,435	54,602
Net operating profit	46,337	6,829	110,074

Table 23

Depreciation and Other Capital Adjustments
Michigan Cash Grain, 140 to 799 Acres, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	34	8	9
Net operating profit	46,337	6,829	110,074
Breeding Livestock			
Ending inventory	4,465	-	4,433
Capital sales	31	-	-
Beginning inventory	4,453	-	4,789
Capital purchases	98	-	203
Depreciation, capital adjust.	-55	-	-559
Machinery and Equipment			
Ending inventory	51,778	46,947	70,420
Capital sales	2,025	3,036	1,078
Beginning inventory	45,245	50,244	57,762
Capital purchases	28,996	12,611	45,704
Depreciation, capital adjust.	-20,438	-12,871	-31,968
Buildings and Improvements			
Ending inventory	30,112	27,773	31,435
Capital sales	2,941	-	-
Beginning inventory	35,535	28,173	36,804
Capital purchases	1,103	1,313	1,111
Depreciation, capital adjust.	-3,585	-1,713	-6,481
Other Capital Assets			
Ending inventory	17,757	7,351	10,871
Capital sales	3,871	165	2
Beginning inventory	19,187	7,319	10,688
Capital purchases	906	117	-
Depreciation, capital adjust.	1,536	80	185
Total depreciation, capital adj.	-22,542	-14,504	-38,822
Net farm income	23,795	-7,675	71,252

Table 24

Profitability Measures
Michigan Cash Grain, 140 to 799 Acres, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	34	8	9
Profitability (assets valued at cost)			
Net farm income	23,795	-7,675	71,252
Labor and management earnings	6,526	-18,413	49,032
Rate of return on assets	2.1 %	-7.7 %	9.5 %
Rate of return on equity	0.3 %	-18.0 %	11.3 %
Operating profit margin	4.9 %	-14.5 %	18.2 %
Asset turnover rate	43.7 %	53.5 %	52.5 %
Interest on farm net worth	17,269	10,738	22,220
Farm interest expense	8,596	6,742	9,387
Value of operator lbr and mgmt.	22,825	23,632	29,356
Return on farm assets	9,566	-24,565	51,283
Average farm assets	445,204	317,031	537,207
Return on farm equity	970	-31,307	41,896
Average farm equity	280,431	173,630	370,334
Value of farm production	194,346	169,720	282,137
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	34	8	9
Profitability (assets valued at market)			
Net farm income	68,229	4,293	174,827
Labor and management earnings	12,165	-31,215	89,355
Rate of return on assets	4.9 %	-1.7 %	9.7 %
Rate of return on equity	4.9 %	-3.3 %	10.2 %
Operating profit margin	27.8 %	-7.4 %	54.9 %
Asset turnover rate	17.6 %	23.1 %	17.7 %
Interest on farm net worth	56,063	35,509	85,472
Farm interest expense	8,596	6,742	9,387
Value of operator lbr and mgmt.	22,825	23,632	29,356
Return on farm assets	54,000	-12,597	154,859
Average farm assets	1,106,450	735,210	1,591,543
Return on farm equity	45,404	-19,339	145,471
Average farm equity	934,389	591,809	1,424,541
Value of farm production	194,346	169,720	282,137

Table 25

Liquidity Measures
Michigan Cash Grain, 140 to 799 Acres, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	34	8	9
Liquidity (cash)			
Net cash farm income	32,055	12,263	55,472
Net nonfarm income	19,882	27,443	8,755
Family living and taxes	24,141	25,176	21,511
Principal due on long term debt	6,207	4,754	6,132
Cash available for interm. debt	21,590	9,776	36,584
Average intermediate debt	61,217	72,693	60,803
Years to turnover interm. debt	2.8	7.4	1.7
Expense as a % of income	83 %	93 %	77 %
Interest as a % of income	4 %	3 %	4 %
Working capital to gross income	51 %	29 %	57 %
Liquidity (accrual)			
Total accrual farm income	199,288	170,367	285,707
Total accrual operating expense	152,951	163,538	175,633
Net accrual operating income	46,337	6,829	110,074
Net nonfarm income	19,882	27,443	8,755
Family living and taxes	24,141	25,176	21,511
Principal due on long term debt	6,207	4,754	6,132
Available for intermediate debt	35,872	4,342	91,187
Average intermediate debt	61,217	72,693	60,803
Years to turnover interm. debt	1.7	16.7	0.7
Expense as a % of income	77 %	96 %	61 %
Interest as a % of income	4 %	4 %	3 %
Working capital to gross income	48 %	30 %	49 %

Table 26

Balance Sheet at Cost Values
Michigan Cash Grain, 140 to 799 Acres, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Number of farms	34		8		9	
Assets						
Current Farm Assets						
Cash and checking balance	44,298	44,189	10,142	9,877	46,136	43,052
Prepaid expenses & supplies	12,703	17,629	8,155	13,018	26,823	41,331
Growing crops	7,513	8,208	9,420	9,328	8,059	10,055
Accounts receivable	5,918	8,216	7,793	16,575	10,868	11,505
Hedging accounts	81	342	0	0	0	0
Crops held for sale or feed	65,781	70,462	68,625	53,528	73,667	102,939
Crops under government loan	1,047	2,153	0	0	3,957	8,133
Market livestock held for sale	7,190	8,867	2,150	2,125	5,396	8,535
Other current assets	283	368	250	250	111	111
Total current farm assets	144,814	160,435	106,536	104,701	175,017	225,660
Intermediate Farm Assets						
Breeding livestock	4,453	4,465	0	0	4,789	4,433
Machinery and equipment	44,553	51,013	50,244	46,947	57,762	69,477
Titled vehicles	692	764	0	0	0	943
Other intermediate assets	13,056	14,272	846	838	10,577	10,760
Total intermediate farm assets	62,753	70,515	51,089	47,785	73,128	85,613
Long Term Farm Assets						
Farm land	189,303	187,324	127,509	127,509	225,323	221,211
Buildings and improvements	35,535	30,112	28,173	27,773	36,804	31,435
Other long-term assets	6,131	3,484	6,473	6,513	111	111
Total long-term farm assets	230,969	220,921	162,156	161,796	262,238	252,757
Total Farm Assets	438,537	451,871	319,781	314,282	510,383	564,031
Total Nonfarm Assets	109,957	126,037	96,470	102,616	96,352	137,816
Total Assets	548,494	577,908	416,251	416,897	606,735	701,847
Liabilities						
Current Farm Liabilities						
Accrued interest	1,503	1,672	1,028	1,630	3,020	2,980
Accounts payable	5,568	6,847	4,206	7,471	5,076	4,241
Current notes	29,166	35,297	23,401	27,019	33,944	49,838
Government crop loans	1,047	1,791	0	0	3,957	6,764
Principal due on term debt	21,343	19,258	17,478	16,688	26,132	20,500
Total current farm liabilities	58,628	64,865	46,114	52,808	72,129	84,323
Total intermediate farm liabs	48,153	44,455	57,378	59,873	44,940	41,908
Total long term farm liabilities	60,472	52,973	39,461	31,169	47,879	42,567
Total farm liabilities	167,253	162,292	142,953	143,850	164,948	168,798
Total nonfarm liabilities	3,241	3,134	11,530	10,034	0	0
Total liabilities	170,494	165,426	154,483	153,884	164,948	168,798
Net worth (farm and nonfarm)	378,000	412,482	261,768	263,013	441,786	533,049
Net worth change		34,482		1,246		91,262
Ratio Analysis						
Current farm liabilities / assets	40 %	40 %	43 %	50 %	41 %	37 %
Curr. & interm farm liab. / assets	51 %	47 %	66 %	74 %	47 %	41 %
Long term farm liab. / assets	26 %	24 %	24 %	19 %	18 %	17 %
Total debt to asset ratio	31 %	29 %	37 %	37 %	27 %	24 %

Table 27

Balance Sheet at Market Values
Michigan Cash Grain, 140 to 799 Acres, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
Number of farms	34		8		9	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	44,298	44,189	10,142	9,877	46,136	43,052
Prepaid expenses & supplies	12,703	17,629	8,155	13,018	26,823	41,331
Growing crops	7,513	8,208	9,420	9,328	8,059	10,055
Accounts receivable	5,918	8,216	7,793	16,575	10,868	11,505
Hedging accounts	81	342	0	0	0	0
Crops held for sale or feed	65,781	70,462	68,625	53,528	73,667	102,939
Crops under government loan	1,047	2,153	0	0	3,957	8,133
Market livestock held for sale	7,190	8,867	2,150	2,125	5,396	8,535
Other current assets	283	368	250	250	111	111
Total current farm assets	144,814	160,435	106,536	104,701	175,017	225,660
Intermediate Farm Assets						
Breeding livestock	5,806	5,237	0	0	5,856	4,433
Machinery and equipment	216,919	236,899	145,549	153,946	364,110	402,157
Titled vehicles	1,604	5,601	750	625	2,222	5,437
Other intermediate assets	14,709	16,199	846	838	14,585	15,082
Total intermediate farm assets	239,037	263,936	147,145	155,409	386,773	427,110
Long Term Farm Assets						
Farm land	608,310	628,841	401,557	401,557	875,556	928,269
Buildings and improvements	72,193	73,596	70,028	70,028	75,466	89,014
Other long-term assets	12,780	8,959	6,710	6,750	111	111
Total long-term farm assets	693,282	711,395	478,295	478,335	951,133	1,017,394
Total Farm Assets	1,077,133	1,135,766	731,976	738,445	1,512,923	1,670,164
Total Nonfarm Assets	305,105	326,603	353,041	382,658	197,503	228,218
Total Assets	1,382,238	1,462,369	1,085,017	1,121,103	1,710,425	1,898,382
Liabilities						
Current Farm Liabilities						
Accrued interest	1,503	1,672	1,028	1,630	3,020	2,980
Accounts payable	5,568	6,847	4,206	7,471	5,076	4,241
Current notes	29,166	35,297	23,401	27,019	33,944	49,838
Government crop loans	1,047	1,791	0	0	3,957	6,764
Principal due on term debt	21,343	19,258	17,478	16,688	26,132	20,500
Total current farm liabilities	58,628	64,865	46,114	52,808	72,129	84,323
Total intermediate farm liabs	48,153	44,455	57,378	59,873	44,940	41,908
Total long term farm liabilities	60,472	52,973	39,461	31,169	47,879	42,567
Total farm liabilities	167,253	162,292	142,953	143,850	164,948	168,798
Total nonfarm liabilities	3,241	3,134	11,530	10,034	0	0
Total liabs excluding deferreds	170,494	165,426	154,483	153,884	164,948	168,798
Total deferred liabilities	6,793	7,760	0	0	120	138
Total liabilities	177,287	173,186	154,483	153,884	165,068	168,936
Retained earnings	378,000	412,482	261,768	263,013	441,786	533,049
Market valuation equity	826,951	876,702	668,766	704,206	1,103,571	1,196,398
Net worth (farm and nonfarm)	1,204,951	1,289,184	930,533	967,219	1,545,357	1,729,447
Net worth excluding deferreds	1,211,744	1,296,944	930,533	967,219	1,545,477	1,729,584
Net worth change		84,233		36,685		184,089
Ratio Analysis						
Current farm liabilities / assets	40 %	40 %	43 %	50 %	41 %	37 %
Curr. & interm farm liab. / assets	28 %	26 %	41 %	43 %	21 %	19 %
Long term farm liab. / assets	9 %	7 %	8 %	7 %	5 %	4 %
Total debt to asset ratio	13 %	12 %	14 %	14 %	10 %	9 %
Debt to assets excl deferreds	12 %	11 %	14 %	14 %	10 %	9 %

Table 28

Statement Of Cash Flows
Michigan Cash Grain, 140 to 799 Acres, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	34	8	9
Beginning cash (farm & nonfarm)	49,277	21,254	53,227
Cash From Operating Activities			
Gross cash farm income	188,485	176,798	246,486
Net nonfarm income	19,882	27,443	8,755
Total cash farm expense	-156,430	-164,535	-191,014
Apparent family living expense	-21,420	-24,649	-16,543
Income and social security tax	-2,720	-527	-4,968
Cash from operations	27,797	14,530	42,717
Cash From Investing Activities			
Sale of breeding livestock	31	-	-
Sale of machinery & equipment	2,025	3,036	1,078
Sale of titled vehicles	-	-	-
Sale of farm land	1,118	-	-
Sale of farm buildings	2,941	-	-
Sale of other farm assets	3,871	165	2
Sale of nonfarm assets	4,821	531	6,111
Purchase of breeding livestock	-98	-	-203
Purchase of machinery & equip.	-28,967	-12,611	-45,704
Purchase of titled vehicles	-29	-	-
Purchase of farm land	-229	-	-
Purchase of farm buildings	-1,103	-1,313	-1,111
Purchase of other farm assets	-906	-117	-
Purchase of nonfarm assets	-4,066	-1,677	-
Cash from investing activities	-20,591	-11,985	-39,827
Cash From Financing Activities			
Money borrowed	56,018	40,450	108,548
Cash gifts and inheritances	10,775	32,985	3,617
Principal payments	-62,875	-44,913	-103,824
Dividends paid	-	-	-
Gifts given	-12,788	-37,456	-14,838
Cash from financing activities	-8,870	-8,934	-6,497
Net change in cash balance	-1,665	-6,388	-3,607
Ending cash (farm & nonfarm)	47,612	14,866	49,620

Table 29

Financial Standards Measures
Michigan Cash Grain, 140 to 799 Acres, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	34	8	9
Liquidity			
Current ratio	2.47	1.98	2.68
Working capital	95,570	51,893	141,337
Solvency (market)			
Farm debt to asset ratio	15 %	19 %	10 %
Farm equity to asset ratio	85 %	81 %	90 %
Farm debt to equity ratio	18 %	24 %	11 %
Profitability (cost)			
Rate of return on farm assets	2.1 %	-7.7 %	9.5 %
Rate of return on farm equity	0.3 %	-18.0 %	11.3 %
Operating profit margin	4.9 %	-14.5 %	18.2 %
Net farm income	23,795	-7,675	71,252
Repayment Capacity			
Term debt coverage ratio	178 %	63 %	340 %
Capital replacement margin	20,319	-9,807	71,186
Efficiency			
Asset turnover rate (cost)	43.7 %	53.5 %	52.5 %
Operating expense ratio	72.4 %	92.0 %	58.2 %
Depreciation expense ratio	11.3 %	8.5 %	13.6 %
Interest expense ratio	4.3 %	4.0 %	3.3 %
Net farm income ratio	11.9 %	-4.5 %	24.9 %

Table 30

Operator and Labor Information
Michigan Cash Grain, 140 to 799 Acres, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	34	8	9
Operator Information			
Average number of operators	1.1	1.1	1.0
Average age of operators	52.1	54.0	55.4
Average number of years farming	30.2	26.9	31.1
Results Per Operator			
Working capital	90,261	46,127	141,337
Total assets (market)	1,381,127	996,536	1,898,382
Total liabilities	163,564	136,786	168,936
Net worth (market)	1,217,562	859,750	1,729,447
Net worth excl deferred liabs	1,224,891	859,750	1,729,584
Gross farm income	188,217	151,437	285,707
Total farm expense	165,744	158,259	214,455
Net farm income	22,473	-6,822	71,252
Net nonfarm income	18,777	24,393	8,755
Family living & tax withdrawals	22,799	22,379	21,511
Total acres owned	290.6	213.9	460.8
Total crop acres	436.9	391.7	526.9
Crop acres owned	260.4	234.1	354.8
Crop acres cash rented	163.9	157.6	156.7
Crop acres share rented	12.7	-	15.4
Total pasture acres	1.1	-	-
Labor Analysis			
Number of farms	33	8	8
Total unpaid labor hours	2,146	2,069	2,028
Total hired labor hours	432	946	344
Total labor hours per farm	2,578	3,015	2,372
Unpaid hours per operator	2,023	1,839	2,028
Value of farm production / hour	68.22	56.29	91.51
Net farm income / unpaid hour	8.43	-3.71	26.47
Average hourly hired labor wage	15.35	12.15	22.58

Table 31

Financial Summary
Michigan Cash Grain, 140 to 799 Acres, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	34	8	9
Income Statement			
Gross cash farm income	188,485	176,798	246,486
Total cash farm expense	156,430	164,535	191,014
Net cash farm income	32,055	12,263	55,472
Inventory change	14,282	-5,435	54,602
Depreciation and capital adjust	-22,542	-14,504	-38,822
Net farm income	23,795	-7,675	71,252
Profitability (cost)			
Labor and management earnings	6,526	-18,413	49,032
Rate of return on assets	2.1 %	-7.7 %	9.5 %
Rate of return on equity	0.3 %	-18.0 %	11.3 %
Operating profit margin	4.9 %	-14.5 %	18.2 %
Asset turnover rate	43.7 %	53.5 %	52.5 %
Profitability (market)			
Labor and management earnings	12,165	-31,215	89,355
Rate of return on assets	4.9 %	-1.7 %	9.7 %
Rate of return on equity	4.9 %	-3.3 %	10.2 %
Operating profit margin	27.8 %	-7.4 %	54.9 %
Asset turnover rate	17.6 %	23.1 %	17.7 %
Liquidity			
Ending current ratio	2.47	1.98	2.68
Ending working capital	95,570	51,893	141,337
End working capital to gross inc	50.7 %	29.4 %	57.3 %
Term debt coverage ratio	177.8 %	63.2 %	340.5 %
Expense as a percent of income	76.7 %	96.0 %	61.5 %
Interest as a percent of income	4.3 %	4.0 %	3.3 %
Solvency (cost)			
Number of farms	34	8	9
Ending farm assets	451,871	314,282	564,031
Ending farm liabilities	162,292	143,850	168,798
Ending total assets	577,908	416,897	701,847
Ending total liabilities	165,426	153,884	168,798
Ending net worth	412,482	263,013	533,049
Net worth change	34,482	1,246	91,262
Ending farm debt to asset ratio	36 %	46 %	30 %
Beg total debt to asset ratio	31 %	37 %	27 %
End total debt to asset ratio	29 %	37 %	24 %
Solvency (market)			
Number of farms	34	8	9
Ending farm assets	1,135,766	738,445	1,670,164
Ending farm liabilities	170,013	143,850	168,936
Ending total assets	1,462,369	1,121,103	1,898,382
Ending total liabilities	173,186	153,884	168,936
Ending net worth	1,289,184	967,219	1,729,447
Net worth change	84,233	36,685	184,089
Ending farm debt to asset ratio	15 %	19 %	10 %
Beg total debt to asset ratio	13 %	14 %	10 %
End total debt to asset ratio	12 %	14 %	9 %
Nonfarm Information			
Net nonfarm income	19,882	27,443	8,755
Crop Acres			
Total acres owned	308	241	461
Total crop acres	463	441	527
Total crop acres owned	276	263	355
Total crop acres cash rented	174	177	157
Total crop acres share rented	13	-	15

C) Average of 11 Cash Grain Farms, 800 to 1199 Acres

Table 32 Crop Production and Marketing Summary
Michigan Cash Grain, 800 to 1199 Acres, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms
Number of farms	11
Acreage Summary	
Total acres owned	433
Total crop acres	1,074
Crop acres owned	460
Crop acres cash rented	550
Crop acres share rented	65
Total pasture acres	-
Average Price Received (Cash Sales Only)	
Corn per bushel	2.19
Soybeans per bushel	5.89
Wheat, Winter per bushel	3.00

Table 33

Farm Income Statement
Michigan Cash Grain, 800 to 1199 Acres, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms
Number of farms	11
Cash Farm Income	
Beans, Navy	17,610
Corn	106,328
Corn, Seed	23,821
Cucumbers	21,198
Hay, Alfalfa	482
Hay, Mixed	438
Potatoes	56,496
Soybeans	81,356
Straw	179
Wheat, Winter	17,822
Beef Cow-Calf, Beef Calves	233
Broilers	56
Chickens, Egg Product., Eggs	99
Horses, Boarding	3,149
Hogs, Weaning to Finish	19,209
Misc. livestock income	22,055
Direct & CC govt payments	21,981
Other government payments	42,658
Custom work income	16,027
Patronage dividends, cash	41
Insurance income	11,941
Contract livestock income	1,282
Other farm income	7,541
Gross Cash Farm Income	472,002

Table 33

Farm Income Statement (Continued)
Michigan Cash Grain, 800 to 1199 Acres, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms
Number of farms	11
Cash Farm Expense	
Seed	38,026
Fertilizer	63,764
Crop chemicals	36,343
Crop insurance	4,023
Drying fuel	846
Hauling and trucking	3,798
Marketing	4,614
Crop miscellaneous	5,723
Feeder livestock purchase	6,864
Purchased feed	4,206
Breeding fees	19
Livestock miscellaneous	15,753
Interest	24,528
Packaging and supplies	1,893
Supplies	1,956
Fuel & oil	27,350
Repairs	39,130
Custom hire	7,892
Hired labor	33,684
Land rent	51,751
Machinery leases	1,662
Real estate taxes	9,357
Personal property taxes	169
Farm insurance	15,562
Utilities	9,203
Dues & professional fees	3,667
Hedging account deposits	898
Miscellaneous	8,092
Total cash expense	420,773
Net cash farm income	51,230
Inventory Changes	
Crops and feed	10,021
Market livestock	-1,454
Accounts receivable	13,155
Prepaid expenses and supplies	7,510
Accounts payable	-1,074
Total inventory change	28,158
Net operating profit	79,387
Depreciation and Other Capital Adjustments	
Breeding livestock	2,636
Machinery and equipment	-48,726
Buildings and improvements	-5,481
Other farm capital	1,829
Total depr. and other capital adj	-49,742
Net farm income	29,645

Table 34

Inventory Changes
Michigan Cash Grain, 800 to 1199 Acres, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms
Number of farms	11
Net cash farm income	51,230
Crops and Feed	
Ending inventory	244,457
Beginning inventory	234,436
Inventory change	10,021
Market Livestock	
Ending inventory	11,012
Beginning inventory	12,466
Inventory change	-1,454
Accts Receivable & Other Current Assets	
Ending inventory	35,538
Beginning inventory	22,382
Inventory change	13,155
Prepaid Expenses and Supplies	
Ending inventory	36,346
Beginning inventory	28,837
Inventory change	7,510
Accounts Payable & Accrued Expenses	
Beginning inventory	32,797
Ending inventory	33,871
Inventory change	-1,074
Total inventory change	28,158
Net operating profit	79,387

Table 35

Depreciation and Other Capital Adjustments
Michigan Cash Grain, 800 to 1199 Acres, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms
Number of farms	11
Net operating profit	79,387
Breeding Livestock	
Ending inventory	18,523
Capital sales	2,727
Beginning inventory	17,250
Capital purchases	1,364
Depreciation, capital adjust.	2,636
Machinery and Equipment	
Ending inventory	130,011
Capital sales	5,615
Beginning inventory	132,583
Capital purchases	51,769
Depreciation, capital adjust.	-48,726
Buildings and Improvements	
Ending inventory	52,084
Capital sales	-
Beginning inventory	51,675
Capital purchases	5,889
Depreciation, capital adjust.	-5,481
Other Capital Assets	
Ending inventory	9,673
Capital sales	3,945
Beginning inventory	8,093
Capital purchases	3,696
Depreciation, capital adjust.	1,829
Total depreciation, capital adj.	-49,742
Net farm income	29,645

Table 36

Profitability Measures
Michigan Cash Grain, 800 to 1199 Acres, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms
Number of farms	11
Profitability (assets valued at cost)	
Net farm income	29,645
Labor and management earnings	7,220
Rate of return on assets	2.2 %
Rate of return on equity	-0.9 %
Operating profit margin	4.3 %
Asset turnover rate	51.3 %
Interest on farm net worth	22,425
Farm interest expense	24,222
Value of operator lbr and mgmt.	33,085
Return on farm assets	20,782
Average farm assets	945,627
Return on farm equity	-3,440
Average farm equity	366,523
Value of farm production	485,291

	Avg. Of All Farms
Number of farms	11
Profitability (assets valued at market)	
Net farm income	73,223
Labor and management earnings	3,499
Rate of return on assets	3.7 %
Rate of return on equity	3.5 %
Operating profit margin	13.3 %
Asset turnover rate	27.9 %
Interest on farm net worth	69,724
Farm interest expense	24,222
Value of operator lbr and mgmt.	33,085
Return on farm assets	64,359
Average farm assets	1,741,169
Return on farm equity	40,138
Average farm equity	1,162,064
Value of farm production	485,291

Table 37

Liquidity Measures
Michigan Cash Grain, 800 to 1199 Acres, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms
Number of farms	11
Liquidity (cash)	
Net cash farm income	51,230
Net nonfarm income	34,953
Family living and taxes	42,560
Principal due on long term debt	20,355
Cash available for interm. debt	23,267
Average intermediate debt	158,472
Years to turnover interm. debt	6.8
Expense as a % of income	89 %
Interest as a % of income	5 %
Working capital to gross income	28 %
Liquidity (accrual)	
Total accrual farm income	493,724
Total accrual operating expense	414,337
Net accrual operating income	79,387
Net nonfarm income	34,953
Family living and taxes	42,560
Principal due on long term debt	20,355
Available for intermediate debt	51,425
Average intermediate debt	158,472
Years to turnover interm. debt	3.1
Expense as a % of income	84 %
Interest as a % of income	5 %
Working capital to gross income	26 %

Table 38

Balance Sheet at Cost Values
Michigan Cash Grain, 800 to 1199 Acres, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	
Number of farms	11	
	Beginning	Ending
Assets		
Current Farm Assets		
Cash and checking balance	44,217	36,493
Prepaid expenses & supplies	28,837	36,346
Growing crops	6,849	5,390
Accounts receivable	13,879	28,434
Hedging accounts	0	0
Crops held for sale or feed	234,436	244,457
Crops under government loan	0	0
Market livestock held for sale	12,466	11,012
Other current assets	1,655	1,714
Total current farm assets	342,338	363,845
Intermediate Farm Assets		
Breeding livestock	17,250	18,523
Machinery and equipment	127,758	128,368
Titled vehicles	4,825	1,643
Other intermediate assets	5,314	7,099
Total intermediate farm assets	155,147	155,632
Long Term Farm Assets		
Farm land	373,499	391,681
Buildings and improvements	51,675	52,084
Other long-term assets	2,780	2,574
Total long-term farm assets	427,954	446,339
Total Farm Assets	925,438	965,816
Total Nonfarm Assets	171,961	174,633
Total Assets	1,097,400	1,140,450
Liabilities		
Current Farm Liabilities		
Accrued interest	12,466	12,159
Accounts payable	20,331	21,712
Current notes	141,655	148,476
Government crop loans	0	0
Principal due on term debt	58,694	51,686
Total current farm liabilities	233,146	234,033
Total intermediate farm liabs	132,917	109,931
Total long term farm liabilities	205,745	242,438
Total farm liabilities	571,808	586,402
Total nonfarm liabilities	10,250	14,287
Total liabilities	582,057	600,688
Net worth (farm and nonfarm)	515,342	539,761
Net worth change		24,419
Ratio Analysis		
Current farm liabilities / assets	68 %	64 %
Curr. & interm farm liab. / assets	74 %	66 %
Long term farm liab. / assets	48 %	54 %
Total debt to asset ratio	53 %	53 %

Table 39

Balance Sheet at Market Values
Michigan Cash Grain, 800 to 1199 Acres, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	
Number of farms	11	
	Beginning	Ending
Assets		
Current Farm Assets		
Cash and checking balance	44,217	36,493
Prepaid expenses & supplies	28,837	36,346
Growing crops	6,849	5,390
Accounts receivable	13,879	28,434
Hedging accounts	0	0
Crops held for sale or feed	234,436	244,457
Crops under government loan	0	0
Market livestock held for sale	12,466	11,012
Other current assets	1,655	1,714
Total current farm assets	342,338	363,845
Intermediate Farm Assets		
Breeding livestock	18,023	19,295
Machinery and equipment	430,839	433,425
Titled vehicles	15,909	14,091
Other intermediate assets	8,125	10,175
Total intermediate farm assets	472,896	476,987
Long Term Farm Assets		
Farm land	763,198	819,715
Buildings and improvements	117,980	120,025
Other long-term assets	2,780	2,574
Total long-term farm assets	883,958	942,315
Total Farm Assets	1,699,191	1,783,147
Total Nonfarm Assets	344,274	352,562
Total Assets	2,043,465	2,135,709
Liabilities		
Current Farm Liabilities		
Accrued interest	12,466	12,159
Accounts payable	20,331	21,712
Current notes	141,655	148,476
Government crop loans	0	0
Principal due on term debt	58,694	51,686
Total current farm liabilities	233,146	234,033
Total intermediate farm liabs	132,917	109,931
Total long term farm liabilities	205,745	242,438
Total farm liabilities	571,808	586,402
Total nonfarm liabilities	10,250	14,287
Total liabs excluding deferreds	582,057	600,688
Total deferred liabilities	0	0
Total liabilities	582,057	600,688
Retained earnings	515,342	539,761
Market valuation equity	946,065	995,259
Net worth (farm and nonfarm)	1,461,408	1,535,021
Net worth excluding deferreds	1,461,408	1,535,021
Net worth change		73,613
Ratio Analysis		
Current farm liabilities / assets	68 %	64 %
Curr. & interm farm liab. / assets	45 %	41 %
Long term farm liab. / assets	23 %	26 %
Total debt to asset ratio	28 %	28 %
Debt to assets excl deferreds	28 %	28 %

Table 40

Statement Of Cash Flows
Michigan Cash Grain, 800 to 1199 Acres, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms
Number of farms	11
Beginning cash (farm & nonfarm)	66,540
Cash From Operating Activities	
Gross cash farm income	472,002
Net nonfarm income	34,953
Total cash farm expense	-420,773
Apparent family living expense	-40,970
Income and social security tax	-1,590
Cash from operations	43,622
Cash From Investing Activities	
Sale of breeding livestock	2,727
Sale of machinery & equipment	5,615
Sale of titled vehicles	-
Sale of farm land	-
Sale of farm buildings	-
Sale of other farm assets	3,945
Sale of nonfarm assets	4,045
Purchase of breeding livestock	-1,364
Purchase of machinery & equip.	-51,769
Purchase of titled vehicles	-
Purchase of farm land	-18,182
Purchase of farm buildings	-5,889
Purchase of other farm assets	-3,696
Purchase of nonfarm assets	-16,468
Cash from investing activities	-81,035
Cash From Financing Activities	
Money borrowed	145,263
Cash gifts and inheritances	909
Principal payments	-127,760
Dividends paid	-
Gifts given	-2,319
Cash from financing activities	16,093
Net change in cash balance	-21,320
Ending cash (farm & nonfarm)	45,220

Table 41

Financial Standards Measures
Michigan Cash Grain, 800 to 1199 Acres, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms
Number of farms	11
Liquidity	
Current ratio	1.55
Working capital	129,812
Solvency (market)	
Farm debt to asset ratio	33 %
Farm equity to asset ratio	67 %
Farm debt to equity ratio	49 %
Profitability (cost)	
Rate of return on farm assets	2.2 %
Rate of return on farm equity	-0.9 %
Operating profit margin	4.3 %
Net farm income	29,645
Repayment Capacity	
Term debt coverage ratio	116 %
Capital replacement margin	11,869
Efficiency	
Asset turnover rate (cost)	51.3 %
Operating expense ratio	79.0 %
Depreciation expense ratio	10.1 %
Interest expense ratio	4.9 %
Net farm income ratio	6.0 %

Table 42

Operator and Labor Information
Michigan Cash Grain, 800 to 1199 Acres, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms
Number of farms	11
Operator Information	
Average number of operators	1.1
Average age of operators	51.6
Average number of years farming	29.3
Results Per Operator	
Working capital	118,011
Total assets (market)	1,941,554
Total liabilities	546,080
Net worth (market)	1,395,473
Net worth excl deferred liabs	1,395,473
Gross farm income	448,840
Total farm expense	421,890
Net farm income	26,950
Net nonfarm income	31,775
Family living & tax withdrawals	38,691
Total acres owned	393.7
Total crop acres	976.5
Crop acres owned	418.1
Crop acres cash rented	499.6
Crop acres share rented	58.8
Total pasture acres	-
Labor Analysis	
Number of farms	11
Total unpaid labor hours	2,288
Total hired labor hours	3,318
Total labor hours per farm	5,606
Unpaid hours per operator	2,080
Value of farm production / hour	86.56
Net farm income / unpaid hour	12.96
Average hourly hired labor wage	10.15

Table 43

Financial Summary
Michigan Cash Grain, 800 to 1199 Acres, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms
Number of farms	11
Income Statement	
Gross cash farm income	472,002
Total cash farm expense	420,773
Net cash farm income	51,230
Inventory change	28,158
Depreciation and capital adjust	-49,742
Net farm income	29,645
Profitability (cost)	
Labor and management earnings	7,220
Rate of return on assets	2.2 %
Rate of return on equity	-0.9 %
Operating profit margin	4.3 %
Asset turnover rate	51.3 %
Profitability (market)	
Labor and management earnings	3,499
Rate of return on assets	3.7 %
Rate of return on equity	3.5 %
Operating profit margin	13.3 %
Asset turnover rate	27.9 %
Liquidity	
Ending current ratio	1.55
Ending working capital	129,812
End working capital to gross inc	27.5 %
Term debt coverage ratio	115.8 %
Expense as a percent of income	83.9 %
Interest as a percent of income	4.9 %
Solvency (cost)	
Number of farms	11
Ending farm assets	965,816
Ending farm liabilities	586,402
Ending total assets	1,140,450
Ending total liabilities	600,688
Ending net worth	539,761
Net worth change	24,419
Ending farm debt to asset ratio	61 %
Beg total debt to asset ratio	53 %
End total debt to asset ratio	53 %
Solvency (market)	
Number of farms	11
Ending farm assets	1,783,147
Ending farm liabilities	586,402
Ending total assets	2,135,709
Ending total liabilities	600,688
Ending net worth	1,535,021
Net worth change	73,613
Ending farm debt to asset ratio	33 %
Beg total debt to asset ratio	28 %
End total debt to asset ratio	28 %
Nonfarm Information	
Net nonfarm income	34,953
Crop Acres	
Total acres owned	433
Total crop acres	1,074
Total crop acres owned	460
Total crop acres cash rented	550
Total crop acres share rented	65

D) Average of 19 Cash Grain Farms, 1200 Plus Acres

Table 44 Crop Production and Marketing Summary
Michigan Cash Grain, 1200 + Acres, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	19	4	5
Acreage Summary			
Total acres owned	647	853	553
Total crop acres	2,406	1,836	2,354
Crop acres owned	729	710	759
Crop acres cash rented	1,602	882	1,595
Crop acres share rented	75	244	-
Total pasture acres	-	-	-
Average Price Received (Cash Sales Only)			
Soybeans per bushel	5.57	5.58	5.42
Corn per bushel	2.24	2.44	2.05
Wheat, Winter per bushel	3.23	-	-

Table 45

Farm Income Statement
Michigan Cash Grain, 1200 + Acres, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	19	4	5
Cash Farm Income			
Barley	441	-	-
Beans, Dark Red Kidney	2,648	-	-
Beans, Green	5,583	-	-
Beans, Navy	22,412	-	16,629
Clover Seed	3,391	-	-
Corn	196,119	117,140	228,751
Corn Silage	2,871	-	7,764
Corn, Seed	56,905	106,524	-
Cucumbers	32,209	41,930	48,121
Hay, Alfalfa	1,194	-	-
Hay, Mixed	1,075	-	-
Haylage, Alfalfa	378	-	-
Oats	9,379	-	-
Potatoes	22,675	-	-
Soybeans	218,785	239,340	248,866
Soybeans Seed	2,596	-	-
Speltz	5,043	-	-
Straw	9,010	-	-
Sugar Beets	28,392	18,984	36,191
Wheat, Winter	64,816	12,540	43,457
Barley, Seed	1,553	-	-
Oats, Seed	771	-	-
Other crops	270	1,282	-
Miscellaneous crop income	55	-	-
Beef, Finish Beef Calves	3,412	-	12,967
Dairy Steer Finishing	1,075	-	-
Direct & CC govt payments	73,397	109,144	37,542
Other government payments	78,745	47,428	166,604
Custom work income	42,172	20,470	108,572
Patronage dividends, cash	115	80	-
Insurance income	49,970	92,128	49,914
Other farm income	50,555	16,516	1,125
Gross Cash Farm Income	988,013	823,507	1,006,503

Table 45

Farm Income Statement (Continued)
Michigan Cash Grain, 1200 + Acres, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	All Farms	Avg. Of Low 25%	High 25%
Number of farms	19	4	5
Cash Farm Expense			
Seed	83,858	70,893	92,362
Fertilizer	163,710	147,855	173,022
Crop chemicals	84,379	65,875	82,976
Crop insurance	10,929	9,460	15,061
Drying fuel	1,588	4,974	457
Irrigation energy	1,635	-	-
Repair, machinery	3,663	17,399	-
Crop custom hire	3,194	6,076	-
Crop hired labor	4,521	21,476	-
Crop land rent	2,163	10,275	-
Crop utilities	543	2,580	-
Hauling and trucking	1,171	-	3,284
Marketing	1,367	2,625	1,614
Crop miscellaneous	3,600	298	12,599
Feeder livestock purchase	590	-	-
Purchased feed	735	-	1,768
Veterinary	256	39	920
Livestock supplies	1,006	-	1,823
Interest	38,442	32,500	22,142
Packaging and supplies	871	2,654	-
Supplies	298	-	678
Fuel & oil	49,016	34,473	39,378
Repairs	58,103	43,137	56,771
Custom hire	13,213	450	16,446
Hired labor	52,690	26,263	34,118
Land rent	131,811	87,934	149,714
Machinery leases	15,020	5,144	13,496
Real estate taxes	15,342	12,155	8,393
Personal property taxes	1,298	6,150	-
Farm insurance	27,136	16,594	17,365
Utilities	12,868	12,472	15,443
Dues & professional fees	11,551	6,400	7,346
Hedging account deposits	197	-	665
Miscellaneous	32,163	12,314	12,483
Total cash expense	828,926	658,465	780,324
Net cash farm income	159,087	165,043	226,179
Inventory Changes			
Crops and feed	72,116	-28,219	189,228
Market livestock	-995	-	-9,902
Accounts receivable	-44,524	-9,282	-48,875
Prepaid expenses and supplies	14,512	9,023	53,222
Accounts payable	22,065	-2,960	10,014
Total inventory change	63,175	-31,437	193,688
Net operating profit	222,261	133,605	419,867
Depreciation and Other Capital Adjustments			
Breeding livestock	-24	-	-90
Machinery and equipment	-76,343	-70,721	-78,164
Buildings and improvements	-12,373	-14,490	-10,876
Other farm capital	-223	-500	-446
Total depr. and other capital adj	-88,962	-85,710	-89,576
Net farm income	133,299	47,895	330,291

Table 46

Inventory Changes
Michigan Cash Grain, 1200 + Acres, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	19	4	5
Net cash farm income	159,087	165,043	226,179
Crops and Feed			
Ending inventory	451,412	279,196	530,401
Beginning inventory	379,297	307,415	341,173
Inventory change	72,116	-28,219	189,228
Market Livestock			
Ending inventory	10,384	-	-
Beginning inventory	11,378	-	9,902
Inventory change	-995	-	-9,902
Accts Receivable & Other Current Assets			
Ending inventory	77,864	59,016	15,453
Beginning inventory	122,387	68,298	64,327
Inventory change	-44,524	-9,282	-48,875
Prepaid Expenses and Supplies			
Ending inventory	72,236	84,655	118,458
Beginning inventory	57,723	75,632	65,236
Inventory change	14,512	9,023	53,222
Accounts Payable & Accrued Expenses			
Beginning inventory	83,395	1,599	54,787
Ending inventory	61,330	4,559	44,773
Inventory change	22,065	-2,960	10,014
Total inventory change	63,175	-31,437	193,688
Net operating profit	222,261	133,605	419,867

Table 47

Depreciation and Other Capital Adjustments
Michigan Cash Grain, 1200 + Acres, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	19	4	5
Net operating profit	222,261	133,605	419,867
Breeding Livestock			
Ending inventory	158	-	400
Capital sales	97	-	370
Beginning inventory	158	-	400
Capital purchases	121	-	460
Depreciation, capital adjust.	-24	-	-90
Machinery and Equipment			
Ending inventory	191,709	124,398	191,958
Capital sales	3,927	9,198	-
Beginning inventory	214,545	138,842	229,573
Capital purchases	57,433	65,474	40,548
Depreciation, capital adjust.	-76,343	-70,721	-78,164
Buildings and Improvements			
Ending inventory	75,507	100,719	48,784
Capital sales	-	-	-
Beginning inventory	74,844	114,055	28,595
Capital purchases	13,036	1,154	31,065
Depreciation, capital adjust.	-12,373	-14,490	-10,876
Other Capital Assets			
Ending inventory	23,719	8,119	730
Capital sales	6,252	-250	17,572
Beginning inventory	26,023	8,119	18,749
Capital purchases	4,172	250	-
Depreciation, capital adjust.	-223	-500	-446
Total depreciation, capital adj.	-88,962	-85,710	-89,576
Net farm income	133,299	47,895	330,291

Table 48

Profitability Measures
Michigan Cash Grain, 1200 + Acres, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	19	4	5
Profitability (assets valued at cost)			
Net farm income	133,299	47,895	330,291
Labor and management earnings	100,216	-739	295,060
Rate of return on assets	8.3 %	1.7 %	22.7 %
Rate of return on equity	15.8 %	-1.5 %	44.5 %
Operating profit margin	11.6 %	3.2 %	25.3 %
Asset turnover rate	71.8 %	52.8 %	89.9 %
Interest on farm net worth	33,083	48,633	35,231
Farm interest expense	41,574	35,460	25,614
Value of operator lbr and mgmt.	57,097	57,935	69,260
Return on farm assets	117,776	25,420	286,645
Average farm assets	1,410,737	1,487,949	1,262,798
Return on farm equity	76,202	-10,040	261,031
Average farm equity	481,869	674,631	587,182
Value of farm production	1,013,262	786,006	1,135,097
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	19	4	5
Profitability (assets valued at market)			
Net farm income	227,657	84,171	453,786
Labor and management earnings	102,814	-78,781	334,671
Rate of return on assets	7.0 %	1.7 %	15.4 %
Rate of return on equity	8.2 %	1.0 %	19.4 %
Operating profit margin	20.9 %	7.8 %	36.1 %
Asset turnover rate	33.5 %	21.8 %	42.7 %
Interest on farm net worth	124,843	162,952	119,115
Farm interest expense	41,574	35,460	25,614
Value of operator lbr and mgmt.	57,097	57,935	69,260
Return on farm assets	212,134	61,696	410,140
Average farm assets	3,024,027	3,597,784	2,660,857
Return on farm equity	170,560	26,236	384,526
Average farm equity	2,080,718	2,715,869	1,985,242
Value of farm production	1,013,262	786,006	1,135,097

Table 49

Liquidity Measures
Michigan Cash Grain, 1200 + Acres, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	19	4	5
Liquidity (cash)			
Net cash farm income	159,087	165,043	226,179
Net nonfarm income	10,661	11,688	-593
Family living and taxes	62,608	62,789	92,969
Principal due on long term debt	34,938	62,442	19,590
Cash available for interm. debt	72,201	51,498	113,027
Average intermediate debt	195,274	72,427	217,916
Years to turnover interm. debt	2.7	1.4	1.9
Expense as a % of income	84 %	80 %	78 %
Interest as a % of income	4 %	4 %	2 %
Working capital to gross income	27 %	12 %	44 %
Liquidity (accrual)			
Total accrual farm income	1,014,611	786,006	1,136,955
Total accrual operating expense	792,349	652,401	717,088
Net accrual operating income	222,261	133,605	419,867
Net nonfarm income	10,661	11,688	-593
Family living and taxes	62,608	62,789	92,969
Principal due on long term debt	34,938	62,442	19,590
Available for intermediate debt	135,376	20,061	306,715
Average intermediate debt	195,274	72,427	217,916
Years to turnover interm. debt	1.4	3.6	0.7
Expense as a % of income	78 %	83 %	63 %
Interest as a % of income	4 %	5 %	2 %
Working capital to gross income	26 %	13 %	39 %

Table 50

Balance Sheet at Cost Values
Michigan Cash Grain, 1200 + Acres, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
Number of farms	19		4		5	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	55,399	49,923	75,603	55,873	35,336	21,793
Prepaid expenses & supplies	57,723	72,236	75,632	84,655	65,236	118,458
Growing crops	17,167	18,361	3,606	4,653	12,912	9,786
Accounts receivable	95,478	54,278	62,218	49,989	51,415	5,666
Hedging accounts	1,184	1,111	2,475	2,938	0	0
Crops held for sale or feed	379,297	451,412	307,415	279,196	341,173	530,401
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	11,378	10,384	0	0	9,902	0
Other current assets	8,558	4,113	0	1,438	0	0
Total current farm assets	626,185	661,818	526,949	478,740	515,973	686,104
Intermediate Farm Assets						
Breeding livestock	158	158	0	0	400	400
Machinery and equipment	211,868	188,701	138,842	124,398	229,573	191,958
Titled vehicles	2,676	3,008	0	0	0	0
Other intermediate assets	10,881	4,904	0	0	18,549	530
Total intermediate farm assets	225,583	196,771	138,842	124,398	248,522	192,888
Long Term Farm Assets						
Farm land	448,090	478,718	737,979	737,979	381,070	423,258
Buildings and improvements	74,844	75,507	114,055	100,719	28,595	48,784
Other long-term assets	15,142	18,815	8,119	8,119	200	200
Total long-term farm assets	538,076	573,040	860,153	846,817	409,865	472,242
Total Farm Assets	1,389,845	1,431,630	1,525,943	1,449,954	1,174,361	1,351,235
Total Nonfarm Assets	128,778	169,338	86,857	212,438	62,525	90,397
Total Assets	1,518,623	1,600,968	1,612,800	1,662,392	1,236,886	1,441,631
Liabilities						
Current Farm Liabilities						
Accrued interest	11,531	14,663	1,599	4,559	8,403	11,874
Accounts payable	71,864	46,667	0	0	46,384	32,898
Current notes	267,085	262,670	296,189	286,709	193,758	144,770
Government crop loans	0	0	0	0	0	0
Principal due on term debt	72,348	71,302	92,773	87,646	40,529	49,201
Total current farm liabilities	422,828	395,303	390,561	378,914	289,074	238,744
Total intermediate farm liabs	151,131	161,943	40,345	46,477	198,824	190,531
Total long term farm liabilities	359,292	367,238	352,957	417,381	217,247	216,812
Total farm liabilities	933,252	924,484	783,863	842,772	705,145	646,087
Total nonfarm liabilities	26,686	24,824	0	0	1,470	5,167
Total liabilities	959,938	949,308	783,863	842,772	706,614	651,254
Net worth (farm and nonfarm)	558,685	651,659	828,937	819,621	530,271	790,377
Net worth change		92,975		-9,316		260,106
Ratio Analysis						
Current farm liabilities / assets	68 %	60 %	74 %	79 %	56 %	35 %
Curr. & interm farm liab. / assets	67 %	65 %	65 %	71 %	64 %	49 %
Long term farm liab. / assets	67 %	64 %	41 %	49 %	53 %	46 %
Total debt to asset ratio	63 %	59 %	49 %	51 %	57 %	45 %

Table 51

Balance Sheet at Market Values
Michigan Cash Grain, 1200 + Acres, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
	19		4		5	
Number of farms	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	55,399	49,923	75,603	55,873	35,336	21,793
Prepaid expenses & supplies	57,723	72,236	75,632	84,655	65,236	118,458
Growing crops	17,167	18,361	3,606	4,653	12,912	9,786
Accounts receivable	95,478	54,278	62,218	49,989	51,415	5,666
Hedging accounts	1,184	1,111	2,475	2,938	0	0
Crops held for sale or feed	379,297	451,412	307,415	279,196	341,173	530,401
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	11,378	10,384	0	0	9,902	0
Other current assets	8,558	4,113	0	1,438	0	0
Total current farm assets	626,185	661,818	526,949	478,740	515,973	686,104
Intermediate Farm Assets						
Breeding livestock	168	168	0	0	440	440
Machinery and equipment	680,850	692,509	701,199	704,534	667,722	659,818
Titled vehicles	0	858	0	0	0	0
Other intermediate assets	10,881	4,904	0	0	18,549	530
Total intermediate farm assets	691,899	698,440	701,199	704,534	686,710	660,788
Long Term Farm Assets						
Farm land	1,423,224	1,482,455	2,257,560	2,257,560	1,071,460	1,201,750
Buildings and improvements	199,875	230,096	125,568	126,721	236,329	262,199
Other long-term assets	15,195	18,868	8,369	8,369	200	200
Total long-term farm assets	1,638,294	1,731,419	2,391,496	2,392,650	1,307,989	1,464,149
Total Farm Assets	2,956,378	3,091,677	3,619,644	3,575,924	2,510,673	2,811,042
Total Nonfarm Assets	393,838	443,022	356,411	472,110	154,363	186,995
Total Assets	3,350,215	3,534,699	3,976,054	4,048,034	2,665,036	2,998,037
Liabilities						
Current Farm Liabilities						
Accrued interest	11,531	14,663	1,599	4,559	8,403	11,874
Accounts payable	71,864	46,667	0	0	46,384	32,898
Current notes	267,085	262,670	296,189	286,709	193,758	144,770
Government crop loans	0	0	0	0	0	0
Principal due on term debt	72,348	71,302	92,773	87,646	40,529	49,201
Total current farm liabilities	422,828	395,303	390,561	378,914	289,074	238,744
Total intermediate farm liabs	151,131	161,943	40,345	46,477	198,824	190,531
Total long term farm liabilities	359,292	367,238	352,957	417,381	217,247	216,812
Total farm liabilities	933,252	924,484	783,863	842,772	705,145	646,087
Total nonfarm liabilities	26,686	24,824	0	0	1,470	5,167
Total liabs excluding deferreds	959,938	949,308	783,863	842,772	706,614	651,254
Total deferred liabilities	16,069	14,809	76,326	70,342	0	0
Total liabilities	976,007	964,117	860,189	913,114	706,614	651,254
Retained earnings	558,685	651,659	828,937	819,621	530,271	790,377
Market valuation equity	1,815,524	1,918,923	2,286,929	2,315,299	1,428,150	1,556,406
Net worth (farm and nonfarm)	2,374,209	2,570,582	3,115,866	3,134,920	1,958,422	2,346,783
Net worth excluding deferreds	2,390,277	2,585,391	3,192,191	3,205,262	1,958,422	2,346,783
Net worth change		196,373		19,054		388,361
Ratio Analysis						
Current farm liabilities / assets	68 %	60 %	74 %	79 %	56 %	35 %
Curr. & interm farm liab. / assets	44 %	41 %	35 %	36 %	41 %	32 %
Long term farm liab. / assets	22 %	21 %	15 %	17 %	17 %	15 %
Total debt to asset ratio	29 %	27 %	22 %	23 %	27 %	22 %
Debt to assets excl deferreds	29 %	27 %	20 %	21 %	27 %	22 %

Table 52

Statement Of Cash Flows
Michigan Cash Grain, 1200 + Acres, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	19	4	5
Beginning cash (farm & nonfarm)	57,258	83,182	35,336
Cash From Operating Activities			
Gross cash farm income	988,013	823,507	1,006,503
Net nonfarm income	10,661	11,688	-593
Total cash farm expense	-828,926	-658,465	-780,324
Apparent family living expense	-56,583	-61,500	-75,631
Income and social security tax	-6,025	-1,290	-17,338
Cash from operations	107,140	113,941	132,617
Cash From Investing Activities			
Sale of breeding livestock	97	-	370
Sale of machinery & equipment	3,927	9,198	-
Sale of titled vehicles	-	-	-
Sale of farm land	-	-	-
Sale of farm buildings	-	-	-
Sale of other farm assets	6,252	-250	17,572
Sale of nonfarm assets	-	-	-
Purchase of breeding livestock	-121	-	-460
Purchase of machinery & equip.	-57,433	-65,474	-40,548
Purchase of titled vehicles	-	-	-
Purchase of farm land	-30,628	-	-42,188
Purchase of farm buildings	-13,036	-1,154	-31,065
Purchase of other farm assets	-4,172	-250	-
Purchase of nonfarm assets	-24,997	-108,968	-4,547
Cash from investing activities	-120,111	-166,898	-100,866
Cash From Financing Activities			
Money borrowed	356,544	210,824	457,931
Cash gifts and inheritances	45,727	204,841	58
Principal payments	-344,383	-154,874	-503,283
Dividends paid	-	-	-
Gifts given	-50,255	-225,660	-
Cash from financing activities	7,632	35,130	-45,294
Net change in cash balance	-5,339	-17,827	-13,543
Ending cash (farm & nonfarm)	51,919	65,355	21,793

Table 53

Financial Standards Measures
Michigan Cash Grain, 1200 + Acres, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	19	4	5
Liquidity			
Current ratio	1.67	1.26	2.87
Working capital	266,516	99,826	447,360
Solvency (market)			
Farm debt to asset ratio	30 %	25 %	23 %
Farm equity to asset ratio	70 %	75 %	77 %
Farm debt to equity ratio	44 %	34 %	30 %
Profitability (cost)			
Rate of return on farm assets	8.3 %	1.7 %	22.7 %
Rate of return on farm equity	15.8 %	-1.5 %	44.5 %
Operating profit margin	11.6 %	3.2 %	25.3 %
Net farm income	133,299	47,895	330,291
Repayment Capacity			
Term debt coverage ratio	197 %	90 %	532 %
Capital replacement margin	96,661	-10,270	284,642
Efficiency			
Asset turnover rate (cost)	71.8 %	52.8 %	89.9 %
Operating expense ratio	74.0 %	78.5 %	60.8 %
Depreciation expense ratio	8.8 %	10.9 %	7.9 %
Interest expense ratio	4.1 %	4.5 %	2.3 %
Net farm income ratio	13.1 %	6.1 %	29.1 %

Table 54

Operator and Labor Information
Michigan Cash Grain, 1200 + Acres, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	19	4	5
Operator Information			
Average number of operators	1.5	1.3	1.8
Average age of operators	49.5	51.8	47.6
Average number of years farming	25.7	28.8	24.6
Results Per Operator			
Working capital	180,850	79,861	248,533
Total assets (market)	2,398,546	3,238,427	1,665,576
Total liabilities	654,222	730,491	361,808
Net worth (market)	1,744,323	2,507,936	1,303,768
Net worth excl deferred liabs	1,754,372	2,564,210	1,303,768
Gross farm income	688,486	628,805	631,641
Total farm expense	598,033	590,489	448,146
Net farm income	90,453	38,316	183,495
Net nonfarm income	7,234	9,350	-329
Family living & tax withdrawals	42,484	50,232	51,650
Total acres owned	438.8	682.7	307.1
Total crop acres	1,632.7	1,468.6	1,308.0
Crop acres owned	494.5	567.7	421.6
Crop acres cash rented	1,087.2	705.8	886.4
Crop acres share rented	51.0	195.2	-
Total pasture acres	-	-	-
Labor Analysis			
Number of farms	19	4	5
Total unpaid labor hours	2,794	3,011	4,117
Total hired labor hours	4,678	3,320	3,000
Total labor hours per farm	7,472	6,331	7,117
Unpaid hours per operator	1,896	2,408	2,287
Value of farm production / hour	135.61	124.16	159.49
Net farm income / unpaid hour	47.70	15.91	80.23
Average hourly hired labor wage	13.04	13.92	11.37
Partnerships & LLCs			
Number of farms	4	1	2
Number of operators	2.5	-	-
Owner withdrawals per farm	-	-	-
Withdrawals per operator	-	-	-

Table 55

Financial Summary
Michigan Cash Grain, 1200 + Acres, 2005
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	19	4	5
Income Statement			
Gross cash farm income	988,013	823,507	1,006,503
Total cash farm expense	828,926	658,465	780,324
Net cash farm income	159,087	165,043	226,179
Inventory change	63,175	-31,437	193,688
Depreciation and capital adjust	-88,962	-85,710	-89,576
Net farm income	133,299	47,895	330,291
Profitability (cost)			
Labor and management earnings	100,216	-739	295,060
Rate of return on assets	8.3 %	1.7 %	22.7 %
Rate of return on equity	15.8 %	-1.5 %	44.5 %
Operating profit margin	11.6 %	3.2 %	25.3 %
Asset turnover rate	71.8 %	52.8 %	89.9 %
Profitability (market)			
Labor and management earnings	102,814	-78,781	334,671
Rate of return on assets	7.0 %	1.7 %	15.4 %
Rate of return on equity	8.2 %	1.0 %	19.4 %
Operating profit margin	20.9 %	7.8 %	36.1 %
Asset turnover rate	33.5 %	21.8 %	42.7 %
Liquidity			
Ending current ratio	1.67	1.26	2.87
Ending working capital	266,516	99,826	447,360
End working capital to gross inc	27.0 %	12.1 %	44.4 %
Term debt coverage ratio	197.3 %	89.9 %	531.6 %
Expense as a percent of income	78.1 %	83.0 %	63.1 %
Interest as a percent of income	4.1 %	4.5 %	2.3 %
Solvency (cost)			
Number of farms	19	4	5
Ending farm assets	1,431,630	1,449,954	1,351,235
Ending farm liabilities	924,484	842,772	646,087
Ending total assets	1,600,968	1,662,392	1,441,631
Ending total liabilities	949,308	842,772	651,254
Ending net worth	651,659	819,621	790,377
Net worth change	92,975	-9,316	260,106
Ending farm debt to asset ratio	65 %	58 %	48 %
Beg total debt to asset ratio	63 %	49 %	57 %
End total debt to asset ratio	59 %	51 %	45 %
Solvency (market)			
Number of farms	19	4	5
Ending farm assets	3,091,677	3,575,924	2,811,042
Ending farm liabilities	938,504	909,366	646,087
Ending total assets	3,534,699	4,048,034	2,998,037
Ending total liabilities	964,117	913,114	651,254
Ending net worth	2,570,582	3,134,920	2,346,783
Net worth change	196,373	19,054	388,361
Ending farm debt to asset ratio	30 %	25 %	23 %
Beg total debt to asset ratio	29 %	22 %	27 %
End total debt to asset ratio	27 %	23 %	22 %
Nonfarm Information			
Net nonfarm income	10,661	11,688	-593
Crop Acres			
Total acres owned	647	853	553
Total crop acres	2,406	1,836	2,354
Total crop acres owned	729	710	759
Total crop acres cash rented	1,602	882	1,595
Total crop acres share rented	75	244	-