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Staff Paper

2001 Business Analysis Summary for General Crops Farms

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2001 BUSINESS ANALYSIS SUMMARY FOR GENERAL CROPS FARMS

Michigan Data from Telfarm and AgriSolutions Staff Paper No. 2002-24, 16 pages

by

Sherrill B. Nott¹

Abstract

During 2001, the 19 panel farms had an average net farm loss of \$-9,719 from 455 crop acres.

Introduction

I. This report is organized as follows:

- A. List and sequence of Tables
- B. Data Source

II. List and sequence of Tables

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Data Source

Farm types were assigned using the 1992 Census of Agriculture's Standard Industrial Classification (SIC) definitions. Basically, any farm with 50 percent or more of value of farm sales from one item becomes a farm of that type. However, the general crops category is where no one defined group of commodities makes up 50 % or more of gross sales. For these farms, the crops are a bigger portion of gross sales than are livestock sales. Note the variety of income producing items in Table 2, the income statement.

This report is a summary of the financial and production records kept by general crops farmers, who were enrolled in the Telfarm/MicroTel record program through Michigan State University Extension. Farm records were included if a Finan² summary was completed on 2001 data including beginning and ending balance sheets, plus income and expenses. The summary was included if cash discrepancy was less than 10 % of gross cash inflow, and if the debt discrepancy was less than \$1,000. Averages are reported in the tables below. Variability exists in the data. The unweighted mean of net farm income for the 19 farms was \$-9,719; the standard deviation of the mean was \$30,418 and the median was \$-10,926. The unweighted mean of acres cropped, both owned plus rented, was 509 acres; the standard deviation of the mean was 385 acres and the median was 415 acres.

This report has three purposes: 1) to provide statistical information about the financial results on general crops farms during 2001; 2) to provide production costs for comparative analysis and forward planning; and 3) to provide information on the trends in resource use, income and costs during the last few years. For general crop farm averages for 1995, see Staff Paper No. 96-86, Michigan Farm Database, New Directions for 1995; it contains averages of 11 general crops farms calculated with Finansum. Staff Paper No. 97-32, Business Analysis Summary for General Crops Farms, contains averages of 7 general crops farms for 1996. Staff Paper No. 98-18, 1997 Business Analysis Summary for General Crop Farms contains averages for 14 farms. Staff Paper No. 99-38, 1998 Business Analysis Summary for General Crops Farms contains averages for 16 farms. Staff paper 2000-23, 1999 Business Analysis Summary for General Crops Farms contains averages for 25 farms. Staff paper 2001-25, 2000 Business Analysis Summary for General Crops Farms contains averages for 25 farms. These staff papers are available at: <http://www.msu.edu/user/nott>

RankEM³ allows rapid analysis of group averages with some degree of choice over how the results are presented. I prefer to show the average of the high or low 33 percent by rate of return on farm assets, but only if the 33 percent means 6 or more farms. A farm was accepted in the average regardless of whether the farm was a proprietorship, partnership, limited liability company, or corporation. RankEM will produce a variety of report options; a subset is included in this publication.

The farms included in the averages below were not a random sample. Most of them kept their financial records with Michigan State University's Telfarm/MicroTel accounting project or were supervised by AgriSolutions. The averages may be representative of bigger and better managed general crops farms. The 19 farms were spread across 15 counties in Michigan's lower peninsula.

This document may be found and downloaded from the following:

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

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

³Software provided by Center for Farm Financial Management at the University of Minnesota which provides statistics from Finans.

Table 1

CROP PRODUCTION AND MARKETING SUMMARY, 2001
General Crops Farms in Michigan
(Farms sorted by Net Farm Income)

	Avg. Of All Farms	Low 33%	High 34%
Number of farms	19	6	7
ACREAGE SUMMARY			
Total acres owned	342	319	321
Total crop acres	455	504	546
Crop acres owned	247	240	291
Crop acres cash rented	203	265	247
Crop acres share rented	5	-	7
AVERAGE PRICE RECEIVED (Cash Sales Only)			
Corn per bushel	1.76	-	1.54
Soybeans per bushel	4.92	-	-
Wheat, Winter per bushel	2.47	-	-

Table 2

FARM INCOME STATEMENT, 2001
General Crops Farms in Michigan
(Farms sorted by Net Farm Income)

	Avg. Of All Farms	Low 33%	High 34%
Number of farms	19	6	7
Cash Farm Income			
Apples	3,284	10,400	-
Beans, Black Turtle	317	-	862
Beans, Dark Red Kidney	3,466	-	9,408
Beans, Green	8,731	27,648	-
Beans, Light Red Kidney	779	1,814	560
Beans, Navy	2,873	3,531	2,965
Beans, Small Red	255	-	691
Cherries	4,286	13,573	-
Corn	27,424	30,218	14,718
Corn, Seed	37,550	68,056	39,009
Cucumbers	18,603	22,178	31,484
Hay, Alfalfa	1,236	3,588	280
Hay, Mixed	1,398	719	3,093
Oats	60	190	-
Potatoes	14,783	-	-
Soybeans	31,899	46,785	28,547
Straw	569	273	1,289
Sugar Beets	27,641	61,115	16,679
Wheat, Soft Red Winter	885	2,801	-
Wheat, Winter	4,894	3,648	5,174
Beans, Dry	834	2,642	-
Other crops	743	-	-
Beef Cow-Calf, Beef Calves	797	-	-
Beef, Finish Beef Calves	2,376	-	2,550
Beef, Finish Yrlg Steers	1,934	-	5,249
Dairy Steers	246	779	-
Hogs, Farrow-Fin, Raised Hogs	143	-	389
Hogs, Feeder Pigs, Feeder Pigs	178	-	483
Sheep, Lamb Finishing	163	-	-
Sheep, Market Lambs, Mkt Lambs	3,628	-	4,827
Chickens, Pullets	206	652	-
Other farm income	81,187	134,503	62,823
Gross Cash Farm Income	283,370	435,110	231,080

Table 3

FARM INCOME STATEMENT, 2001 (Continued)
General Crops Farms in Michigan
(Farms sorted by Net Farm Income)

	Avg. Of All Farms	Low 33%	High 34%
Number of farms	19	6	7
Cash Farm Expense			
Seed	16,433	23,818	10,467
Fertilizer	35,498	53,387	27,771
Crop chemicals	22,180	27,787	13,522
Crop insurance	2,670	4,851	1,933
Drying fuel	181	-	410
Irrigation energy	1,500	4,714	30
Crop marketing	526	782	96
Crop miscellaneous	2,812	1,606	1,056
Feeder livestock purchase	1,415	-	3,355
Purchased feed	1,780	279	2,191
Veterinary	285	12	331
Livestock supplies	346	111	234
Livestock marketing	142	-	63
Interest	26,213	42,325	22,974
Fuel & oil	12,621	17,542	11,582
Repairs	23,159	42,815	14,133
Custom hire	11,665	16,323	7,955
Hired labor	33,185	66,507	30,873
Land rent	25,715	54,099	15,237
Machinery & bldg leases	802	1,397	668
Real estate taxes	5,809	5,648	5,868
Farm insurance	7,479	11,268	5,169
Utilities	5,758	6,650	4,924
Dues & professional fees	3,619	6,900	2,504
Miscellaneous	10,762	22,289	5,515
Total cash expense	252,557	411,108	188,858
Net cash farm income	30,812	24,002	42,222
Inventory Changes			
Crops and feed	-12,157	-31,751	-15,078
Market livestock	-395	-792	518
Accounts receivable	-5,196	-988	-2,504
Prepaid expenses and supplies	7,435	7,668	13,078
Accounts payable	-3,684	-10,176	3,855
Total inventory change	-13,997	-36,040	-131
Net operating profit	16,815	-12,038	42,092
Depreciation and Other Capital Adjustments			
Breeding livestock	-86	-	1,181
Machinery and equipment	-24,103	-31,487	-19,717
Buildings and improvements	-4,847	-8,543	-3,011
Other farm capital	2,500	7,854	321
Total depr. and other capital adj	-26,535	-32,176	-21,226
Net farm income	\$-9,719	\$-44,214	\$20,865

Table 4

INVENTORY CHANGES, 2001
General Crops Farms in Michigan
(Farms sorted by Net Farm Income)

	Avg. Of All Farms	Low 33%	High 34%
Number of farms	19	6	7
Net cash farm income	30,812	24,002	42,222
Crops and Feed			
Ending inventory	75,864	63,616	91,285
Beginning inventory	88,021	95,367	106,364
Inventory change	-12,157	-31,751	-15,078
Market Livestock			
Ending inventory	7,106	-	7,622
Beginning inventory	7,501	792	7,104
Inventory change	-395	-792	518
Accts Receivable & Other Current Assets			
Ending inventory	33,940	79,746	15,282
Beginning inventory	39,136	80,734	17,786
Inventory change	-5,196	-988	-2,504
Prepaid Expenses and Supplies			
Ending inventory	16,098	20,117	22,777
Beginning inventory	8,663	12,448	9,699
Inventory change	7,435	7,668	13,078
Accounts Payable & Accrued Expenses			
Beginning inventory	19,740	35,087	19,614
Ending inventory	23,423	45,263	15,759
Inventory change	-3,684	-10,176	3,855
Total inventory change	-13,997	-36,040	-131
Net operating profit	16,815	-12,038	42,092

Table 5

DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS, 2001

General Crops Farms in Michigan

(Farms sorted by Net Farm Income)

	Avg. Of All Farms	Low 33%	High 34%
Number of farms	19	6	7
Net operating profit	16,815	-12,038	42,092
Breeding Livestock			
Ending inventory	9,229	-	12,664
Capital sales	17	-	46
Beginning inventory	8,713	-	11,279
Capital purchases	618	-	250
Depreciation, capital adjust.	-86	-	1,181
Machinery and Equipment			
Ending inventory	76,581	114,378	53,504
Capital sales	2,837	4,175	3,564
Beginning inventory	77,293	114,931	55,450
Capital purchases	26,227	35,109	21,335
Depreciation, capital adjust.	-24,103	-31,487	-19,717
Buildings and Improvements			
Ending inventory	45,489	54,695	35,184
Capital sales	-	-	-
Beginning inventory	39,541	45,479	33,232
Capital purchases	10,795	17,759	4,964
Depreciation, capital adjust.	-4,847	-8,543	-3,011
Other Capital Assets			
Ending inventory	24,099	46,778	9,335
Capital sales	9,579	378	17,029
Beginning inventory	24,131	36,245	9,932
Capital purchases	7,047	3,058	16,111
Depreciation, capital adjust.	2,500	7,854	321
Total depreciation, capital adj.	-26,535	-32,176	-21,226
Net farm income	-9,719	-44,214	20,865

Table 6

PROFITABILITY AND LIQUIDITY ANALYSIS, 2001

General Crops Farms in Michigan

(Farms sorted by Net Farm Income)

	Avg. Of All Farms	Low 33%	High 34%
Number of farms	19	6	7
Profitability (assets valued at cost)			
Net farm income	-9,719	-44,214	20,865
Labor and management earnings	-21,432	-49,355	5,922
Rate of return on assets	-1.8 %	-3.2 %	1.1 %
Rate of return on equity	-26.5 %	179.1 %	-5.5 %
Operating profit margin	-3.9 %	-5.3 %	2.9 %
Asset turnover rate	46.5 %	60.4 %	36.9 %
Interest on farm net worth	11,713	5,141	14,943
Farm interest expense	27,975	49,541	18,110
Value of operator lbr and mgmt.	28,583	26,795	32,947
Return on farm assets	-10,327	-21,467	6,028
Average farm assets	564,494	664,077	568,246
Return on farm equity	-38,302	-71,009	-12,082
Average farm equity	144,483	-39,640	218,763
Value of farm production	262,340	401,300	209,652
	Avg. Of All Farms	Low 33%	High 34%
Number of farms	19	6	7
Profitability (assets valued at market)			
Net farm income	19,978	-12,181	56,161
Labor and management earnings	-26,990	-62,008	21,975
Rate of return on assets	1.6 %	0.7 %	4.5 %
Rate of return on equity	-1.1 %	-4.7 %	4.1 %
Operating profit margin	7.4 %	2.6 %	19.7 %
Asset turnover rate	21.8 %	26.2 %	22.9 %
Interest on farm net worth	46,968	49,827	34,185
Farm interest expense	27,975	49,541	18,110
Value of operator lbr and mgmt.	28,583	26,795	32,947
Return on farm assets	19,370	10,566	41,323
Average farm assets	1,200,851	1,530,101	917,404
Return on farm equity	-8,604	-38,975	23,214
Average farm equity	780,841	826,384	567,921
Value of farm production	262,340	401,300	209,652

Table 7

LIQUIDITY MEASURES 2001
General Crops Farms in Michigan
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 33%	High 34%
Number of farms	19	6	7
Liquidity (cash)			
Net cash farm income	30,812	24,002	42,222
Net nonfarm income	13,993	14,884	15,369
Family living and taxes	29,751	16,684	33,595
Real estate principal payments	9,881	15,719	6,683
Cash available for interm. debt	5,173	6,483	17,313
Average intermediate debt	103,087	174,897	50,618
Years to turnover interm. debt	19.9	27.0	2.9
Expense as a % of income	89 %	94 %	82 %
Interest as a % of income	9 %	10 %	10 %
Liquidity (accrual)			
Total accrual farm income	265,621	401,578	214,016
Total accrual operating expense	248,806	413,616	171,924
Net accrual operating income	16,815	-12,038	42,092
Net nonfarm income	13,993	14,884	15,369
Family living and taxes	29,751	16,684	33,595
Real estate principal payments	9,881	15,719	6,683
Available for intermediate debt	-8,824	-29,557	17,183
Average intermediate debt	103,087	174,897	50,618
Years to turnover interm. debt	**	**	2.9
Expense as a % of income	94 %	103 %	80 %
Interest as a % of income	11 %	12 %	8 %

** Income insufficient to meet debt servicing requirements

Table 8

BALANCE SHEET AT COST VALUES, 2001
General Crops Farms in Michigan
(Farms sorted by Net Farm Income)

	Avg. Of All Farms		Low 33%		High 34%	
	19		6		7	
Number of farms	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	28,072	26,690	15,562	25,141	41,040	34,625
Prepaid expenses & supplies	8,663	16,098	12,448	20,117	9,699	22,777
Growing crops	4,864	4,148	1,608	1,184	6,595	6,171
Accounts receivable	34,272	29,792	79,126	78,562	11,191	9,111
Hedging accounts	0	0	0	0	0	0
Crops held for sale or feed	88,021	75,864	95,367	63,616	106,364	91,285
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	7,501	7,106	792	0	7,104	7,622
Other current assets	0	0	0	0	0	0
Total current farm assets	171,392	159,697	204,904	188,619	181,993	171,591
Intermediate Farm Assets						
Breeding livestock	8,713	9,229	0	0	11,279	12,664
Machinery and equipment	77,293	76,581	114,931	114,378	55,450	53,504
Other intermediate assets	17,648	17,464	22,391	32,925	9,740	8,654
Total intermediate farm assets	103,655	103,274	137,322	147,302	76,468	74,822
Long Term Farm Assets						
Farm land	237,799	255,021	264,480	257,646	260,537	301,792
Buildings and improvements	39,541	45,489	45,479	54,695	33,232	35,184
Other long-term assets	6,483	6,635	13,854	13,854	192	681
Total long-term farm assets	283,824	307,146	323,812	326,195	293,961	337,657
Total Farm Assets	558,871	570,117	666,038	662,116	552,422	584,071
Total Nonfarm Assets	84,232	91,662	73,539	74,839	84,737	107,178
Total Assets	643,103	661,779	739,577	736,955	637,159	691,249
Liabilities						
Current Farm Liabilities						
Accrued interest	9,304	11,065	14,677	21,893	9,925	5,061
Accounts payable	10,436	12,359	20,410	23,370	9,689	10,698
Current notes	71,542	88,163	144,069	143,029	61,505	73,668
Government crop loans	0	0	0	0	0	0
Principal due on term debt	23,847	30,523	29,719	47,486	21,293	23,673
Total current farm liabilities	115,129	142,110	208,874	235,778	102,412	113,100
Total intermediate farm liabs	99,508	73,173	169,043	134,089	41,601	33,295
Total long term farm liabilities	193,687	216,415	304,040	355,610	191,714	216,846
Total farm liabilities	408,324	431,698	681,956	725,477	335,727	363,240
Total nonfarm liabilities	2,378	2,411	5,639	5,992	1,621	1,409
Total liabilities	410,701	434,109	687,595	731,468	337,348	364,649
Net worth (farm and nonfarm)	232,402	227,670	51,982	5,487	299,811	326,600
Net worth change		-4,732		-46,495		26,789
Ratio Analysis						
Current farm liabilities / assets	67 %	89 %	102 %	125 %	56 %	66 %
Curr. & interm farm liab. / assets	78 %	82 %	110 %	110 %	56 %	59 %
Long term farm liab. / assets	68 %	70 %	94 %	109 %	65 %	64 %
Total debt to asset ratio	64 %	66 %	93 %	99 %	53 %	53 %

Table 9

BALANCE SHEET AT MARKET VALUES, 2001

General Crops Farms in Michigan
(Farms sorted by Net Farm Income)

Number of farms	Avg. Of All Farms		Low 33%		High 34%	
	19	6	7	7	7	7
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	28,072	26,690	15,562	25,141	41,040	34,625
Prepaid expenses & supplies	8,663	16,098	12,448	20,117	9,699	22,777
Growing crops	4,864	4,148	1,608	1,184	6,595	6,171
Accounts receivable	34,272	29,792	79,126	78,562	11,191	9,111
Hedging accounts	0	0	0	0	0	0
Crops held for sale or feed	88,021	75,864	95,367	63,616	106,364	91,285
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	7,501	7,106	792	0	7,104	7,622
Other current assets	0	0	0	0	0	0
Total current farm assets	171,392	159,697	204,904	188,619	181,993	171,591
Intermediate Farm Assets						
Breeding livestock	9,813	10,434	0	0	11,279	12,664
Machinery and equipment	266,645	279,246	427,453	454,665	191,747	203,366
Other intermediate assets	15,648	15,814	15,891	27,533	9,740	8,654
Total intermediate farm assets	292,106	305,494	443,344	482,198	212,766	224,684
Long Term Farm Assets						
Farm land	672,204	700,987	835,277	821,027	466,713	531,652
Buildings and improvements	37,257	47,785	17,833	38,422	22,268	22,268
Other long-term assets	7,420	7,360	14,687	13,891	192	681
Total long-term farm assets	716,881	756,132	867,797	873,340	489,173	554,601
Total Farm Assets	1,180,380	1,221,323	1,516,045	1,544,157	883,932	950,876
Total Nonfarm Assets						
	113,599	238,884	82,003	82,771	96,700	404,055
Total Assets	1,293,979	1,460,207	1,598,048	1,626,927	980,632	1,354,932
Liabilities						
Current Farm Liabilities						
Accrued interest	9,304	11,065	14,677	21,893	9,925	5,061
Accounts payable	10,436	12,359	20,410	23,370	9,689	10,698
Current notes	71,542	88,163	144,069	143,029	61,505	73,668
Government crop loans	0	0	0	0	0	0
Principal due on term debt	23,847	30,523	29,719	47,486	21,293	23,673
Total current farm liabilities	115,129	142,110	208,874	235,778	102,412	113,100
Total intermediate farm liabs	99,508	73,173	169,043	134,089	41,601	33,295
Total long term farm liabilities	193,687	216,415	304,040	355,610	191,714	216,846
Total farm liabilities	408,324	431,698	681,956	725,477	335,727	363,240
Total nonfarm liabilities	2,378	2,411	5,639	5,992	1,621	1,409
Total liabs excluding deferreds	410,701	434,109	687,595	731,468	337,348	364,649
Total deferred liabilities	0	0	0	0	0	0
Total liabilities	410,701	434,109	687,595	731,468	337,348	364,649
Retained earnings	232,402	227,670	51,982	5,487	299,811	326,600
Market valuation equity	650,875	798,428	858,471	889,972	343,473	663,683
Net worth (farm and nonfarm)	883,277	1,026,098	910,452	895,459	643,284	990,282
Net worth excluding deferreds	883,277	1,026,098	910,452	895,459	643,284	990,282
Net worth change	142,821	142,821	-14,993	-14,993	346,998	346,998
Ratio Analysis						
Current farm liabilities / assets	67 %	89 %	102 %	125 %	56 %	66 %
Curr. & interm farm liab. / assets	46 %	46 %	58 %	55 %	36 %	37 %
Long term farm liab. / assets	27 %	29 %	35 %	41 %	39 %	39 %
Total debt to asset ratio	32 %	30 %	43 %	45 %	34 %	27 %
Debt to assets excl deferreds	32 %	30 %	43 %	45 %	34 %	27 %

Table 10

STATEMENT OF CASH FLOWS, 2001
General Crops Farms in Michigan
(Farms sorted by Net Farm Income)

	Avg. Of All Farms	Low 33%	High 34%
Number of farms	19	6	7
Beginning cash (farm & nonfarm)	34,945	16,479	43,205
Cash From Operating Activities			
Gross cash farm income	283,370	435,110	231,080
Net nonfarm income	13,993	14,884	15,369
Total cash farm expense	-252,557	-411,108	-188,858
Apparent family living expense	-24,174	-14,505	-31,849
Income and social security tax	-5,577	-2,180	-1,746
Cash from operations	15,054	22,202	23,996
Cash From Investing Activities			
Sale of breeding livestock	17	-	46
Sale of machinery & equipment	2,837	4,175	3,564
Sale of farm land	7,783	17,667	5,981
Sale of farm buildings	-	-	-
Sale of other farm assets	9,579	378	17,029
Sale of nonfarm assets	351	1,111	-
Purchase of breeding livestock	-618	-	-250
Purchase of machinery & equip.	-26,227	-35,109	-21,335
Purchase of farm land	-19,675	-	-42,286
Purchase of farm buildings	-10,795	-17,759	-4,964
Purchase of other farm assets	-7,047	-3,058	-16,111
Purchase of nonfarm assets	-1,426	-4,183	-
Cash from investing activities	-45,222	-36,778	-58,326
Cash From Financing Activities			
Money borrowed	158,701	262,733	147,022
Cash transfers in	15,258	667	5,344
Principal payments	-138,898	-229,036	-115,653
Dividends paid	-	-	-
Gifts given	-3,215	-9,892	-248
Cash from financing activities	31,845	24,472	36,465
Net change in cash balance	1,678	9,895	2,135
Ending cash (farm & nonfarm)	36,622	26,374	45,341

Table 11

FINANCIAL STANDARDS MEASURES, 2001

General Crops Farms in Michigan

(Farms sorted by Net Farm Income)

	Avg. Of All Farms	Low 33%	High 34%
Number of farms	19	6	7
Liquidity			
Current ratio	1.12	0.80	1.52
Working capital	17,587	-47,159	58,492
Solvency (market)			
Farm debt to asset ratio	35 %	47 %	38 %
Farm equity to asset ratio	65 %	53 %	62 %
Farm debt to equity ratio	55 %	89 %	62 %
Profitability (cost)			
Rate of return on farm assets	-1.8 %	-3.2 %	1.1 %
Rate of return on farm equity	-26.5 %	179.1 %	-5.5 %
Operating profit margin	-3.9 %	-5.3 %	2.9 %
Net farm income	-9,719	-44,214	20,865
Repayment Capacity			
Term debt coverage ratio	40 %	19 %	106 %
Capital replacement margin	-24,267	-43,499	2,573
Efficiency			
Asset turnover rate (cost)	46.5 %	60.4 %	36.9 %
Operating expense ratio	83.1 %	90.7 %	71.9 %
Depreciation expense ratio	10.0 %	8.0 %	9.9 %
Interest expense ratio	10.5 %	12.3 %	8.5 %
Net farm income ratio	-3.7 %	-11.0 %	9.7 %

Table 12

FINANCIAL SUMMARY, 2001
General Crops Farms in Michigan
(Farms sorted by Net Farm Income)

	Avg. Of All Farms	Low 33%	High 34%
Number of farms	19	6	7
Income Statement			
Gross cash farm income	283,370	435,110	231,080
Total cash farm expense	252,557	411,108	188,858
Net cash farm income	30,812	24,002	42,222
Inventory change	-13,997	-36,040	-131
Depreciation and capital adjust	-26,535	-32,176	-21,226
Net farm income	-9,719	-44,214	20,865
Profitability (cost)			
Labor and management earnings	-21,432	-49,355	5,922
Rate of return on assets	-1.8 %	-3.2 %	1.1 %
Rate of return on equity	-26.5 %	179.1 %	-5.5 %
Operating profit margin	-3.9 %	-5.3 %	2.9 %
Asset turnover rate	46.5 %	60.4 %	36.9 %
Profitability (market)			
Labor and management earnings	-26,990	-62,008	21,975
Rate of return on assets	1.6 %	0.7 %	4.5 %
Rate of return on equity	-1.1 %	-4.7 %	4.1 %
Operating profit margin	7.4 %	2.6 %	19.7 %
Asset turnover rate	21.8 %	26.2 %	22.9 %
Liquidity			
Term debt coverage ratio	40.0 %	18.8 %	106.5 %
Expense as a percent of income	93.7 %	103.0 %	80.3 %
Interest as a percent of income	10.5 %	12.3 %	8.5 %
Solvency (cost)			
Number of farms	19	6	7
Ending farm assets	570,117	662,116	584,071
Ending farm liabilities	431,698	725,477	363,240
Ending total assets	661,779	736,955	691,249
Ending total liabilities	434,109	731,468	364,649
Ending net worth	227,670	5,487	326,600
Net worth change	-4,732	-46,495	26,789
Ending farm debt to asset ratio	76 %	110 %	62 %
Beg total debt to asset ratio	64 %	93 %	53 %
End total debt to asset ratio	66 %	99 %	53 %
Solvency (market)			
Number of farms	19	6	7
Ending farm assets	1,221,323	1,544,157	950,876
Ending farm liabilities	431,698	725,477	363,240
Ending total assets	1,460,207	1,626,927	1,354,932
Ending total liabilities	434,109	731,468	364,649
Ending net worth	1,026,098	895,459	990,282
Net worth change	142,821	-14,993	346,998
Ending farm debt to asset ratio	35 %	47 %	38 %
Beg total debt to asset ratio	32 %	43 %	34 %
End total debt to asset ratio	30 %	45 %	27 %
Nonfarm Information			
Net nonfarm income	13,993	14,884	15,369

Table 13

OPERATOR AND LABOR INFORMATION 2001
General Crops Farms in Michigan
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 33%	High 34%
Number of farms	19	6	7
Operator Information			
Average number of operators	1.4	1.2	1.2
Results Per Operator			
Working capital	12,803	-40,422	50,548
Total assets (market)	1,062,986	1,394,509	1,170,929
Total liabilities	316,018	626,973	315,129
Net worth (market)	746,968	767,536	855,800
Net worth excl deferred liabs	746,968	767,536	855,800
Gross farm income	193,364	344,210	184,952
Total farm expense	200,440	382,108	166,920
Net farm income	-7,075	-37,897	18,032
Net nonfarm income	10,187	12,758	13,282
Family living withdrawals	21,658	14,301	29,033
Total acres owned	249.0	273.7	277.1
Total crop acres	331.3	432.4	472.2
Crop acres owned	179.8	205.5	251.9
Crop acres cash rented	147.6	226.9	213.8
Crop acres share rented	3.9	-	6.5
Labor Analysis			
Number of farms	19	6	7
Total unpaid labor hours	2,146	1,439	3,020
Total hired labor hours	3,467	7,935	2,258
Total labor hours per farm	5,613	9,374	5,278
Unpaid hours per operator	1,562	1,234	2,610
Value of farm production / hour	46.74	42.81	39.73
Net farm income / unpaid hour	-4.53	-30.72	6.91