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**2009 Michigan Dairy Farm Business
Analysis Summary**

Eric Wittenberg
And
Christopher Wolf

Staff Paper 2010-04

December, 2010



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by

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and
Christopher Wolf

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2009 Michigan Dairy Farm Business Analysis Summary
Eric Wittenberg and Christopher Wolf¹

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Summary

This report summarizes the financial and production records of 104 dairy farms from throughout Michigan in 2009. To be included, the farms must have produced at least 50 percent of gross cash farm income from milk and dairy animal sales. The records came from Michigan State University's TelFarm project and the Farm Credit Service system in Michigan. The values were pooled into averages for reporting purposes. The average herd reports here is larger than would be the average dairy herd in Michigan. Average values are reported in the summary tables and discussion that follows but one should be aware that considerable variation across herds exists in virtually every measure.

In 2009, the average dairy farm in the business analysis had 243 cows producing an average of 21,503 pounds of milk per cow (Table 1). Milk price, based on gross income, averaged \$13.31/cwt. Relative to 2008: average milk price declined \$6.10/cwt., milk production increased 654 pounds per cow, and average herd size increased 13 cows.

Table 1. Average Michigan Dairy Farm Business Analysis Characteristics, 2005-2009

	2005	2006	2007	2008	2009
Average number of cows	194	208	217	230	243
Milk sold per cow (pounds)	20,852	21,803	21,415	20,849	21,503
Average price of milk sold (\$/cwt)	15.70	13.44	20.21	19.41	13.31
Total acres owned	439	468	486	486	454
Total crop acres	742	772	811	827	862
Number of farms	156	139	132	116	104

Net farm income is the return to operator unpaid management, labor and capital invested. Net farm income in 2009 averaged a negative \$62,421 which was 155 percent decrease over the 2008 average. The net farm income the low 25% group averaged a negative \$176,267 while the high 25% group averaged \$55,105, that a \$231,372 difference between the high group and the low group sorted by rate of return on assets (market). Gross cash farm income averaged \$1,046,327 in 2009. The largest component of these revenues was milk sales, which averaged \$755,611.

Table 2. Average Michigan Dairy Farm Income Statement, 2005-2009

	2005	2006	2007	2008	2009
	(\$)	(\$)	(\$)	(\$)	(\$)
Gross cash farm income	844,096	856,551	1,175,551	1,198,273	1,046,327
- Total cash expense	682,286	720,614	949,092	959,454	937,998
= Net cash farm income	161,811	135,937	226,460	238,819	108,329
+ Inventory change*	17,451	23,290	94,623	2,498	-66,854
+ Depreciation + capital adjustments*	-78,407	-75,015	-103,834	-127,093	-103,868
= Net farm income	100,855	84,212	217,248	114,224	-62,421

*Changes calculated as ending value minus beginning value.

To put the profit values in perspective, we calculate profitability ratios. Rate of return on assets (ROA) is the farm operating profit (equal to net farm income plus interest expense less value

of operator labor and management) divided by average total farm asset value (valued at current market value). Rate of return on assets is a measure of how much profit the farm business assets generated. The average 2009 dairy farm ROA (Market) was 0.4 percent which was 99 percent below 7.0 percent in 2008 value. The average 2009 ROE (Market) was a negative 1.6 percent, which had a slightly higher percentage loss over ROA. Both ROA and ROE were the lowest reported during the 15 years MSU has reported these business summaries. Operating profit margin is the operating profit (as defined in ROA above) divided by gross revenues. Operating profit margin measures the dollars of profit generated per dollar of revenue. In 2009, Michigan dairy farms generated 1.8 cents of profit per dollar of revenue. Asset turnover (ATO) is gross farm revenue divided by average asset value. Asset turnover measures the efficiency with which farm assets generate revenue. The average ATO value was 22.5 percent in 2009.

Table 3. Average Michigan Dairy Farm Profitability Indicators, 2005-2009

	2005	2006	2007	2008	2009
	(%)	(%)	(%)	(%)	(%)
Rate of return on assets*	6.3	5.5	11.3	7.0	0.4
Rate of return on equity	6.9	5.4	13.3	7.5	-1.6
Operating profit margin	20.0	19.4	33.1	23.1	1.8
Asset turnover rate*	31.7	28.2	34.1	30.5	22.5

* Assets valued at market value.

Tables 4 and 5 display average income and expenses per hundredweight (cwt.) of milk and per cow. Income and expenses were adjusted to an accrual basis. Average, accrual adjusted income and expenses per cropped acre were also included. Government payments include all farm government payments as it was not possible to separate crop from dairy payments.

Table 4 contains the average income and expense items across all 104 dairy farms in the 2009 summary while Table 5 displays the average income and expense items for farms that reported that item. For example, all farms had milk income so that income is identical in both tables. In contrast, only some farms reported DHIA expense so that item is larger when averaged only across those farms with that expense. *These tables should not be interpreted as an estimate of the true cost of producing milk.* Only income related to the milking herd are reported in Tables 4 and 5. Also, unpaid factors, including labor, management and capital, are not accounted for in the expense items. In addition, the allocation of resources amongst farm enterprises is not accurately reflected leaving the milking herd as the residual claimant on all expenses (especially labor costs).

The bottom section of Tables 4 and 5 presents crop related expenses divided by the total cropped acres. Again, these values should not be interpreted as cost of crop production--to accurately calculate a crop cost of production requires labor and management (among other) expenses that could not be separated out in these financial records.

Table 4. Average income and expenses across all farms*, 2009

Income Items:	Per cwt.	Per Cow
Milk	\$13.31	\$2,854.84
Cull Cows and Calves	\$0.92	\$177.07
Dairy Steers	\$0.56	\$109.71
Dairy Heifers	\$1.14	\$205.60
Government Payments	\$1.59	\$319.67
Patronage Dividends, cash	\$0.20	\$40.04
Crop Sales	\$3.67	\$721.92
Other Cash Income	\$1.24	\$250.15
Expense Items:	Per cwt.	Per Cow
Purchased Feeds	\$4.56	\$978.90
Breeding Fees	\$0.17	\$38.05
Veterinary	\$0.50	\$109.85
Livestock Supplies	\$0.80	\$163.23
DHIA	\$0.10	\$21.78
Milk & Livestock Mkt. & Trucking	\$0.90	\$184.14
Interest	\$1.18	\$239.31
Fuel and Oil	\$0.94	\$183.01
Repairs	\$1.29	\$252.81
Custom Hire	\$0.63	\$134.47
Hired Labor	\$2.59	\$565.43
Leases	\$0.28	\$58.32
Real Estate Taxes	\$0.31	\$63.67
Farm Insurance	\$0.51	\$94.49
Utilities	\$0.65	\$125.65
Dues, Professional Fees	\$0.19	\$36.52
Miscellaneous	\$0.52	\$99.17
Machinery Depreciation	\$1.12	\$231.28
Building Depreciation	\$0.68	\$145.46
Family Living	\$1.96	\$343.53
Expense Items per Cropped Acre:	Per Acre	
Seed	\$30.98	
Fertilizer	\$54.01	
Crop Chemicals	\$18.61	
Crop Insurance	\$5.41	
Crop Miscellaneous	\$21.55	
Land Rent	\$36.60	

* All income and expense items averaged across all 104 farms whether or not they had that income or expense item. Other cash income includes custom work, insurance claims, and miscellaneous income.

Table 5. Average income and expenses across farms with that item*, 2009

Income Items:	Per cwt.	Per Cow
Milk	\$13.31	\$2,854.84
Cull Cows and Calves	\$1.00	\$191.98
Dairy Steers	\$1.56	\$305.41
Dairy Heifers	\$2.50	\$450.57
Government Payments	\$1.62	\$326.00
Patronage Dividends, cash	\$0.27	\$53.56
Crop Sales	\$5.32	\$1,047.29
Other Cash Income	\$1.34	\$271.22
Expense Items:	Per cwt.	Per Cow
Purchased Feeds	\$4.56	\$978.90
Breeding Fees	\$0.21	\$46.11
Veterinary	\$0.50	\$109.85
Livestock Supplies	\$0.83	\$169.83
DHIA	\$0.41	\$89.73
Milk & Livestock Mkt. & Trucking	\$0.90	\$184.14
Interest	\$1.27	\$256.76
Fuel and Oil	\$0.94	\$183.01
Repairs	\$1.29	\$252.81
Custom Hire	\$0.68	\$144.28
Hired Labor	\$2.67	\$582.39
Leases	\$0.53	\$111.24
Real Estate Taxes	\$0.34	\$69.77
Farm Insurance	\$0.52	\$96.36
Utilities	\$0.65	\$125.65
Dues, Professional Fees	\$0.20	\$38.78
Miscellaneous	\$0.58	\$111.03
Machinery Depreciation	\$1.12	\$231.28
Building Depreciation	\$0.68	\$145.46
Family Living	\$1.96	\$343.53
Expense Items per Cropped Acre:	Per Acre	
Seed	\$33.24	
Fertilizer	\$60.47	
Crop Chemicals	\$22.55	
Crop Insurance	\$15.06	
Crop Miscellaneous	\$100.89	
Land Rent	\$40.98	

* Income and expense items averaged only across farms with that item.

Results by Herd Size

To further facilitate financial comparisons and benchmarking, the financial summaries were divided into herd size categories. For the first time with the 2009 summaries, four herd size categories were utilized: 40 to 99 cows (21 herds), 100 to 249 cows (51 herds), 250 to 449 cows (26 herds), and 450+ cows (14 herds).

Table 6 displays some average characteristics by herd size category. As expected, average milk production per cow was correlated with herd size across the size categories. Milk price was about the same across all herd sizes. The smallest herds operated 5.1 crop acres per cow; the medium herds about 4.7 crop acres per cow; and the medium large herds about 3.2 crop acres per cow and the largest herds about 2.1 crop acres per cow.

Table 6. Average 2009 Michigan Dairy Farm Characteristics by Herd Size Category

	20-99 cows	100-249 cows	250-449 cows	450+ cows
Average number of cows	64	170	325	658
Milk sold per cow (pounds)	18,111	20,775	24,089	25,737
Average price of milk sold (\$/cwt)	13.35	13.11	13.65	13.52
Total acres owned	207	477	481	627
Total crop acres	326	806	1,040	1,386
Number of farms	21	51	26	14

Table 7 is the average farm income statement by herd size. Net farm income represents the returns to unpaid factors (i.e., labor, management and equity capital). The smallest farms returned a negative \$12,722, medium sized farms a negative \$21,131, and the medium large farms a negative \$115,384 and the largest farms a negative \$204,712. All herd sizes recorded a negative loss for 2009, net farm income decreased of approximately 150 percent from the 2008 to 2009 average.

Table 7. Average 2009 Michigan Dairy Farm Income Statement by Herd Size

	20-99 cows (\$)	100-249 cows (\$)	250-449 cows (\$)	450+ cows (\$)
Gross cash farm income	259,826	687,965	1,494,668	2,818,392
- Total cash expense	<u>230,505</u>	<u>618,153</u>	<u>1,339,632</u>	<u>2,529,581</u>
= Net cash farm income	29,321	69,812	155,035	288,810
+ Inventory change *	-24,048	-35,058	-110,041	-200,378
+ Depreciation and capital adjustments*	<u>-17,996</u>	<u>-55,829</u>	<u>-160,378</u>	<u>-293,144</u>
= Net farm income	-12,722	-21,131	-115,384	-204,712

*Changes calculated as ending value minus beginning value.

Table 8 compares profitability measures across herd size with assets valued at market value. ROA, OPM and ATR were the highest on the largest farms in 2009. However, all herd sizes realized a negative ROE in 2009.

Table 8. Average 2009 Michigan Dairy Farm Profitability Indicators by Herd Size

	40-99 cows	100-249 cows	250-449 cows	450+ cows
	(%)	(%)	(%)	(%)
Rate of return on assets*	0.2	-0.4	0.6	0.7
Rate of return on equity	-1.1	-2.3	-2.0	-1.5
Operating profit margin	1.6	-2.1	2.1	2.6
Asset turnover rate*	13.6	20.8	23.6	25.9

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

A. Financial Summary Information, All 104 Herds

Table 9 Crop Production and Marketing Summary			
2009 MI Dairy (All Farms)			
(Farms Sorted By Rate of Return on Assets - Mkt)			
	Avg. Of All Farms	Low 25%	High 25%
Dairy			
Number of farms	104	26	27
Average number of cows	243	187	238
Milk production per cow lbs.,	21,503	19,353	23,381
Average milk price per cwt.,	\$13.11	\$13.11	\$13.55
Acreage Summary			
Total acres owned	454	329	391
Total crop acres	862	808	993
Crop acres owned	489	364	594
Crop acres cash rented	370	444	398
Crop acres share rented	4	-	-
Total pasture acres	2	-	8
Percent crop acres owned	57 %	45 %	60 %
Average Price Received (Cash Sales Only)			
Corn per bushel	3.65	4.13	3.92
Wheat, Winter per bushel	3.76	3.76	5.83
Soybeans per bushel	9.64	10.20	-

Table 10

Farm Income Statement
2009 MI Dairy (All Farms)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	104	26	27
Cash Farm Income			
Asparagus	43	171	-
Beans, Navy	815	-	3,139
Cordwood	128	-	-
Corn	42,592	40,657	69,603
Corn Silage	2,483	0	6,856
Hay, Alfalfa	1,670	2,004	3,837
Hay, Mixed	415	846	455
Haylage, Mixed	1,007	3,221	-
Oats	157	354	212
Soybeans	28,202	27,363	48,904
Speltz	3,605	-	13,887
Straw	144	100	307
Sugar Beets	3,907	-	13,042
Wheat, Durum	1,324	111	4,991
Wheat, Winter	8,338	7,049	7,820
Miscellaneous crop income	-749	-3,221	79
Beef Cow-Calf, Beef Calves	61	-	236
Dairy, Milk	755,611	499,440	782,578
Dairy, Dairy Calves	6,824	2,371	12,310
Dairy Heifers (for sale)	1,921	1,523	5,247
Dairy Replacement Heifers	6,589	89	23,119
Dairy Finishing	7,086	7,004	8,479
Dairy Feeder	780	495	667
User Added Livestock, User Added	389	1,029	-
Cull breeding livestock	37,901	31,309	31,606
Misc. livestock income	2,237	11	194
Direct & CC govt payments	25,532	21,711	32,694
Livestock govt payments	1,073	-	1,281
Other government payments	41,300	42,061	40,289
Custom work income	10,294	664	6,465
Patronage dividends, cash	9,025	4,796	12,438
Insurance income	25,513	35,199	39,062
Other farm income	20,112	9,391	23,550
Gross Cash Farm Income	1,046,327	735,747	1,193,346

Table 10

Farm Income Statement (Continued)

2009 MI Dairy (All Farms)

(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	104	26	27
Cash Farm Expense			
Seed	27,305	19,976	33,535
Fertilizer	43,107	36,567	55,383
Crop chemicals	15,117	15,854	18,469
Crop insurance	2,275	2,970	1,178
Drying expense	538	505	185
Irrigation energy	31	122	-
Crop hauling and trucking	28	-	107
Crop marketing	350	287	945
Crop miscellaneous	7,004	8,970	11,635
Feeder livestock purchase	1,185	-	183
Purchased feed	249,028	184,519	257,343
Breeding fees	8,810	5,776	8,717
Veterinary	30,362	23,026	29,967
Livestock supplies	29,381	22,421	23,599
DHIA	1,143	899	1,554
Contract production exp.	718	92	2,679
Livestock hired labor	1,802	-	-
Livestock leases	824	2,723	327
Grazing fees	81	324	-
Livestock utilities	551	995	-
Livestock hauling and trucking	13,147	7,135	17,829
Livestock marketing	27,470	23,981	20,135
Bedding	2,995	2,881	1,698
Livestock miscellaneous	342	781	81
Interest	52,236	38,462	63,949
Packaging and supplies	2,597	287	4,073
Supplies	8,927	3,903	16,347
Fuel & oil	38,815	28,412	43,861
Repairs	56,067	34,275	59,501
Repair, machinery	1,018	-	-
Custom hire	41,823	38,967	41,015
Repair, buildings	418	31	194
Hired labor	154,594	109,451	178,086
Land rent	30,701	22,942	44,004
Machinery leases	5,330	3,091	7,061
Building leases	1,879	5,486	-
Real estate taxes	11,178	7,972	14,699
Personal property taxes	108	30	288
Farm insurance	18,747	11,486	27,086
Utilities	27,133	17,821	32,045
Hauling and trucking	298	-	850
Marketing	242	-	-
Dues & professional fees	6,798	5,719	8,517
Miscellaneous	15,494	8,976	11,124
Total cash expense	937,998	698,112	1,038,251
Net cash farm income	108,329	37,635	155,095

Inventory Changes			
Prepays and supplies	-9,572	-16,056	8,467
Accounts receivable	-18,654	-26,948	-1,199
Hedging accounts	153	-119	704
Other current assets	3,952	5,384	5,706
Crops and feed	-7,886	-4,487	7,176
Market livestock	195	1,675	710
Breeding livestock	1,617	-43,087	33,754
Other assets	-3,596	-7,314	-2,259
Accounts payable	-33,109	-52,671	-21,156
Accrued interest	47	656	-743
Total inventory change	-66,854	-142,968	31,160
Net operating profit	41,475	-105,333	186,255
Depreciation			
Machinery and equipment	-62,666	-43,255	-72,007
Titled vehicles	-187	-348	-551
Buildings and improvements	-41,015	-27,330	-58,592
Total depreciation	-103,868	-70,934	-131,150
Net farm income from operations	-62,394	-176,267	55,105
Gain or loss on capital sales	-28	0	-
Net farm income	-62,421	-176,267	55,105

Table 11

Inventory Changes
2009 MI Dairy (All Farms)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	104	25	27
Net cash farm income	108,329	39,858	155,095
Crops and Feed			
Ending inventory	274,279	203,192	353,058
Beginning inventory	282,165	209,057	345,882
Inventory change	-7,886	-5,865	7,176
Market Livestock			
Ending inventory	14,494	12,945	21,076
Beginning inventory	14,299	10,193	20,366
Inventory change	195	2,752	710
Accts Receivable			
Ending inventory	45,336	39,219	45,103
Beginning inventory	63,990	67,245	46,302
Inventory change	-18,654	-28,026	-1,199
Prepaid Expenses and Supplies			
Ending inventory	34,138	12,520	44,895
Beginning inventory	43,711	28,979	36,428
Inventory change	-9,572	-16,459	8,467
Hedging Activities			
Ending inventory	393	142	1,381
Withdrawals	256	34	956
Beginning inventory	118	40	419
Deposits	377	260	1,213
Gain or loss	153	-124	704
Other Current Assets			
Ending inventory	23,649	17,425	43,877
Beginning inventory	19,697	12,305	38,171
Inventory change	3,952	5,120	5,706
Breeding Livestock			
Ending inventory	613,571	476,653	620,377
Capital sales	4,620	4,163	5,187
Beginning inventory	601,209	509,544	568,936
Capital purchases	15,365	12,304	22,874
Depreciation, capital adjust	1,617	-41,032	33,754
Other Capital Assets			
Ending inventory	87,130	49,650	88,074
Capital sales	14,106	12,206	23,426
Beginning inventory	83,836	51,681	79,596
Capital purchases	20,996	17,782	34,162
Depreciation, capital adjust	-3,596	-7,607	-2,259
Accounts Payable			
Beginning inventory	28,207	30,776	22,144
Ending inventory	61,316	83,509	43,299
Inventory change	-33,109	-52,732	-21,156
Accrued Interest			
Beginning inventory	2,691	2,175	2,677
Ending inventory	2,644	1,494	3,420
Inventory change	47	681	-743
Total inventory change	-66,854	-143,292	31,160
Net operating profit	41,475	-103,434	186,255

Table 12

Depreciation
2009 MI Dairy (All Farms)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	104	25	27
Net operating profit	41,475	-103,434	186,255
Machinery and Equipment			
Ending inventory	199,188	127,890	198,818
Capital sales	2,687	1,042	7,036
Beginning inventory	223,721	149,951	228,840
Capital purchases	40,820	21,444	49,022
Depreciation, capital adjust.	-62,666	-42,463	-72,007
Titled Vehicles			
Ending inventory	1,593	1,472	79
Capital sales	115	-	-
Beginning inventory	905	1,834	630
Capital purchases	990	-	-
Depreciation, capital adjust.	-187	-362	-551
Buildings and Improvements			
Ending inventory	299,014	200,481	357,254
Capital sales	799	2,864	0
Beginning inventory	285,424	203,569	328,611
Capital purchases	55,404	28,103	87,235
Depreciation, capital adjust.	-41,015	-28,326	-58,592
Total depreciation, capital adj.	-103,868	-71,151	-131,150
Net farm income from operations	-62,394	-174,585	55,105
Gain or loss on capital sales	-28	0	-
Net farm income	-62,421	-174,585	55,105

Table 13

Profitability Measures
2009 MI Dairy (All Farms)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	104	25	27
Profitability (assets valued at cost)			
Net farm income from operations	-62,394	-174,585	55,105
Rate of return on assets	-2.1 %	-11.6 %	4.2 %
Rate of return on equity	-9.2 %	-31.1 %	3.1 %
Operating profit margin	-5.7 %	-35.4 %	10.0 %
Asset turnover rate	37.3 %	32.8 %	41.7 %
Farm interest expense	52,188	39,179	64,692
Value of operator lbr and mgmt.	33,381	34,636	21,867
Return on farm assets	-43,586	-170,043	97,931
Average farm assets	2,063,656	1,464,384	2,345,626
Return on farm equity	-95,774	-209,221	33,239
Average farm equity	1,042,916	672,239	1,083,943
Value of farm production	769,131	480,909	978,724
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	104	25	27
Profitability (assets valued at market)			
Net farm income from operations	-4,890	-184,273	221,313
Rate of return on assets	0.4 %	-8.1 %	6.5 %
Rate of return on equity	-1.6 %	-15.4 %	7.2 %
Operating profit margin	1.8 %	-37.4 %	27.0 %
Asset turnover rate	22.5 %	21.7 %	24.2 %
Farm interest expense	52,188	39,179	64,692
Value of operator lbr and mgmt.	33,381	34,636	21,867
Return on farm assets	13,918	-179,730	264,139
Average farm assets	3,413,544	2,212,347	4,044,289
Return on farm equity	-38,270	-218,909	199,446
Average farm equity	2,391,774	1,420,202	2,778,641
Value of farm production	769,131	480,909	978,724

Table 14

Liquidity & Repayment Capacity Measures
2009 MI Dairy (All Farms)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	104	25	27
Liquidity			
Current ratio	2.00	1.35	2.61
Working capital	226,687	83,748	359,633
Working capital to gross inc	22.2 %	12.5 %	29.1 %
Current assets	453,227	320,754	582,560
Current liabilities	226,540	237,006	222,928
Gross revenues (accrual)	1,019,344	668,632	1,236,250
Repayment capacity			
Net farm income from operations	-62,394	-174,585	55,105
Depreciation	103,868	71,151	131,150
Personal income	11,213	4,204	13,659
Family living/owner withdrawals	-60,030	-58,068	-55,626
Payments on personal debt	-2,019	-1,342	-651
Income taxes paid	-8,196	-1,274	-9,328
Interest on term debt	54,051	37,310	62,730
Capital debt repayment capacity	36,494	-122,603	197,039
Scheduled term debt payments	-120,729	-86,365	-120,391
Capital debt repayment margin	-84,235	-208,968	76,649
Cash replacement allowance	-26,402	-17,131	-38,337
Replacement margin	-110,637	-226,099	38,312
Term debt coverage ratio	0.30	-1.42	1.64
Replacement coverage ratio	0.25	-1.18	1.24

Table 15

Balance Sheet at Cost Values
2009 MI Dairy (All Farms)
(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	103		25		27	
Assets						
Current Farm Assets						
Cash and checking balance	34,710	55,002	34,076	35,311	35,730	55,171
Prepaid expenses & supplies	43,766	34,101	28,979	12,520	36,428	44,895
Growing crops	15,297	17,892	11,355	17,185	23,619	25,308
Accounts receivable	63,913	45,120	67,245	39,219	46,302	45,103
Hedging accounts	120	396	40	142	419	1,381
Crops held for sale or feed	279,135	275,945	209,057	203,192	337,784	361,156
Crops under government loan	8,407	4,285	0	0	26,098	9,903
Market livestock held for sale	14,370	14,596	10,193	12,945	20,366	21,076
Other current assets	4,280	5,479	950	240	14,552	18,569
Total current farm assets	463,997	452,817	361,895	320,754	541,299	582,560
Intermediate Farm Assets						
Breeding livestock	599,327	613,216	509,544	476,653	568,936	620,377
Machinery and equipment	222,716	197,083	149,951	127,890	228,840	198,818
Titled vehicles	756	1,451	1,834	1,472	630	79
Other intermediate assets	48,045	53,285	35,912	33,184	63,998	79,349
Total intermediate farm assets	870,843	865,035	697,242	639,199	862,403	898,623
Long Term Farm Assets						
Farm land	390,046	423,808	221,423	251,970	522,989	573,189
Buildings and improvements	285,001	298,889	203,569	200,481	328,611	357,254
Other long-term assets	36,605	34,690	15,769	16,466	15,599	8,724
Total long-term farm assets	711,652	757,388	440,760	468,918	867,198	939,167
Total Farm Assets	2,046,492	2,075,240	1,499,897	1,428,871	2,270,901	2,420,351
Total Nonfarm Assets	204,877	204,021	163,608	120,043	76,388	75,193
Total Assets	2,251,369	2,279,262	1,663,505	1,548,914	2,347,289	2,495,544
Liabilities						
Current Farm Liabilities						
Accrued interest	2,671	2,635	2,175	1,494	2,677	3,420
Accounts payable	28,481	61,911	30,776	83,509	22,144	43,299
Current notes	90,291	95,313	108,573	114,123	104,155	104,026
Government crop loans	2,150	2,112	0	0	5,048	6,019
Principal due on term debt	66,518	65,399	49,055	37,880	57,660	66,164
Total current farm liabilities	190,110	227,370	190,579	237,006	191,684	222,928
Total intermediate farm liabs	194,838	204,336	175,032	175,794	262,153	224,929
Total long term farm liabilities	578,741	656,760	388,599	417,280	728,524	893,147
Total farm liabilities	963,689	1,088,466	754,211	830,080	1,182,362	1,341,004
Total nonfarm liabilities	18,565	27,291	15,929	17,538	6,257	7,957
Total liabilities	982,254	1,115,757	770,140	847,618	1,188,619	1,348,961
Net worth (farm and nonfarm)	1,269,116	1,163,504	893,366	701,296	1,158,670	1,146,583
Net worth change		-105,612		-192,069		-12,087
Percent net worth change		-8 %		-21 %		-1 %
Ratio Analysis						
Current farm liabilities / assets	41 %	50 %	53 %	74 %	35 %	38 %
Intermediate farm liab. / assets	22 %	24 %	25 %	28 %	30 %	25 %
Long term farm liab. / assets	81 %	87 %	88 %	89 %	84 %	95 %
Total debt to asset ratio	44 %	49 %	46 %	55 %	51 %	54 %

Table 16

Balance Sheet at Market Values
2009 MI Dairy (All Farms)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%	High 25%	27	
	Beginning	Ending			Beginning	Ending
Number of farms	103		25		27	
Assets						
Current Farm Assets						
Cash and checking balance	34,710	55,002	34,076	35,311	35,730	55,171
Prepaid expenses & supplies	43,766	34,101	28,979	12,520	36,428	44,895
Growing crops	15,297	17,892	11,355	17,185	23,619	25,308
Accounts receivable	63,913	45,120	67,245	39,219	46,302	45,103
Hedging accounts	120	396	40	142	419	1,381
Crops held for sale or feed	279,135	275,945	209,057	203,192	337,784	361,156
Crops under government loan	8,407	4,285	0	0	26,098	9,903
Market livestock held for sale	14,370	14,596	10,193	12,945	20,366	21,076
Other current assets	4,280	5,479	950	240	14,552	18,569
Total current farm assets	463,997	452,817	361,895	320,754	541,299	582,560
Intermediate Farm Assets						
Breeding livestock	638,255	647,282	511,584	476,791	665,438	720,126
Machinery and equipment	543,999	547,054	404,019	380,210	658,169	698,824
Titled vehicles	6,379	7,730	6,542	5,971	6,098	8,520
Other intermediate assets	51,413	57,608	37,201	33,883	63,980	79,686
Total intermediate farm assets	1,240,045	1,259,674	959,347	896,855	1,393,686	1,507,157
Long Term Farm Assets						
Farm land	1,057,925	1,099,809	586,872	621,672	1,293,560	1,385,274
Buildings and improvements	558,115	596,361	329,278	316,648	641,590	715,911
Other long-term assets	37,130	35,556	15,312	16,061	16,326	11,216
Total long-term farm assets	1,653,170	1,731,727	931,462	954,381	1,951,475	2,112,401
Total Farm Assets	3,357,212	3,444,218	2,252,704	2,171,990	3,886,461	4,202,118
Total Nonfarm Assets	291,910	289,183	241,221	183,726	217,207	222,292
Total Assets	3,649,122	3,733,400	2,493,925	2,355,716	4,103,668	4,424,410
Liabilities						
Current Farm Liabilities						
Accrued interest	2,671	2,635	2,175	1,494	2,677	3,420
Accounts payable	28,481	61,911	30,776	83,509	22,144	43,299
Current notes	90,291	95,313	108,573	114,123	104,155	104,026
Government crop loans	2,150	2,112	0	0	5,048	6,019
Principal due on term debt	66,518	65,399	49,055	37,880	57,660	66,164
Total current farm liabilities	190,110	227,370	190,579	237,006	191,684	222,928
Total intermediate farm liabs	194,838	204,336	175,032	175,794	262,153	224,929
Total long term farm liabilities	578,741	656,760	388,599	417,280	728,524	893,147
Total farm liabilities	963,689	1,088,466	754,211	830,080	1,182,362	1,341,004
Total nonfarm liabilities	18,565	27,291	15,929	17,538	6,257	7,957
Total liabs excluding deferreds	982,254	1,115,757	770,140	847,618	1,188,619	1,348,961
Total deferred liabilities	1,040	1,040	0	0	3,966	3,966
Total liabilities	983,293	1,116,797	770,140	847,618	1,192,585	1,352,926
Retained earnings	1,269,116	1,163,504	893,366	701,296	1,158,670	1,146,583
Market valuation equity	1,396,713	1,453,099	830,420	806,802	1,752,413	1,924,900
Net worth (farm and nonfarm)	2,665,829	2,616,603	1,723,785	1,508,098	2,911,083	3,071,483
Net worth excluding deferreds	2,666,868	2,617,643	1,723,785	1,508,098	2,915,049	3,075,449
Net worth change		-49,225		-215,688		160,400
Percent net worth change		-2 %		-13 %		6 %
Ratio Analysis						
Current farm liabilities / assets	41 %	50 %	53 %	74 %	35 %	38 %
Intermediate farm liab. / assets	16 %	16 %	18 %	20 %	19 %	15 %
Long term farm liab. / assets	35 %	38 %	42 %	44 %	37 %	42 %
Total debt to asset ratio	27 %	30 %	31 %	36 %	29 %	31 %
Debt to assets excl deferreds	27 %	30 %	31 %	36 %	29 %	30 %

Table 17

Statement Of Cash Flows
2009 MI Dairy (All Farms)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	104	25	27
Beginning cash (farm & nonfarm)	43,958	34,916	36,767
Cash Provided By Operating Activities			
Gross cash farm income	1,046,327	749,244	1,193,346
Total cash farm expense	-937,998	-709,386	-1,038,251
Net cash from hedging transactions	-121	-226	-257
Cash provided by operating	108,208	39,632	154,838
Cash Provided By Investing Activities			
Sale of breeding livestock	4,592	4,163	5,187
Sale of machinery & equipment	2,687	1,042	7,036
Sale of titled vehicles	115	-	-
Sale of farm land	4,918	15,259	2,174
Sale of farm buildings	799	2,864	0
Sale of other farm assets	14,106	12,205	23,426
Sale of nonfarm assets	2,197	113	212
Purchase of breeding livestock	-15,365	-12,304	-22,874
Purchase of machinery & equip.	-40,820	-21,444	-49,022
Purchase of titled vehicles	-990	-	-
Purchase of farm land	-39,099	-47,279	-47,290
Purchase of farm buildings	-55,404	-28,103	-87,235
Purchase of other farm assets	-20,996	-17,782	-34,162
Purchase of nonfarm assets	-10,110	-18,065	-4,464
Cash provided by investing	-153,369	-109,329	-207,011
Cash Provided By Financing Activities			
Money borrowed	339,616	289,926	483,004
Principal payments	-248,558	-266,527	-344,562
Personal income	11,213	4,204	13,659
Family living/owner withdrawals	-60,030	-58,068	-55,626
Income and social security tax	-8,196	-1,274	-9,328
Capital contributions	974	224	3,544
Capital distributions	-5,196	-	-19,031
Dividends paid	-	-	-
Cash gifts and inheritances	36,636	105,860	-17
Gifts given	-1,135	-3,413	-162
Other cash flows	-	-	-
Cash provided by financing	65,326	70,932	71,481
Net change in cash balance	20,165	1,235	19,308
Ending cash (farm & nonfarm)	64,123	36,151	56,076

Table 18

Financial Standards Measures
2009 MI Dairy (All Farms)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	104	25	27
Liquidity			
Current ratio	2.00	1.35	2.61
Working capital	226,687	83,748	359,633
Working capital to gross inc	22.2 %	12.5 %	29.1 %
Solvency (market)			
Farm debt to asset ratio	31 %	38 %	32 %
Farm equity to asset ratio	69 %	62 %	68 %
Farm debt to equity ratio	0.46	0.62	0.47
Profitability (cost)			
Rate of return on farm assets	-2.1 %	-11.6 %	4.2 %
Rate of return on farm equity	-9.2 %	-31.1 %	3.1 %
Operating profit margin	-5.7 %	-35.4 %	10.0 %
Net farm income	-62,421	-174,585	55,105
EBIDTA	93,663	-64,255	250,948
Repayment Capacity			
Capital debt repayment capacity	36,494	-122,603	197,039
Capital debt repayment margin	-84,235	-208,968	76,649
Replacement margin	-110,637	-226,099	38,312
Term debt coverage ratio	0.30	-1.42	1.64
Replacement coverage ratio	0.25	-1.18	1.24
Efficiency			
Asset turnover rate (cost)	37.3 %	32.8 %	41.7 %
Operating expense ratio	90.8 %	109.6 %	79.7 %
Depreciation expense ratio	10.2 %	10.6 %	10.6 %
Interest expense ratio	5.1 %	6.0 %	5.2 %
Net farm income ratio	-6.1 %	-26.1 %	4.5 %

Table 19

Operator and Labor Information
2009 MI Dairy (All Farms)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	104	25	27
Operator Information			
Average number of operators	1.5	1.5	1.4
Average age of operators	48.3	46.6	50.8
Average number of years farming	23.9	22.1	25.4
Results Per Operator			
Working capital	146,431	56,586	248,976
Total assets (market)	2,417,406	1,591,700	3,063,053
Total liabilities	717,390	572,715	936,641
Net worth (market)	1,700,016	1,018,985	2,126,412
Net worth excl deferred liabs	1,700,681	1,018,985	2,129,157
Gross farm income	658,458	451,778	855,865
Total farm expense	698,762	569,741	817,715
Net farm income from operations	-40,304	-117,963	38,150
Net nonfarm income	7,243	2,840	9,456
Family living & tax withdrawals	44,071	40,095	44,968
Total acres owned	293.1	210.6	270.7
Total crop acres	557.0	515.3	687.2
Crop acres owned	315.6	225.8	411.5
Crop acres cash rented	238.8	289.5	275.7
Crop acres share rented	2.6	-	-
Total pasture acres	1.6	-	5.7
Labor Analysis			
Number of farms	102	24	26
Total unpaid labor hours	4,723	4,374	4,436
Total hired labor hours	11,441	7,283	14,105
Total labor hours per farm	16,164	11,657	18,541
Unpaid hours per operator	3,069	3,087	3,035
Value of farm production / hour	48.00	42.51	53.34
Net farm income / unpaid hour	-13.27	-40.02	12.32
Average hourly hired labor wage	13.81	15.65	12.77
Partnerships & LLCs			
Number of farms	38	9	9
Number of operators	2.2	2.1	2.0
Owner withdrawals per farm	-	-	-
Withdrawals per operator	-	-	-

Table 20

Financial Summary
2009 MI Dairy (All Farms)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	104	25	27
Income Statement			
Gross cash farm income	1,046,327	749,244	1,193,346
Total cash farm expense	937,998	709,386	1,038,251
Net cash farm income	108,329	39,858	155,095
Inventory change	-66,854	-143,292	31,160
Depreciation	-103,868	-71,151	-131,150
Net farm income from operations	-62,394	-174,585	55,105
Gain or loss on capital sales	-28	0	-
Average net farm income	-62,421	-174,585	55,105
Median net farm income	-23,999	-132,714	39,557
Profitability (cost)			
Rate of return on assets	-2.1 %	-11.6 %	4.2 %
Rate of return on equity	-9.2 %	-31.1 %	3.1 %
Operating profit margin	-5.7 %	-35.4 %	10.0 %
Asset turnover rate	37.3 %	32.8 %	41.7 %
Profitability (market)			
Rate of return on assets	0.4 %	-8.1 %	6.5 %
Rate of return on equity	-1.6 %	-15.4 %	7.2 %
Operating profit margin	1.8 %	-37.4 %	27.0 %
Asset turnover rate	22.5 %	21.7 %	24.2 %
Liquidity & Repayment (end of year)			
Current assets	453,227	320,754	582,560
Current liabilities	226,540	237,006	222,928
Current ratio	2.00	1.35	2.61
Working capital	226,687	83,748	359,633
Working capital to gross inc	22.2 %	12.5 %	29.1 %
Term debt coverage ratio	0.30	-1.42	1.64
Replacement coverage ratio	0.25	-1.18	1.24
Solvency (end of year at cost)			
Number of farms	104	25	27
Total farm assets	2,077,288	1,428,871	2,420,351
Total farm liabilities	1,082,517	830,080	1,341,004
Total assets	2,279,348	1,548,914	2,495,544
Total liabilities	1,109,546	847,618	1,348,961
Net worth	1,169,802	701,296	1,146,583
Net worth change	-105,779	-192,069	-12,087
Farm debt to asset ratio	52 %	58 %	55 %
Total debt to asset ratio	49 %	55 %	54 %
Solvency (end of year at market)			
Number of farms	104	25	27
Total farm assets	3,455,928	2,171,990	4,202,118
Total farm liabilities	1,083,547	830,080	1,344,969
Total assets	3,742,330	2,355,716	4,424,410
Total liabilities	1,110,575	847,618	1,352,926
Net worth	2,631,755	1,508,098	3,071,483
Net worth change	-50,128	-215,688	160,400
Farm debt to asset ratio	31 %	38 %	32 %
Total debt to asset ratio	30 %	36 %	31 %
Nonfarm Information			
Net nonfarm income	11,213	4,204	13,659
Crop Acres			
Total acres owned	454	312	391
Total crop acres	862	763	993
Total crop acres owned	489	334	594
Total crop acres cash rented	370	428	398
Total crop acres share rented	4	-	-

B. Financial Summary Information, Herds with 40-99 Cows

Table 21 Crop Production and Marketing Summary
2009 MI Dairy (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Dairy			
Number of farms	21	5	6
Average number of cows,	64	66	64
Milk production per cow lbs.,	18,111	16,292	21,445
Average milk price per cwt.,	\$13.35	\$14.14	\$12.50
Acreage Summary			
Total acres owned	207	90	266
Total crop acres	326	238	480
Crop acres owned	223	113	337
Crop acres cash rented	103	125	143
Crop acres share rented	-	-	-
Total pasture acres	1	-	3
Percent crop acres owned	68 %	47 %	70 %
Average Price Received (Cash Sales Only)			
Corn per bushel	4.03	-	-

Table 22

Farm Income Statement
2009 MI Dairy (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	21	5	6
Cash Farm Income			
Beans, Navy	2,582	-	9,037
Cordwood	430	-	-
Corn	20,012	2,124	64,964
Hay, Alfalfa	2,152	-	1,697
Oats	149	-	430
Soybeans	19,541	-	43,807
Sugar Beets	8,204	-	19,810
Wheat, Winter	2,589	-	7,026
Miscellaneous crop income	82	-	40
Dairy, Milk	158,449	152,537	181,477
Dairy, Dairy Calves	648	180	1,311
Dairy Heifers (for sale)	6,139	-	21,346
Dairy Replacement Heifers	103	-	246
Dairy Finishing	2,849	2,902	1,017
Cull breeding livestock	8,458	5,802	10,210
Misc. livestock income	97	-	-
Direct & CC govt payments	7,340	5,237	5,869
Livestock govt payments	378	-	1,323
Other government payments	13,447	11,119	19,797
Patronage dividends, cash	1,785	1,574	2,222
Insurance income	1,884	1,512	4,250
Other farm income	2,508	240	4,296
Gross Cash Farm Income	259,826	183,226	400,176

Table 22

Farm Income Statement (Continued)
2009 MI Dairy (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	21	5	6
Cash Farm Expense			
Seed	9,692	2,069	23,601
Fertilizer	14,553	-	35,742
Crop chemicals	5,115	533	12,530
Crop insurance	519	60	1,452
Drying expense	238	-	834
Crop marketing	346	-	1,211
Crop miscellaneous	298	-	177
Purchased feed	62,430	79,384	57,952
Breeding fees	1,544	666	2,246
Veterinary	5,432	5,532	8,666
Livestock supplies	5,755	6,409	8,631
DHIA	491	-	1,421
Livestock leases	1,676	5,441	-
Hauling and trucking	5,793	3,178	9,990
Livestock marketing	6,124	8,561	5,508
Bedding	550	-	1,104
Livestock miscellaneous	104	-	364
Interest	13,703	12,299	23,776
Packaging and supplies	929	-	1,789
Supplies	2,333	2,187	1,847
Fuel & oil	11,162	8,541	15,265
Repairs	17,190	13,292	23,636
Custom hire	3,370	955	6,541
Hired labor	25,519	16,502	32,365
Land rent	8,048	3,245	17,331
Machinery leases	1,281	133	1,989
Real estate taxes	4,394	3,073	6,012
Personal property taxes	153	51	423
Farm insurance	6,790	2,420	11,205
Utilities	9,314	7,916	12,872
Dues & professional fees	2,472	1,253	3,567
Miscellaneous	3,188	4,591	1,402
Total cash expense	230,505	188,290	331,448
Net cash farm income	29,321	-5,064	68,727
Inventory Changes			
Prepays and supplies	-2,455	-40	1,681
Accounts receivable	-432	185	1,205
Hedging accounts	-12	-	-44
Other current assets	-634	-961	652
Crops and feed	-8,121	-3,727	-24,323
Market livestock	-144	159	-281
Breeding livestock	-9,874	-24,910	-10,353
Other assets	-774	-1,191	282
Accounts payable	-1,896	-4,210	-535
Accrued interest	295	43	-857

Total inventory change	-24,048	-34,652	-32,572
Net operating profit	5,273	-39,716	36,155
Depreciation			
Machinery and equipment	-12,774	-4,758	-19,278
Titled vehicles	-288	-1,000	-
Buildings and improvements	-4,934	-5,706	-5,046
Total depreciation	-17,996	-11,464	-24,324
Net farm income from operations	-12,722	-51,180	11,831
Gain or loss on capital sales	-	-	-
Net farm income	-12,722	-51,180	11,831

Table 23

Inventory Changes
2009 MI Dairy (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	21	5	6
Net cash farm income	29,321	-5,064	68,727
Crops and Feed			
Ending inventory	84,416	28,867	153,972
Beginning inventory	92,537	32,594	178,294
Inventory change	-8,121	-3,727	-24,323
Market Livestock			
Ending inventory	4,434	509	2,253
Beginning inventory	4,578	350	2,534
Inventory change	-144	159	-281
Accts Receivable			
Ending inventory	7,386	7,373	10,169
Beginning inventory	7,818	7,189	8,963
Inventory change	-432	185	1,205
Prepaid Expenses and Supplies			
Ending inventory	6,343	620	17,044
Beginning inventory	8,798	660	15,363
Inventory change	-2,455	-40	1,681
Hedging Activities			
Ending inventory	0	-	0
Withdrawals	-	-	-
Beginning inventory	13	-	44
Deposits	-	-	-
Gain or loss	-12	-	-44
Other Current Assets			
Ending inventory	6,201	3,221	10,316
Beginning inventory	6,835	4,182	9,664
Inventory change	-634	-961	652
Breeding Livestock			
Ending inventory	149,101	142,250	151,383
Capital sales	1,571	4,240	559
Beginning inventory	150,564	170,090	155,979
Capital purchases	9,982	1,310	6,315
Depreciation, capital adjust	-9,874	-24,910	-10,353
Other Capital Assets			
Ending inventory	16,154	9,489	12,340
Capital sales	4,497	-	15,575
Beginning inventory	16,768	8,918	13,997
Capital purchases	4,657	1,762	13,635
Depreciation, capital adjust	-774	-1,191	282
Accounts Payable			
Beginning inventory	8,981	10,302	6,647
Ending inventory	10,878	14,512	7,182
Inventory change	-1,896	-4,210	-535
Accrued Interest			
Beginning inventory	1,423	390	2,628
Ending inventory	1,127	347	3,486
Inventory change	295	43	-857
Total inventory change	-24,048	-34,652	-32,572
Net operating profit	5,273	-39,716	36,155

Table 24

Depreciation
2009 MI Dairy (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	21	5	6
Net operating profit	5,273	-39,716	36,155
Machinery and Equipment			
Ending inventory	39,289	17,652	69,090
Capital sales	576	-	750
Beginning inventory	44,568	22,031	75,685
Capital purchases	8,070	378	13,433
Depreciation, capital adjust.	-12,774	-4,758	-19,278
Titled Vehicles			
Ending inventory	762	2,020	-
Capital sales	-	-	-
Beginning inventory	1,051	3,020	-
Capital purchases	-	-	-
Depreciation, capital adjust.	-288	-1,000	-
Buildings and Improvements			
Ending inventory	49,885	52,953	62,565
Capital sales	-	-	-
Beginning inventory	53,194	58,659	61,926
Capital purchases	1,625	-	5,686
Depreciation, capital adjust.	-4,934	-5,706	-5,046
Total depreciation, capital adj.	-17,996	-11,464	-24,324
Net farm income from operations	-12,722	-51,180	11,831
Gain or loss on capital sales	-	-	-
Net farm income	-12,722	-51,180	11,831

Table 25

Profitability Measures
2009 MI Dairy (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	21	5	6
Profitability (assets valued at cost)			
Net farm income from operations	-12,722	-51,180	11,831
Rate of return on assets	-3.2 %	-14.7 %	3.1 %
Rate of return on equity	-12.6 %	-51.1 %	-0.2 %
Operating profit margin	-9.6 %	-78.9 %	7.8 %
Asset turnover rate	33.6 %	18.6 %	40.1 %
Farm interest expense	13,408	12,255	24,633
Value of operator lbr and mgmt.	17,754	18,449	12,500
Return on farm assets	-17,069	-57,374	23,964
Average farm assets	527,008	391,517	770,029
Return on farm equity	-30,477	-69,629	-669
Average farm equity	242,680	136,256	360,025
Value of farm production	177,257	72,688	308,711
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	21	5	6
Profitability (assets valued at market)			
Net farm income from operations	7,096	-76,578	98,147
Rate of return on assets	0.2 %	-11.6 %	5.9 %
Rate of return on equity	-1.1 %	-20.7 %	5.9 %
Operating profit margin	1.6 %	-113.9 %	35.7 %
Asset turnover rate	13.6 %	10.2 %	16.5 %
Farm interest expense	13,408	12,255	24,633
Value of operator lbr and mgmt.	17,754	18,449	12,500
Return on farm assets	2,750	-82,772	110,280
Average farm assets	1,304,353	714,966	1,872,122
Return on farm equity	-10,658	-95,027	85,647
Average farm equity	1,014,926	459,704	1,444,273
Value of farm production	177,257	72,688	308,711

Table 26

Liquidity & Repayment Capacity Measures
2009 MI Dairy (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	21	5	6
Liquidity			
Current ratio	1.77	0.78	1.93
Working capital	54,407	-12,927	108,620
Working capital to gross inc	22.7 %	-8.5 %	29.6 %
Current assets	125,502	46,288	225,817
Current liabilities	71,096	59,214	117,197
Gross revenues (accrual)	239,687	152,071	366,663
Repayment capacity			
Net farm income from operations	-12,722	-51,180	11,831
Depreciation	17,996	11,464	24,324
Personal income	9,753	3,214	4,457
Family living/owner withdrawals	-32,041	-38,554	-25,891
Payments on personal debt	-2,131	-	-2,930
Income taxes paid	-1,424	-1,102	-1,250
Interest on term debt	12,609	15,905	20,178
Capital debt repayment capacity	-7,960	-60,252	30,719
Scheduled term debt payments	-36,016	-28,647	-61,445
Capital debt repayment margin	-43,976	-88,899	-30,726
Cash replacement allowance	-13,273	-10,354	-16,275
Replacement margin	-57,249	-99,253	-47,001
Term debt coverage ratio	-0.22	-2.10	0.50
Replacement coverage ratio	-0.16	-1.54	0.40

Table 27

Balance Sheet at Cost Values
2009 MI Dairy (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
	21		5		6	
Number of farms	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	15,333	16,723	6,080	5,698	22,539	32,064
Prepaid expenses & supplies	8,798	6,343	660	620	15,363	17,044
Growing crops	5,457	5,604	1,810	2,519	8,440	9,091
Accounts receivable	7,818	7,386	7,189	7,373	8,963	10,169
Hedging accounts	13	0	0	0	44	0
Crops held for sale or feed	92,537	84,416	32,594	28,867	178,294	153,972
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	4,578	4,434	350	509	2,534	2,253
Other current assets	1,379	597	2,372	702	1,224	1,224
Total current farm assets	135,912	125,502	51,054	46,288	237,402	225,817
Intermediate Farm Assets						
Breeding livestock	150,564	149,101	170,090	142,250	155,979	151,383
Machinery and equipment	44,568	39,289	22,031	17,652	75,685	69,090
Titled vehicles	1,051	762	3,020	2,020	0	0
Other intermediate assets	15,118	14,501	8,308	8,879	9,581	7,924
Total intermediate farm assets	211,301	203,653	203,449	170,801	241,245	228,396
Long Term Farm Assets						
Farm land	130,871	140,395	99,305	99,305	220,270	253,604
Buildings and improvements	53,194	49,885	58,659	52,953	61,926	62,565
Other long-term assets	1,650	1,653	610	610	4,417	4,417
Total long-term farm assets	185,715	191,933	158,575	152,868	286,613	320,586
Total Farm Assets	532,928	521,088	413,078	369,957	765,259	774,799
Total Nonfarm Assets	80,978	81,002	7,239	7,326	33,393	26,732
Total Assets	613,906	602,090	420,317	377,283	798,651	801,531
Liabilities						
Current Farm Liabilities						
Accrued interest	1,423	1,127	390	347	2,628	3,486
Accounts payable	8,981	10,878	10,302	14,512	6,647	7,182
Current notes	29,503	33,450	15,523	17,289	62,333	66,929
Government crop loans	0	0	0	0	0	0
Principal due on term debt	23,407	25,641	12,742	27,067	41,266	39,601
Total current farm liabilities	63,314	71,096	38,957	59,214	112,875	117,197
Total intermediate farm liabs	40,126	46,537	34,054	53,139	47,305	38,485
Total long term farm liabilities	174,783	172,801	160,630	164,528	259,710	244,435
Total farm liabilities	278,222	290,434	233,641	276,881	419,890	400,117
Total nonfarm liabilities	16,442	18,427	940	360	26,163	33,813
Total liabilities	294,664	308,861	234,581	277,241	446,053	433,930
Net worth (farm and nonfarm)	319,242	293,229	185,736	100,042	352,598	367,601
Net worth change		-26,013		-85,694		15,003
Percent net worth change		-8 %		-46 %		4 %
Ratio Analysis						
Current farm liabilities / assets	47 %	57 %	76 %	128 %	48 %	52 %
Intermediate farm liab. / assets	19 %	23 %	17 %	31 %	20 %	17 %
Long term farm liab. / assets	94 %	90 %	101 %	108 %	91 %	76 %
Total debt to asset ratio	48 %	51 %	56 %	73 %	56 %	54 %

Table 28

Balance Sheet at Market Values
2009 MI Dairy (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
	21	5	6			
Number of farms	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	15,333	16,723	6,080	5,698	22,539	32,064
Prepaid expenses & supplies	8,798	6,343	660	620	15,363	17,044
Growing crops	5,457	5,604	1,810	2,519	8,440	9,091
Accounts receivable	7,818	7,386	7,189	7,373	8,963	10,169
Hedging accounts	13	0	0	0	44	0
Crops held for sale or feed	92,537	84,416	32,594	28,867	178,294	153,972
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	4,578	4,434	350	509	2,534	2,253
Other current assets	1,379	597	2,372	702	1,224	1,224
Total current farm assets	135,912	125,502	51,054	46,288	237,402	225,817
Intermediate Farm Assets						
Breeding livestock	159,808	160,017	170,090	142,250	178,937	182,799
Machinery and equipment	246,066	245,103	148,516	137,016	325,861	340,614
Titled vehicles	3,000	2,833	3,700	2,800	5,133	5,133
Other intermediate assets	15,153	14,996	8,748	9,339	9,336	9,273
Total intermediate farm assets	424,027	422,950	331,054	291,405	519,267	537,818
Long Term Farm Assets						
Farm land	597,921	607,236	275,980	275,980	859,105	941,705
Buildings and improvements	140,599	150,625	90,527	66,423	203,110	208,977
Other long-term assets	1,905	2,029	610	610	5,310	5,733
Total long-term farm assets	740,425	759,890	367,117	343,014	1,067,525	1,156,415
Total Farm Assets	1,300,364	1,308,342	749,225	680,706	1,824,194	1,920,051
Total Nonfarm Assets	126,615	127,946	20,491	20,311	116,706	112,768
Total Assets	1,426,980	1,436,289	769,717	701,017	1,940,900	2,032,818
Liabilities						
Current Farm Liabilities						
Accrued interest	1,423	1,127	390	347	2,628	3,486
Accounts payable	8,981	10,878	10,302	14,512	6,647	7,182
Current notes	29,503	33,450	15,523	17,289	62,333	66,929
Government crop loans	0	0	0	0	0	0
Principal due on term debt	23,407	25,641	12,742	27,067	41,266	39,601
Total current farm liabilities	63,314	71,096	38,957	59,214	112,875	117,197
Total intermediate farm liabs	40,126	46,537	34,054	53,139	47,305	38,485
Total long term farm liabilities	174,783	172,801	160,630	164,528	259,710	244,435
Total farm liabilities	278,222	290,434	233,641	276,881	419,890	400,117
Total nonfarm liabilities	16,442	18,427	940	360	26,163	33,813
Total liabs excluding deferreds	294,664	308,861	234,581	277,241	446,053	433,930
Total deferred liabilities	5,099	5,099	0	0	17,846	17,846
Total liabilities	299,763	313,960	234,581	277,241	463,899	451,776
Retained earnings	319,242	293,229	185,736	100,042	352,598	367,601
Market valuation equity	807,975	829,099	349,400	323,734	1,124,402	1,213,441
Net worth (farm and nonfarm)	1,127,216	1,122,328	535,136	423,776	1,477,000	1,581,042
Net worth excluding deferreds	1,132,315	1,127,427	535,136	423,776	1,494,846	1,598,888
Net worth change		-4,888		-111,360		104,042
Percent net worth change		0 %		-21 %		7 %
Ratio Analysis						
Current farm liabilities / assets	47 %	57 %	76 %	128 %	48 %	52 %
Intermediate farm liab. / assets	9 %	11 %	10 %	18 %	9 %	7 %
Long term farm liab. / assets	24 %	23 %	44 %	48 %	24 %	21 %
Total debt to asset ratio	21 %	22 %	30 %	40 %	24 %	22 %
Debt to assets excl deferreds	21 %	22 %	30 %	40 %	23 %	21 %

Table 29

Statement Of Cash Flows
2009 MI Dairy (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	21	5	6
Beginning cash (farm & nonfarm)	17,396	10,280	26,240
Cash Provided By Operating Activities			
Gross cash farm income	259,826	183,226	400,176
Total cash farm expense	-230,505	-188,290	-331,448
Net cash from hedging transactions	-	-	-
Cash provided by operating	29,321	-5,064	68,727
Cash Provided By Investing Activities			
Sale of breeding livestock	1,571	4,240	559
Sale of machinery & equipment	576	-	750
Sale of titled vehicles	-	-	-
Sale of farm land	-	-	-
Sale of farm buildings	-	-	-
Sale of other farm assets	4,497	-	15,575
Sale of nonfarm assets	-	-	-
Purchase of breeding livestock	-9,982	-1,310	-6,315
Purchase of machinery & equip.	-8,070	-378	-13,433
Purchase of titled vehicles	-	-	-
Purchase of farm land	-	-	-
Purchase of farm buildings	-1,625	-	-5,686
Purchase of other farm assets	-4,657	-1,762	-13,635
Purchase of nonfarm assets	-504	-	-
Cash provided by investing	-18,193	790	-22,186
Cash Provided By Financing Activities			
Money borrowed	45,019	51,794	37,530
Principal payments	-32,422	-13,301	-51,045
Personal income	9,753	3,214	4,457
Family living/owner withdrawals	-32,041	-38,554	-25,891
Income and social security tax	-1,424	-1,102	-1,250
Capital contributions	1,160	-	4,060
Capital distributions	-1,321	-	-4,622
Dividends paid	-	-	-
Cash gifts and inheritances	1,862	1,840	-120
Gifts given	-494	-	-729
Other cash flows	-	-	-
Cash provided by financing	-9,908	3,892	-37,611
Net change in cash balance	1,220	-382	8,931
Ending cash (farm & nonfarm)	18,616	9,898	35,170

Table 30

Financial Standards Measures
2009 MI Dairy (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	21	5	6
Liquidity			
Current ratio	1.77	0.78	1.93
Working capital	54,407	-12,927	108,620
Working capital to gross inc	22.7 %	-8.5 %	29.6 %
Solvency (market)			
Farm debt to asset ratio	23 %	41 %	22 %
Farm equity to asset ratio	77 %	59 %	78 %
Farm debt to equity ratio	0.29	0.69	0.28
Profitability (cost)			
Rate of return on farm assets	-3.2 %	-14.7 %	3.1 %
Rate of return on farm equity	-12.6 %	-51.1 %	-0.2 %
Operating profit margin	-9.6 %	-78.9 %	7.8 %
Net farm income	-12,722	-51,180	11,831
EBIDTA	18,681	-27,461	60,788
Repayment Capacity			
Capital debt repayment capacity	-7,960	-60,252	30,719
Capital debt repayment margin	-43,976	-88,899	-30,726
Replacement margin	-57,249	-99,253	-47,001
Term debt coverage ratio	-0.22	-2.10	0.50
Replacement coverage ratio	-0.16	-1.54	0.40
Efficiency			
Asset turnover rate (cost)	33.6 %	18.6 %	40.1 %
Operating expense ratio	92.2 %	118.1 %	83.4 %
Depreciation expense ratio	7.5 %	7.5 %	6.6 %
Interest expense ratio	5.7 %	8.1 %	6.5 %
Net farm income ratio	-5.3 %	-33.7 %	3.2 %

Table 31

Operator and Labor Information

2009 MI Dairy (40-99 Cows)

(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	21	5	6
Operator Information			
Average number of operators	1.3	1.4	1.3
Average age of operators	49.7	47.9	54.4
Average number of years farming	25.0	21.6	27.9
Results Per Operator			
Working capital	42,316	-9,233	81,465
Total assets (market)	1,117,113	500,727	1,524,614
Total liabilities	244,191	198,030	338,832
Net worth (market)	872,922	302,697	1,185,782
Net worth excl deferred liabs	876,888	302,697	1,199,166
Gross farm income	186,423	108,622	274,997
Total farm expense	196,318	145,180	266,124
Net farm income from operations	-9,895	-36,557	8,873
Net nonfarm income	7,586	2,296	3,342
Family living & tax withdrawals	26,028	28,326	20,356
Total acres owned	161.1	64.3	199.8
Total crop acres	253.2	170.0	360.0
Crop acres owned	173.4	80.7	252.9
Crop acres cash rented	79.8	89.3	107.1
Crop acres share rented	-	-	-
Total pasture acres	0.7	-	2.3
Labor Analysis			
Number of farms	21	5	6
Total unpaid labor hours	4,011	3,432	4,060
Total hired labor hours	1,825	990	2,242
Total labor hours per farm	5,836	4,422	6,302
Unpaid hours per operator	3,119	2,451	3,045
Value of farm production / hour	30.38	16.44	48.99
Net farm income / unpaid hour	-3.17	-14.91	2.91
Average hourly hired labor wage	13.98	16.67	14.44
Partnerships & LLCs			
Number of farms	5	2	2
Number of operators	2.0	-	-
Owner withdrawals per farm	-	-	-
Withdrawals per operator	-	-	-

Table 32

Financial Summary
2009 MI Dairy (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	21	5	6
Income Statement			
Gross cash farm income	259,826	183,226	400,176
Total cash farm expense	230,505	188,290	331,448
Net cash farm income	29,321	-5,064	68,727
Inventory change	-24,048	-34,652	-32,572
Depreciation	-17,996	-11,464	-24,324
Net farm income from operations	-12,722	-51,180	11,831
Gain or loss on capital sales	-	-	-
Average net farm income	-12,722	-51,180	11,831
Median net farm income	-10,429	-27,854	-1,809
Profitability (cost)			
Rate of return on assets	-3.2 %	-14.7 %	3.1 %
Rate of return on equity	-12.6 %	-51.1 %	-0.2 %
Operating profit margin	-9.6 %	-78.9 %	7.8 %
Asset turnover rate	33.6 %	18.6 %	40.1 %
Profitability (market)			
Rate of return on assets	0.2 %	-11.6 %	5.9 %
Rate of return on equity	-1.1 %	-20.7 %	5.9 %
Operating profit margin	1.6 %	-113.9 %	35.7 %
Asset turnover rate	13.6 %	10.2 %	16.5 %
Liquidity & Repayment (end of year)			
Current assets	125,502	46,288	225,817
Current liabilities	71,096	59,214	117,197
Current ratio	1.77	0.78	1.93
Working capital	54,407	-12,927	108,620
Working capital to gross inc	22.7 %	-8.5 %	29.6 %
Term debt coverage ratio	-0.22	-2.10	0.50
Replacement coverage ratio	-0.16	-1.54	0.40
Solvency (end of year at cost)			
Number of farms	21	5	6
Total farm assets	521,088	369,957	774,799
Total farm liabilities	290,434	276,881	400,117
Total assets	602,090	377,283	801,531
Total liabilities	308,861	277,241	433,930
Net worth	293,229	100,042	367,601
Net worth change	-26,013	-85,694	15,003
Farm debt to asset ratio	56 %	75 %	52 %
Total debt to asset ratio	51 %	73 %	54 %
Solvency (end of year at market)			
Number of farms	21	5	6
Total farm assets	1,308,342	680,706	1,920,051
Total farm liabilities	295,533	276,881	417,963
Total assets	1,436,289	701,017	2,032,818
Total liabilities	313,960	277,241	451,776
Net worth	1,122,328	423,776	1,581,042
Net worth change	-4,888	-111,360	104,042
Farm debt to asset ratio	23 %	41 %	22 %
Total debt to asset ratio	22 %	40 %	22 %
Nonfarm Information			
Net nonfarm income	9,753	3,214	4,457
Crop Acres			
Total acres owned	207	90	266
Total crop acres	326	238	480
Total crop acres owned	223	113	337
Total crop acres cash rented	103	125	143
Total crop acres share rented	-	-	-

C. Financial Summary Information, Herds with 100-249 Cows

Table 33	Crop Production and Marketing Summary 2009 MI Dairy (100-249 Cows) (Farms Sorted By Rate of Return on Assets - Mkt)		
	Avg. Of All Farms	Low 25%	High 25%
Dairy			
Number of farms	51	12	13
Average number of cows,	170	166	156
Milk production per cow lbs.,	20,775	19,258	22,214
Average milk price per cwt.,	\$13.11	\$13.16	\$12.90
Acreage Summary			
Total acres owned	477	266	330
Total crop acres	806	668	837
Crop acres owned	467	255	465
Crop acres cash rented	332	414	372
Crop acres share rented	7	-	-
Total pasture acres	2	-	8
Percent crop acres owned	58 %	38 %	56 %
Average Price Received (Cash Sales Only)			
Wheat, Winter per bushel	3.89	-	-
Corn per bushel	3.43	-	-
Soybeans per bushel	8.65	-	-

Table 34

Farm Income Statement
2009 MI Dairy (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	51	12	13
Cash Farm Income			
Asparagus	87	370	-
Corn	37,134	9,122	89,434
Corn Silage	1,569	-	592
Hay, Alfalfa	2,520	1,425	4,801
Hay, Mixed	574	1,833	5
Haylage, Mixed	411	-	-
Oats	259	-	242
Soybeans	15,285	3,262	36,825
Straw	245	121	555
Wheat, Durum	2,699	241	10,366
Wheat, Winter	4,703	2,686	5,495
Miscellaneous crop income	73	-	-
Beef Cow-Calf, Beef Calves	125	-	490
Dairy, Milk	459,925	428,507	403,952
Dairy, Dairy Calves	3,438	3,016	1,970
Dairy Heifers (for sale)	613	-	1,098
Dairy Replacement Heifers	12,772	-	47,902
Dairy Finishing	5,335	2,881	3,193
Dairy Feeder	923	1,074	1,386
User Added Livestock, User Added	792	2,230	-
Cull breeding livestock	30,071	38,190	17,838
Misc. livestock income	4,065	-	346
Direct & CC govt payments	29,046	20,647	38,675
Livestock govt payments	2,032	-	2,661
Other government payments	27,235	32,295	15,334
Custom work income	11,536	922	8,065
Patronage dividends, cash	4,663	7,434	3,056
Insurance income	18,879	12,835	19,241
Other farm income	10,957	18,742	8,251
Gross Cash Farm Income	687,965	587,833	721,776

Table 34

Farm Income Statement (Continued)
2009 MI Dairy (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	51	12	13
Cash Farm Expense			
Seed	22,716	10,956	31,920
Fertilizer	37,797	16,955	49,454
Crop chemicals	8,910	5,846	10,804
Crop insurance	1,318	519	369
Drying expense	333	-	-
Crop packaging and supplies	199	-	189
Crop marketing	183	442	65
Crop miscellaneous	4,794	17,674	266
Feeder livestock purchase	2,325	-	30
Purchased feed	159,178	162,134	133,620
Breeding fees	4,665	2,619	5,070
Veterinary	17,476	18,334	12,787
Livestock supplies	18,648	16,693	8,278
DHIA	685	488	477
Contract production exp.	47	198	-
Livestock leases	734	2,267	679
Grazing fees	165	702	-
Livestock utilities	507	2,155	-
Hauling and trucking	11,056	7,318	12,809
Livestock marketing	16,405	19,125	9,623
Bedding	1,617	1,143	1,216
Livestock miscellaneous	398	1,693	-
Interest	30,159	29,336	36,070
Packaging and supplies	648	622	1,918
Supplies	10,067	6,922	17,257
Fuel & oil	31,800	24,863	29,144
Repairs	39,743	34,068	31,875
Repair, livestock equip	135	-	-
Custom hire	17,673	23,349	17,404
Repair, buildings	295	-	404
Hired labor	88,820	71,721	76,366
Land rent	20,824	14,161	35,906
Machinery leases	4,442	2,366	6,191
Building leases	3,832	10,119	-
Real estate taxes	10,189	6,663	12,968
Personal property taxes	81	44	200
Farm insurance	16,186	11,417	19,227
Utilities	18,950	13,639	21,760
Dues & professional fees	5,299	3,481	8,011
Miscellaneous	8,852	9,035	5,975
Total cash expense	618,153	549,065	598,333
Net cash farm income	69,812	38,769	123,443
Inventory Changes			
Prepays and supplies	-1,625	-9,674	3,481
Accounts receivable	-7,380	-937	6,517

Hedging accounts	412	-554	2,129
Other current assets	6,817	11,720	9,952
Crops and feed	9,853	-11,016	33,112
Market livestock	-61	1,714	2,578
Breeding livestock	-20,430	-45,486	-10,228
Other assets	-5,587	-14,807	662
Accounts payable	-17,273	-45,583	-7,936
Accrued interest	214	465	87
Total inventory change	-35,058	-114,158	40,354
Net operating profit	34,754	-75,390	163,798
Depreciation			
Machinery and equipment	-34,470	-21,206	-44,098
Titled vehicles	-735	-583	-1,115
Buildings and improvements	-20,624	-24,490	-27,263
Total depreciation	-55,829	-46,280	-72,477
Net farm income from operations	-21,075	-121,669	91,320
Gain or loss on capital sales	-56	-	-
Net farm income	-21,131	-121,669	91,320

Table 35

Inventory Changes
2009 MI Dairy (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%	
Number of farms	51	12	13	
Net cash farm income	69,812	38,769	123,443	
Crops and Feed				
Ending inventory	199,682	144,592	243,215	
Beginning inventory	189,828	155,608	210,102	
Inventory change	9,853	-11,016	33,112	
Market Livestock				
Ending inventory	12,608	9,506	8,772	
Beginning inventory	12,669	7,792	6,194	
Inventory change	-61	1,714	2,578	
Accts Receivable				
Ending inventory	28,744	35,338	29,762	
Beginning inventory	36,124	36,275	23,246	
Inventory change	-7,380	-937	6,517	
Prepaid Expenses and Supplies				
Ending inventory	27,103	4,945	32,653	
Beginning inventory	28,728	14,619	29,172	
Inventory change	-1,625	-9,674	3,481	
Hedging Activities				
Ending inventory	584	-	2,290	
Withdrawals	687	70	2,632	
Beginning inventory	89	83	274	
Deposits	770	541	2,519	
Gain or loss	412	-554	2,129	
Other Current Assets				
Ending inventory	20,132	22,770	22,374	
Beginning inventory	13,315	11,051	12,421	
Inventory change	6,817	11,720	9,952	
Breeding Livestock				
Ending inventory	433,370	429,825	368,153	
Capital sales	2,217	7,766	63	
Beginning inventory	449,141	476,471	364,299	
Capital purchases	6,876	6,606	14,145	
Depreciation, capital adjust	-20,430	-45,486	-10,228	
Other Capital Assets				
Ending inventory	79,842	35,287	56,930	
Capital sales	840	563	725	
Beginning inventory	72,482	33,417	27,758	
Capital purchases	13,787	17,239	29,234	
Depreciation, capital adjust	-5,587	-14,807	662	
Accounts Payable				
Beginning inventory	24,438	17,326	25,467	
Ending inventory	41,711	62,909	33,403	
Inventory change	-17,273	-45,583	-7,936	
Accrued Interest				
Beginning inventory	1,188	1,054	1,282	
Ending inventory	974	589	1,194	
Inventory change	214	465	87	
Total inventory change	-35,058	-114,158	40,354	
Net operating profit		34,754	-75,390	163,798

Table 36

Depreciation
2009 MI Dairy (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	51	12	13
Net operating profit	34,754	-75,390	163,798
Machinery and Equipment			
Ending inventory	137,135	84,044	122,034
Capital sales	3,273	767	9,722
Beginning inventory	147,592	96,639	135,471
Capital purchases	27,285	9,377	40,383
Depreciation, capital adjust.	-34,470	-21,206	-44,098
Titled Vehicles			
Ending inventory	1,658	2,358	-
Capital sales	235	-	-
Beginning inventory	1,590	2,941	1,115
Capital purchases	1,039	-	-
Depreciation, capital adjust.	-735	-583	-1,115
Buildings and Improvements			
Ending inventory	185,179	206,277	248,108
Capital sales	34	-	0
Beginning inventory	174,055	207,139	181,774
Capital purchases	31,782	23,628	93,598
Depreciation, capital adjust.	-20,624	-24,490	-27,263
Total depreciation, capital adj.	-55,829	-46,280	-72,477
Net farm income from operations	-21,075	-121,669	91,320
Gain or loss on capital sales	-56	-	-
Net farm income	-21,131	-121,669	91,320

Table 37

Profitability Measures
2009 MI Dairy (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	51	12	13
Profitability (assets valued at cost)			
Net farm income from operations	-21,075	-121,669	91,320
Rate of return on assets	-1.4 %	-11.2 %	7.5 %
Rate of return on equity	-6.1 %	-27.0 %	10.7 %
Operating profit margin	-3.9 %	-37.2 %	17.3 %
Asset turnover rate	35.0 %	30.1 %	43.5 %
Farm interest expense	29,945	28,871	35,983
Value of operator lbr and mgmt.	28,515	39,147	18,077
Return on farm assets	-19,645	-131,946	109,227
Average farm assets	1,445,086	1,178,258	1,453,248
Return on farm equity	-49,590	-160,817	73,243
Average farm equity	808,081	595,522	682,383
Value of farm production	505,807	354,313	632,187
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	51	12	13
Profitability (assets valued at market)			
Net farm income from operations	-12,162	-161,405	156,664
Rate of return on assets	-0.4 %	-9.7 %	7.1 %
Rate of return on equity	-2.3 %	-16.8 %	8.3 %
Operating profit margin	-2.1 %	-48.5 %	27.6 %
Asset turnover rate	20.8 %	20.0 %	25.8 %
Farm interest expense	29,945	28,871	35,983
Value of operator lbr and mgmt.	28,515	39,147	18,077
Return on farm assets	-10,731	-171,681	174,570
Average farm assets	2,435,926	1,775,577	2,448,013
Return on farm equity	-40,676	-200,553	138,587
Average farm equity	1,798,920	1,192,842	1,677,147
Value of farm production	505,807	354,313	632,187

Table 38

Liquidity & Repayment Capacity Measures

2009 MI Dairy (100-249 Cows)

(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	51	12	13
Liquidity			
Current ratio	2.36	1.63	2.48
Working capital	188,920	90,850	223,573
Working capital to gross inc	28.3 %	17.6 %	29.2 %
Current assets	327,466	234,719	374,341
Current liabilities	138,547	143,869	150,768
Gross revenues (accrual)	667,311	516,447	765,837
Repayment capacity			
Net farm income from operations	-21,075	-121,669	91,320
Depreciation	55,829	46,280	72,477
Personal income	5,613	5,500	2,602
Family living/owner withdrawals	-58,632	-53,838	-66,022
Payments on personal debt	-939	-	-
Income taxes paid	-4,063	-1,725	-9,650
Interest on term debt	33,103	32,215	37,196
Capital debt repayment capacity	9,836	-93,237	127,924
Scheduled term debt payments	-78,149	-85,230	-77,338
Capital debt repayment margin	-68,313	-178,468	50,586
Cash replacement allowance	-25,106	-11,146	-33,748
Replacement margin	-93,419	-189,614	16,837
Term debt coverage ratio	0.13	-1.09	1.65
Replacement coverage ratio	0.10	-0.97	1.15

Table 39

Balance Sheet at Cost Values
2009 MI Dairy (100-249 Cows)
(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	50		12		13	
Assets						
Current Farm Assets						
Cash and checking balance	31,062	35,417	13,715	17,568	31,716	34,343
Prepaid expenses & supplies	28,542	26,885	14,619	4,945	29,172	32,653
Growing crops	11,714	15,678	10,668	22,687	9,677	10,338
Accounts receivable	35,408	27,968	36,275	35,338	23,246	29,762
Hedging accounts	91	595	83	0	274	2,290
Crops held for sale or feed	186,354	197,006	155,608	144,592	211,035	242,282
Crops under government loan	3,225	3,965	0	0	0	1,864
Market livestock held for sale	12,783	12,781	7,792	9,506	6,194	8,772
Other current assets	1,225	3,814	383	83	2,744	12,035
Total current farm assets	310,404	324,108	239,143	234,719	314,057	374,341
Intermediate Farm Assets						
Breeding livestock	442,223	429,034	476,471	429,825	364,299	368,153
Machinery and equipment	144,000	131,559	96,639	84,044	135,471	122,034
Titled vehicles	1,296	1,366	2,941	2,358	1,115	0
Other intermediate assets	15,655	25,439	32,002	33,961	12,997	48,091
Total intermediate farm assets	603,173	587,397	608,053	550,188	513,882	538,278
Long Term Farm Assets						
Farm land	273,369	287,605	149,208	159,048	343,497	368,959
Buildings and improvements	170,956	182,646	207,139	206,277	181,774	248,108
Other long-term assets	58,277	56,000	1,416	1,326	14,761	8,839
Total long-term farm assets	502,602	526,251	357,763	366,651	540,032	625,906
Total Farm Assets	1,416,179	1,437,756	1,204,958	1,151,558	1,367,971	1,538,525
Total Nonfarm Assets	99,507	104,541	72,471	86,669	76,997	73,622
Total Assets	1,515,686	1,542,297	1,277,429	1,238,227	1,444,968	1,612,147
Liabilities						
Current Farm Liabilities						
Accrued interest	1,116	923	1,054	589	1,282	1,194
Accounts payable	24,927	42,545	17,326	62,909	25,467	33,403
Current notes	50,991	55,978	36,352	47,276	79,095	77,976
Government crop loans	1,703	1,585	0	0	0	1,864
Principal due on term debt	44,282	37,467	53,015	33,096	40,142	36,331
Total current farm liabilities	123,018	138,498	107,747	143,869	145,986	150,768
Total intermediate farm liabs	153,430	159,960	184,708	149,964	183,574	202,461
Total long term farm liabilities	333,642	372,104	308,020	271,163	363,153	495,788
Total farm liabilities	610,089	670,562	600,475	564,996	692,713	849,018
Total nonfarm liabilities	8,309	7,617	0	0	920	920
Total liabilities	618,399	678,180	600,475	564,996	693,633	849,938
Net worth (farm and nonfarm)	897,288	864,117	676,954	673,231	751,336	762,210
Net worth change		-33,170		-3,723		10,874
Percent net worth change		-4 %		-1 %		1 %
Ratio Analysis						
Current farm liabilities / assets	40 %	43 %	45 %	61 %	46 %	40 %
Intermediate farm liab. / assets	25 %	27 %	30 %	27 %	36 %	38 %
Long term farm liab. / assets	66 %	71 %	86 %	74 %	67 %	79 %
Total debt to asset ratio	41 %	44 %	47 %	46 %	48 %	53 %

Table 40

Balance Sheet at Market Values
2009 MI Dairy (100-249 Cows)
(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	50		12		13	
Assets						
Current Farm Assets						
Cash and checking balance	31,062	35,417	13,715	17,568	31,716	34,343
Prepaid expenses & supplies	28,542	26,885	14,619	4,945	29,172	32,653
Growing crops	11,714	15,678	10,668	22,687	9,677	10,338
Accounts receivable	35,408	27,968	36,275	35,338	23,246	29,762
Hedging accounts	91	595	83	0	274	2,290
Crops held for sale or feed	186,354	197,006	155,608	144,592	211,035	242,282
Crops under government loan	3,225	3,965	0	0	0	1,864
Market livestock held for sale	12,783	12,781	7,792	9,506	6,194	8,772
Other current assets	1,225	3,814	383	83	2,744	12,035
Total current farm assets	310,404	324,108	239,143	234,719	314,057	374,341
Intermediate Farm Assets						
Breeding livestock	456,265	439,675	480,721	430,112	406,299	407,107
Machinery and equipment	429,051	424,723	329,412	311,979	519,176	543,560
Titled vehicles	4,412	5,795	10,588	9,732	1,392	5,192
Other intermediate assets	20,627	31,439	34,504	35,225	12,997	48,091
Total intermediate farm assets	910,355	901,632	855,224	787,048	939,864	1,003,950
Long Term Farm Assets						
Farm land	754,373	764,339	420,160	408,827	722,883	754,860
Buildings and improvements	340,119	357,572	306,202	297,089	337,400	419,404
Other long-term assets	59,160	57,829	1,416	1,326	15,859	13,406
Total long-term farm assets	1,153,652	1,179,741	727,779	707,242	1,076,142	1,187,671
Total Farm Assets	2,374,411	2,405,481	1,822,146	1,729,009	2,330,064	2,565,962
Total Nonfarm Assets	200,478	205,834	175,131	188,291	262,244	262,330
Total Assets	2,574,889	2,611,315	1,997,276	1,917,299	2,592,307	2,828,291
Liabilities						
Current Farm Liabilities						
Accrued interest	1,116	923	1,054	589	1,282	1,194
Accounts payable	24,927	42,545	17,326	62,909	25,467	33,403
Current notes	50,991	55,978	36,352	47,276	79,095	77,976
Government crop loans	1,703	1,585	0	0	0	1,864
Principal due on term debt	44,282	37,467	53,015	33,096	40,142	36,331
Total current farm liabilities	123,018	138,498	107,747	143,869	145,986	150,768
Total intermediate farm liabs	153,430	159,960	184,708	149,964	183,574	202,461
Total long term farm liabilities	333,642	372,104	308,020	271,163	363,153	495,788
Total farm liabilities	610,089	670,562	600,475	564,996	692,713	849,018
Total nonfarm liabilities	8,309	7,617	0	0	920	920
Total liabs excluding deferreds	618,399	678,180	600,475	564,996	693,633	849,938
Total deferred liabilities	0	0	0	0	0	0
Total liabilities	618,399	678,180	600,475	564,996	693,633	849,938
Retained earnings	897,288	864,117	676,954	673,231	751,336	762,210
Market valuation equity	1,059,203	1,069,018	719,847	679,073	1,147,339	1,216,144
Net worth (farm and nonfarm)	1,956,490	1,933,135	1,396,801	1,352,304	1,898,674	1,978,354
Net worth excluding deferreds	1,956,490	1,933,135	1,396,801	1,352,304	1,898,674	1,978,354
Net worth change		-23,355		-44,497		79,679
Percent net worth change		-1 %		-3 %		4 %
Ratio Analysis						
Current farm liabilities / assets	40 %	43 %	45 %	61 %	46 %	40 %
Intermediate farm liab. / assets	17 %	18 %	22 %	19 %	20 %	20 %
Long term farm liab. / assets	29 %	32 %	42 %	38 %	34 %	42 %
Total debt to asset ratio	24 %	26 %	30 %	29 %	27 %	30 %
Debt to assets excl deferreds	24 %	26 %	30 %	29 %	27 %	30 %

Table 41

Statement Of Cash Flows
2009 MI Dairy (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	51	12	13
Beginning cash (farm & nonfarm)	48,933	13,715	32,162
Cash Provided By Operating Activities			
Gross cash farm income	687,965	587,833	721,776
Total cash farm expense	-618,153	-549,065	-598,333
Net cash from hedging transactions	-82	-471	112
Cash provided by operating	69,730	38,298	123,555
Cash Provided By Investing Activities			
Sale of breeding livestock	2,161	7,766	63
Sale of machinery & equipment	3,273	767	9,722
Sale of titled vehicles	235	-	-
Sale of farm land	-	-	-
Sale of farm buildings	34	-	0
Sale of other farm assets	840	563	725
Sale of nonfarm assets	3,843	236	-
Purchase of breeding livestock	-6,876	-6,606	-14,145
Purchase of machinery & equip.	-27,285	-9,377	-40,383
Purchase of titled vehicles	-1,039	-	-
Purchase of farm land	-16,673	-19,000	-28,372
Purchase of farm buildings	-31,782	-23,628	-93,598
Purchase of other farm assets	-13,787	-17,239	-29,234
Purchase of nonfarm assets	-2,406	-2,927	-
Cash provided by investing	-89,460	-69,446	-195,224
Cash Provided By Financing Activities			
Money borrowed	233,498	183,721	428,514
Principal payments	-192,291	-264,319	-280,060
Personal income	5,613	5,500	2,602
Family living/owner withdrawals	-58,632	-53,838	-66,022
Income and social security tax	-4,063	-1,725	-9,650
Capital contributions	110	467	-
Capital distributions	-278	-	-1,090
Dividends paid	-	-	-
Cash gifts and inheritances	42,216	172,305	-
Gifts given	-1,963	-7,111	-
Other cash flows	-	-	-
Cash provided by financing	24,208	35,001	74,295
Net change in cash balance	4,478	3,853	2,627
Ending cash (farm & nonfarm)	53,411	17,568	34,789

Table 42

Financial Standards Measures
2009 MI Dairy (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	51	12	13
Liquidity			
Current ratio	2.36	1.63	2.48
Working capital	188,920	90,850	223,573
Working capital to gross inc	28.3 %	17.6 %	29.2 %
Solvency (market)			
Farm debt to asset ratio	27 %	33 %	33 %
Farm equity to asset ratio	73 %	67 %	67 %
Farm debt to equity ratio	0.37	0.49	0.49
Profitability (cost)			
Rate of return on farm assets	-1.4 %	-11.2 %	7.5 %
Rate of return on farm equity	-6.1 %	-27.0 %	10.7 %
Operating profit margin	-3.9 %	-37.2 %	17.3 %
Net farm income	-21,131	-121,669	91,320
EBIDTA	64,699	-46,519	199,781
Repayment Capacity			
Capital debt repayment capacity	9,836	-93,237	127,924
Capital debt repayment margin	-68,313	-178,468	50,586
Replacement margin	-93,419	-189,614	16,837
Term debt coverage ratio	0.13	-1.09	1.65
Replacement coverage ratio	0.10	-0.97	1.15
Efficiency			
Asset turnover rate (cost)	35.0 %	30.1 %	43.5 %
Operating expense ratio	90.3 %	109.0 %	73.9 %
Depreciation expense ratio	8.4 %	9.0 %	9.5 %
Interest expense ratio	4.5 %	5.7 %	4.7 %
Net farm income ratio	-3.2 %	-23.6 %	11.9 %

Table 43

Operator and Labor Information
2009 MI Dairy (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	51	12	13
Operator Information			
Average number of operators	1.5	1.4	1.4
Average age of operators	49.0	46.0	54.6
Average number of years farming	23.2	17.3	30.8
Results Per Operator			
Working capital	126,775	64,129	161,469
Total assets (market)	1,779,314	1,353,388	2,042,655
Total liabilities	452,351	398,821	613,844
Net worth (market)	1,326,962	954,567	1,428,811
Net worth excl deferred liabs	1,326,962	954,567	1,428,811
Gross farm income	447,801	364,551	553,104
Total farm expense	461,943	450,435	487,151
Net farm income from operations	-14,142	-85,884	65,954
Net nonfarm income	3,767	3,882	1,879
Family living & tax withdrawals	42,072	39,221	54,652
Total acres owned	320.1	187.6	238.1
Total crop acres	541.1	471.7	604.6
Crop acres owned	313.2	179.7	335.8
Crop acres cash rented	223.0	292.0	268.8
Crop acres share rented	4.9	-	-
Total pasture acres	1.5	-	5.7
Labor Analysis			
Number of farms	49	11	13
Total unpaid labor hours	4,701	4,771	4,685
Total hired labor hours	7,456	6,000	7,021
Total labor hours per farm	12,157	10,771	11,707
Unpaid hours per operator	3,199	3,749	3,384
Value of farm production / hour	41.89	34.79	54.00
Net farm income / unpaid hour	-4.25	-24.69	19.49
Average hourly hired labor wage	11.99	12.71	10.88
Partnerships & LLCs			
Number of farms	13	3	2
Number of operators	2.4	-	-
Owner withdrawals per farm	-	-	-
Withdrawals per operator	-	-	-

Table 44

Financial Summary
2009 MI Dairy (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	51	12	13
Income Statement			
Gross cash farm income	687,965	587,833	721,776
Total cash farm expense	618,153	549,065	598,333
Net cash farm income	69,812	38,769	123,443
Inventory change	-35,058	-114,158	40,354
Depreciation	-55,829	-46,280	-72,477
Net farm income from operations	-21,075	-121,669	91,320
Gain or loss on capital sales	-56	-	-
Average net farm income	-21,131	-121,669	91,320
Median net farm income	-13,022	-114,722	44,759
Profitability (cost)			
Rate of return on assets	-1.4 %	-11.2 %	7.5 %
Rate of return on equity	-6.1 %	-27.0 %	10.7 %
Operating profit margin	-3.9 %	-37.2 %	17.3 %
Asset turnover rate	35.0 %	30.1 %	43.5 %
Profitability (market)			
Rate of return on assets	-0.4 %	-9.7 %	7.1 %
Rate of return on equity	-2.3 %	-16.8 %	8.3 %
Operating profit margin	-2.1 %	-48.5 %	27.6 %
Asset turnover rate	20.8 %	20.0 %	25.8 %
Liquidity & Repayment (end of year)			
Current assets	327,466	234,719	374,341
Current liabilities	138,547	143,869	150,768
Current ratio	2.36	1.63	2.48
Working capital	188,920	90,850	223,573
Working capital to gross inc	28.3 %	17.6 %	29.2 %
Term debt coverage ratio	0.13	-1.09	1.65
Replacement coverage ratio	0.10	-0.97	1.15
Solvency (end of year at cost)			
Number of farms	51	12	13
Total farm assets	1,454,432	1,151,558	1,538,525
Total farm liabilities	666,624	564,996	849,018
Total assets	1,556,923	1,238,227	1,612,147
Total liabilities	674,092	564,996	849,938
Net worth	882,831	673,231	762,210
Net worth change	-34,933	-3,723	10,874
Farm debt to asset ratio	46 %	49 %	55 %
Total debt to asset ratio	43 %	46 %	53 %
Solvency (end of year at market)			
Number of farms	51	12	13
Total farm assets	2,449,728	1,729,009	2,565,962
Total farm liabilities	666,624	564,996	849,018
Total assets	2,651,526	1,917,299	2,828,291
Total liabilities	674,092	564,996	849,938
Net worth	1,977,434	1,352,304	1,978,354
Net worth change	-25,704	-44,497	79,679
Farm debt to asset ratio	27 %	33 %	33 %
Total debt to asset ratio	25 %	29 %	30 %
Nonfarm Information			
Net nonfarm income	5,613	5,500	2,602
Crop Acres			
Total acres owned	477	266	330
Total crop acres	806	668	837
Total crop acres owned	467	255	465
Total crop acres cash rented	332	414	372
Total crop acres share rented	7	-	-

D. Financial Summary Information, Herds with 250-449 Cows

Table 45 Crop Production and Marketing Summary
2009 MI Dairy (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Dairy			
Number of farms	26	6	7
Average number of cows,	325	359	334
Milk production per cow lbs.,	24,089	22,368	24,529
Average milk price per cwt.,	\$13.65	\$12.69	\$15.01
Acreage Summary			
Total acres owned	481	560	523
Total crop acres	1,040	1,364	1,502
Crop acres owned	624	568	971
Crop acres cash rented	399	796	531
Crop acres share rented	16	-	-
Total pasture acres	5	-	17
Percent crop acres owned	60 %	42 %	65 %
Average Price Received (Cash Sales Only)			
Corn per bushel	3.76	-	-
Soybeans per bushel	10.10	-	-
Wheat, Winter per bushel	3.77	-	-

Average Yield Per Acre

Table 46

Farm Income Statement
2009 MI Dairy (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	26	6	7
Cash Farm Income			
Beans, Navy	1,175	-	4,362
Corn	61,125	130,062	47,055
Corn Silage	6,824	0	25,345
Hay, Mixed	512	-	1,775
Haylage, Mixed	3,221	13,956	-
Rye	82	-	305
Soybeans	51,054	105,879	82,691
Speltz	14,421	-	53,564
Straw	105	189	154
Wheat, Winter	12,799	24,652	11,732
Beef Cow-Calf, Beef Calves	245	-	-
Dairy, Milk	1,075,726	1,033,851	1,224,614
Dairy, Dairy Calves	5,470	4,092	5,264
Dairy Heifers (for sale)	1,545	6,600	-
Dairy Replacement Heifers	145	-	-
Dairy Finishing	9,785	7,173	25,737
Sheep, Market Lamb Prod, Mkt Lamb	30	-	113
Dairy Feeder	1,915	-	4,803
Cull breeding livestock	44,513	45,590	39,191
Misc. livestock income	8,098	46	-
Direct & CC govt payments	35,864	45,590	60,367
Other government payments	66,091	92,498	64,805
Custom work income	4,309	1,033	9,670
Patronage dividends, cash	8,269	3,171	8,240
Insurance income	54,824	112,011	105,479
Other farm income	29,713	2,214	64,030
Gross Cash Farm Income	1,494,668	1,614,650	1,839,296

Table 46

Farm Income Statement (Continued)

2009 MI Dairy (250-449 Cows)

(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	26	6	7
Cash Farm Expense			
Seed	30,050	48,883	32,738
Fertilizer	61,076	100,797	67,346
Crop chemicals	27,953	52,934	29,846
Crop insurance	2,578	6,060	1,314
Drying expense	1,307	2,188	-
Irrigation energy	122	531	-
Crop supplies	47	-	173
Crop hauling and trucking	111	-	414
Crop marketing	848	357	2,486
Crop miscellaneous	12,211	2,821	40,232
Feeder livestock purchase	179	-	664
Purchased feed	365,871	340,570	444,677
Breeding fees	12,757	15,806	10,120
Veterinary	47,753	52,154	48,846
Livestock supplies	33,026	49,360	21,334
DHIA	2,183	2,920	2,267
Contract production exp.	2,782	-	10,334
Livestock hired labor	7,210	-	-
Livestock leases	1,889	6,712	-
Livestock utilities	1,208	-	-
Livestock hauling and trucking	15,104	11,713	18,262
Livestock marketing	36,978	51,624	34,576
Bedding	4,753	10,199	3,655
Livestock miscellaneous	504	-	-
Interest	83,201	81,037	128,523
Packaging and supplies	6,052	-	-
Supplies	9,612	-	35,608
Fuel & oil	53,023	49,361	76,844
Repairs	68,409	56,886	117,466
Repair, machinery	4,071	-	257
Custom hire	65,416	112,158	33,165
Repair, buildings	31	136	-
Hired labor	221,325	266,700	255,935
Land rent	45,734	61,850	68,787
Machinery leases	6,603	8,347	11,184
Building leases	2,031	-	-
Real estate taxes	16,422	12,990	24,124
Personal property taxes	102	-	195
Farm insurance	26,852	19,540	45,585
Utilities	32,796	32,132	42,244
Hauling and trucking	1,190	-	3,270
Marketing	967	-	-
Dues & professional fees	10,065	13,371	13,234
Miscellaneous	17,233	14,617	23,172
Total cash expense	1,339,632	1,484,751	1,648,879
Net cash farm income	155,035	129,900	190,417

Inventory Changes			
Prepays and supplies	-17,518	-47,742	41,374
Accounts receivable	-37,288	-108,637	-27,060
Hedging accounts	20	593	-1,200
Other current assets	3,277	-921	3,806
Crops and feed	3,243	-4,076	38,175
Market livestock	1,479	4,295	4,700
Breeding livestock	-344	-51,721	60,357
Other assets	-1,243	-732	-5,791
Accounts payable	-60,776	-141,590	-45,031
Accrued interest	-890	696	189
Total inventory change	-110,041	-349,835	69,519
Net operating profit	44,994	-219,935	259,936
Depreciation			
Machinery and equipment	-82,541	-119,266	-125,782
Titled vehicles	-14	-	-54
Buildings and improvements	-77,823	-61,544	-112,165
Total depreciation	-160,378	-180,809	-238,001
Net farm income from operations	-115,384	-400,744	21,935
Gain or loss on capital sales	0	0	-
Net farm income	-115,384	-400,744	21,935

Table 47

Inventory Changes
2009 MI Dairy (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	26	6	7
Net cash farm income	155,035	129,900	190,417
Crops and Feed			
Ending inventory	394,057	443,189	551,678
Beginning inventory	390,814	447,265	513,504
Inventory change	3,243	-4,076	38,175
Market Livestock			
Ending inventory	17,712	21,314	43,893
Beginning inventory	16,234	17,019	39,193
Inventory change	1,479	4,295	4,700
Accts Receivable			
Ending inventory	79,966	79,962	78,174
Beginning inventory	117,254	188,599	105,234
Inventory change	-37,288	-108,637	-27,060
Prepaid Expenses and Supplies			
Ending inventory	33,931	33,826	62,610
Beginning inventory	51,449	81,568	21,235
Inventory change	-17,518	-47,742	41,374
Hedging Activities			
Ending inventory	425	593	1,071
Withdrawals	-15	-	-1,200
Beginning inventory	288	-	1,071
Deposits	102	-	-
Gain or loss	20	593	-1,200
Other Current Assets			
Ending inventory	44,267	19,964	105,649
Beginning inventory	40,990	20,885	101,843
Inventory change	3,277	-921	3,806
Breeding Livestock			
Ending inventory	834,479	904,500	912,243
Capital sales	8,187	1,399	19,413
Beginning inventory	806,914	919,779	813,833
Capital purchases	36,097	37,841	57,466
Depreciation, capital adjust	-344	-51,721	60,357
Other Capital Assets			
Ending inventory	66,071	127,464	25,322
Capital sales	17,164	46,902	17,075
Beginning inventory	67,515	136,953	41,732
Capital purchases	16,964	38,146	6,457
Depreciation, capital adjust	-1,243	-732	-5,791
Accounts Payable			
Beginning inventory	24,917	58,962	5,268
Ending inventory	85,693	200,552	50,299
Inventory change	-60,776	-141,590	-45,031
Accrued Interest			
Beginning inventory	1,887	3,207	2,022
Ending inventory	2,777	2,511	1,832
Inventory change	-890	696	189
Total inventory change	-110,041	-349,835	69,519
Net operating profit	44,994	-219,935	259,936

Table 48

Depreciation
2009 MI Dairy (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	26	6	7
Net operating profit	44,994	-219,935	259,936
Machinery and Equipment			
Ending inventory	280,181	290,647	276,835
Capital sales	2,104	1,808	3,949
Beginning inventory	303,073	360,300	322,410
Capital purchases	61,752	51,421	84,156
Depreciation, capital adjust.	-82,541	-119,266	-125,782
Titled Vehicles			
Ending inventory	2,631	-	304
Capital sales	-	-	-
Beginning inventory	722	-	357
Capital purchases	1,923	-	-
Depreciation, capital adjust.	-14	-	-54
Buildings and Improvements			
Ending inventory	424,570	359,666	416,338
Capital sales	2,820	11,934	-
Beginning inventory	369,366	363,306	428,032
Capital purchases	135,846	69,838	100,471
Depreciation, capital adjust.	-77,823	-61,544	-112,165
Total depreciation, capital adj.	-160,378	-180,809	-238,001
Net farm income from operations	-115,384	-400,744	21,935
Gain or loss on capital sales	0	0	-
Net farm income	-115,384	-400,744	21,935

Table 49

Profitability Measures
2009 MI Dairy (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	26	6	7
Profitability (assets valued at cost)			
Net farm income from operations	-115,384	-400,744	21,935
Rate of return on assets	-2.8 %	-11.9 %	3.3 %
Rate of return on equity	-12.7 %	-31.1 %	-1.2 %
Operating profit margin	-7.5 %	-32.7 %	7.9 %
Asset turnover rate	37.4 %	36.4 %	42.0 %
Farm interest expense	84,091	80,340	128,333
Value of operator lbr and mgmt.	50,386	44,200	35,057
Return on farm assets	-81,679	-364,604	115,212
Average farm assets	2,930,546	3,057,272	3,481,129
Return on farm equity	-165,770	-444,944	-13,122
Average farm equity	1,300,305	1,432,571	1,112,520
Value of farm production	1,094,891	1,113,756	1,461,376
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	26	6	7
Profitability (assets valued at market)			
Net farm income from operations	-11,008	-344,167	339,367
Rate of return on assets	0.5 %	-7.0 %	7.6 %
Rate of return on equity	-2.0 %	-14.1 %	9.2 %
Operating profit margin	2.1 %	-27.7 %	29.6 %
Asset turnover rate	23.6 %	25.4 %	25.7 %
Farm interest expense	84,091	80,340	128,333
Value of operator lbr and mgmt.	50,386	44,200	35,057
Return on farm assets	22,697	-308,027	432,643
Average farm assets	4,649,168	4,386,915	5,682,682
Return on farm equity	-61,394	-388,367	304,310
Average farm equity	3,018,927	2,762,214	3,314,072
Value of farm production	1,094,891	1,113,756	1,461,376

Table 50

Liquidity & Repayment Capacity Measures

2009 MI Dairy (250-449 Cows)

(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	26	6	7
Liquidity			
Current ratio	1.95	1.23	3.00
Working capital	323,025	130,473	652,079
Working capital to gross inc	22.1 %	9.0 %	34.2 %
Current assets	662,135	698,451	977,537
Current liabilities	339,110	567,979	325,457
Gross revenues (accrual)	1,460,941	1,454,325	1,906,718
Repayment capacity			
Net farm income from operations	-115,384	-400,744	21,935
Depreciation	160,378	180,809	238,001
Personal income	14,705	1,658	32,528
Family living/owner withdrawals	-79,573	-102,135	-50,538
Payments on personal debt	-4,138	-596	-
Income taxes paid	-920	-375	-488
Interest on term debt	86,713	70,837	146,070
Capital debt repayment capacity	61,780	-250,546	387,508
Scheduled term debt payments	-159,681	-143,371	-205,219
Capital debt repayment margin	-97,901	-393,916	182,289
Cash replacement allowance	-40,483	-30,422	-58,225
Replacement margin	-138,384	-424,339	124,063
Term debt coverage ratio	0.39	-1.75	1.89
Replacement coverage ratio	0.31	-1.44	1.47

Table 51

Balance Sheet at Cost Values
2009 MI Dairy (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
	25		6		7	
Number of farms	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	36,914	75,258	91,630	99,603	26,231	66,762
Prepaid expenses & supplies	51,987	33,769	81,568	33,826	21,235	62,610
Growing crops	27,323	29,504	20,769	19,896	51,861	57,426
Accounts receivable	119,068	80,463	188,599	79,962	105,234	78,174
Hedging accounts	300	442	0	593	1,071	1,071
Crops held for sale or feed	382,419	405,965	447,265	443,189	480,539	584,643
Crops under government loan	28,186	10,695	0	0	100,665	34,736
Market livestock held for sale	16,603	18,262	17,019	21,314	39,193	43,893
Other current assets	14,023	14,446	115	68	49,982	48,223
Total current farm assets	676,823	668,805	846,966	698,451	876,011	977,537
Intermediate Farm Assets						
Breeding livestock	807,388	841,850	919,779	904,500	813,833	912,243
Machinery and equipment	302,107	274,751	360,300	290,647	322,410	276,835
Titled vehicles	100	2,085	0	0	357	304
Other intermediate assets	41,216	42,805	74,950	62,367	8,393	8,586
Total intermediate farm assets	1,150,811	1,161,491	1,355,029	1,257,514	1,144,993	1,197,968
Long Term Farm Assets						
Farm land	651,486	743,070	499,456	607,055	876,766	994,539
Buildings and improvements	370,980	429,079	363,306	359,666	428,032	416,338
Other long-term assets	28,999	25,909	62,003	65,097	33,338	16,735
Total long-term farm assets	1,051,465	1,198,059	924,765	1,031,818	1,338,137	1,427,612
Total Farm Assets	2,879,100	3,028,355	3,126,760	2,987,783	3,359,141	3,603,117
Total Nonfarm Assets	296,087	250,768	446,863	232,398	41,857	41,857
Total Assets	3,175,187	3,279,123	3,573,622	3,220,182	3,400,998	3,644,974
Liabilities						
Current Farm Liabilities						
Accrued interest	1,771	2,747	3,207	2,511	2,022	1,832
Accounts payable	25,913	89,120	58,962	200,552	5,268	50,299
Current notes	162,345	171,842	319,669	304,987	188,483	201,211
Government crop loans	5,452	6,500	0	0	19,472	19,753
Principal due on term debt	72,557	76,825	72,534	59,929	59,149	52,363
Total current farm liabilities	268,038	347,034	454,371	567,979	274,393	325,457
Total intermediate farm liabs	263,776	248,912	282,037	383,882	494,573	293,099
Total long term farm liabilities	977,167	1,248,297	725,836	835,297	1,443,583	1,906,114
Total farm liabilities	1,508,981	1,844,243	1,462,244	1,787,158	2,212,548	2,524,670
Total nonfarm liabilities	42,817	47,739	26,091	34,541	0	0
Total liabilities	1,551,797	1,891,982	1,488,335	1,821,699	2,212,548	2,524,670
Net worth (farm and nonfarm)	1,623,390	1,387,141	2,085,287	1,398,483	1,188,450	1,120,304
Net worth change		-236,249		-686,805		-68,146
Percent net worth change		-15 %		-33 %		-6 %
Ratio Analysis						
Current farm liabilities / assets	40 %	52 %	54 %	81 %	31 %	33 %
Intermediate farm liab. / assets	23 %	21 %	21 %	31 %	43 %	24 %
Long term farm liab. / assets	93 %	104 %	78 %	81 %	108 %	134 %
Total debt to asset ratio	49 %	58 %	42 %	57 %	65 %	69 %

Table 52

Balance Sheet at Market Values
2009 MI Dairy (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
	25		6		7	
Number of farms	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	36,914	75,258	91,630	99,603	26,231	66,762
Prepaid expenses & supplies	51,987	33,769	81,568	33,826	21,235	62,610
Growing crops	27,323	29,504	20,769	19,896	51,861	57,426
Accounts receivable	119,068	80,463	188,599	79,962	105,234	78,174
Hedging accounts	300	442	0	593	1,071	1,071
Crops held for sale or feed	382,419	405,965	447,265	443,189	480,539	584,643
Crops under government loan	28,186	10,695	0	0	100,665	34,736
Market livestock held for sale	16,603	18,262	17,019	21,314	39,193	43,893
Other current assets	14,023	14,446	115	68	49,982	48,223
Total current farm assets	676,823	668,805	846,966	698,451	876,011	977,537
Intermediate Farm Assets						
Breeding livestock	876,106	906,926	919,779	904,500	958,904	1,066,215
Machinery and equipment	712,854	730,882	766,780	706,852	845,998	939,268
Titled vehicles	5,975	8,259	0	0	2,964	2,893
Other intermediate assets	45,080	48,160	74,950	62,367	8,393	8,586
Total intermediate farm assets	1,640,015	1,694,228	1,761,509	1,673,719	1,816,259	2,016,962
Long Term Farm Assets						
Farm land	1,442,959	1,555,503	1,112,198	1,279,865	1,933,710	2,101,424
Buildings and improvements	727,453	831,004	647,342	630,273	742,659	850,727
Other long-term assets	29,182	25,504	60,101	63,408	33,338	16,735
Total long-term farm assets	2,199,594	2,412,010	1,819,640	1,973,545	2,709,707	2,968,887
Total Farm Assets	4,516,433	4,775,042	4,428,115	4,345,715	5,401,978	5,963,386
Total Nonfarm Assets	377,557	323,187	501,720	231,510	176,571	192,030
Total Assets	4,893,990	5,098,230	4,929,835	4,577,225	5,578,549	6,155,415
Liabilities						
Current Farm Liabilities						
Accrued interest	1,771	2,747	3,207	2,511	2,022	1,832
Accounts payable	25,913	89,120	58,962	200,552	5,268	50,299
Current notes	162,345	171,842	319,669	304,987	188,483	201,211
Government crop loans	5,452	6,500	0	0	19,472	19,753
Principal due on term debt	72,557	76,825	72,534	59,929	59,149	52,363
Total current farm liabilities	268,038	347,034	454,371	567,979	274,393	325,457
Total intermediate farm liabs	263,776	248,912	282,037	383,882	494,573	293,099
Total long term farm liabilities	977,167	1,248,297	725,836	835,297	1,443,583	1,906,114
Total farm liabilities	1,508,981	1,844,243	1,462,244	1,787,158	2,212,548	2,524,670
Total nonfarm liabilities	42,817	47,739	26,091	34,541	0	0
Total liabs excluding deferreds	1,551,797	1,891,982	1,488,335	1,821,699	2,212,548	2,524,670
Total deferred liabilities	0	0	0	0	0	0
Total liabilities	1,551,797	1,891,982	1,488,335	1,821,699	2,212,548	2,524,670
Retained earnings	1,623,390	1,387,141	2,085,287	1,398,483	1,188,450	1,120,304
Market valuation equity	1,718,803	1,819,107	1,356,213	1,357,044	2,177,551	2,510,441
Net worth (farm and nonfarm)	3,342,193	3,206,247	3,441,500	2,755,526	3,366,001	3,630,745
Net worth excluding deferreds	3,342,193	3,206,247	3,441,500	2,755,526	3,366,001	3,630,745
Net worth change		-135,945		-685,974		264,744
Percent net worth change		-4 %		-20 %		8 %
Ratio Analysis						
Current farm liabilities / assets	40 %	52 %	54 %	81 %	31 %	33 %
Intermediate farm liab. / assets	16 %	15 %	16 %	23 %	27 %	15 %
Long term farm liab. / assets	44 %	52 %	40 %	42 %	53 %	64 %
Total debt to asset ratio	32 %	37 %	30 %	40 %	40 %	41 %
Debt to assets excl deferreds	32 %	37 %	30 %	40 %	40 %	41 %

Table 53

Statement Of Cash Flows
2009 MI Dairy (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	26	6	7
Beginning cash (farm & nonfarm)	36,767	91,630	26,231
Cash Provided By Operating Activities			
Gross cash farm income	1,494,668	1,614,650	1,839,296
Total cash farm expense	-1,339,632	-1,484,751	-1,648,879
Net cash from hedging transactions	-117	-	-1,200
Cash provided by operating	154,918	129,900	189,217
Cash Provided By Investing Activities			
Sale of breeding livestock	8,187	1,399	19,413
Sale of machinery & equipment	2,104	1,808	3,949
Sale of titled vehicles	-	-	-
Sale of farm land	16,930	63,579	8,387
Sale of farm buildings	2,820	11,934	-
Sale of other farm assets	17,164	46,902	17,075
Sale of nonfarm assets	1,250	-	817
Purchase of breeding livestock	-36,097	-37,841	-57,466
Purchase of machinery & equip.	-61,752	-51,421	-84,156
Purchase of titled vehicles	-1,923	-	-
Purchase of farm land	-103,091	-158,996	-129,714
Purchase of farm buildings	-135,846	-69,838	-100,471
Purchase of other farm assets	-16,964	-38,146	-6,457
Purchase of nonfarm assets	-20,719	-69,417	-15,958
Cash provided by investing	-327,938	-300,036	-344,582
Cash Provided By Financing Activities			
Money borrowed	666,653	703,367	704,361
Principal payments	-403,251	-519,347	-437,080
Personal income	14,705	1,658	32,528
Family living/owner withdrawals	-79,573	-102,135	-50,538
Income and social security tax	-920	-375	-488
Capital contributions	-	-	-
Capital distributions	-14,298	-	-53,107
Dividends paid	-	-	-
Cash gifts and inheritances	26,946	94,940	221
Gifts given	-291	-	-
Other cash flows	-	-	-
Cash provided by financing	209,971	178,108	195,896
Net change in cash balance	36,951	7,972	40,531
Ending cash (farm & nonfarm)	73,718	99,603	66,762

Table 54

Financial Standards Measures
2009 MI Dairy (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	26	6	7
Liquidity			
Current ratio	1.95	1.23	3.00
Working capital	323,025	130,473	652,079
Working capital to gross inc	22.1 %	9.0 %	34.2 %
Solvency (market)			
Farm debt to asset ratio	38 %	41 %	42 %
Farm equity to asset ratio	62 %	59 %	58 %
Farm debt to equity ratio	0.60	0.70	0.73
Profitability (cost)			
Rate of return on farm assets	-2.8 %	-11.9 %	3.3 %
Rate of return on farm equity	-12.7 %	-31.1 %	-1.2 %
Operating profit margin	-7.5 %	-32.7 %	7.9 %
Net farm income	-115,384	-400,744	21,935
EBIDTA	129,085	-139,594	388,269
Repayment Capacity			
Capital debt repayment capacity	61,780	-250,546	387,508
Capital debt repayment margin	-97,901	-393,916	182,289
Replacement margin	-138,384	-424,339	124,063
Term debt coverage ratio	0.39	-1.75	1.89
Replacement coverage ratio	0.31	-1.44	1.47
Efficiency			
Asset turnover rate (cost)	37.4 %	36.4 %	42.0 %
Operating expense ratio	91.2 %	109.6 %	79.6 %
Depreciation expense ratio	11.0 %	12.4 %	12.5 %
Interest expense ratio	5.7 %	5.6 %	6.7 %
Net farm income ratio	-7.9 %	-27.6 %	1.2 %

Table 55

Operator and Labor Information
2009 MI Dairy (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	26	6	7
Operator Information			
Average number of operators	1.7	1.7	1.3
Average age of operators	45.3	45.4	41.2
Average number of years farming	22.5	27.9	16.8
Results Per Operator			
Working capital	190,879	78,284	507,173
Total assets (market)	3,002,678	2,746,335	4,787,545
Total liabilities	1,085,665	1,093,019	1,963,633
Net worth (market)	1,917,013	1,653,316	2,823,913
Net worth excl deferred liabs	1,917,013	1,653,316	2,823,913
Gross farm income	863,283	872,595	1,483,003
Total farm expense	931,465	1,113,042	1,465,942
Net farm income from operations	-68,181	-240,447	17,061
Net nonfarm income	8,689	995	25,299
Family living & tax withdrawals	47,565	61,505	39,687
Total acres owned	284.2	336.2	407.0
Total crop acres	614.7	818.6	1,167.9
Crop acres owned	368.9	340.8	755.1
Crop acres cash rented	236.1	477.8	412.8
Crop acres share rented	9.7	-	-
Total pasture acres	2.7	-	13.3
Labor Analysis			
Number of farms	26	6	7
Total unpaid labor hours	4,819	4,415	5,224
Total hired labor hours	15,328	15,095	17,130
Total labor hours per farm	20,148	19,510	22,354
Unpaid hours per operator	2,848	2,649	4,063
Value of farm production / hour	54.34	57.09	65.37
Net farm income / unpaid hour	-23.94	-90.77	4.20
Average hourly hired labor wage	14.91	17.67	14.94
Partnerships & LLCs			
Number of farms	12	4	3
Number of operators	2.2	-	-
Owner withdrawals per farm	-	-	-
Withdrawals per operator	-	-	-

Table 56

Financial Summary
2009 MI Dairy (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	26	6	7
Income Statement			
Gross cash farm income	1,494,668	1,614,650	1,839,296
Total cash farm expense	1,339,632	1,484,751	1,648,879
Net cash farm income	155,035	129,900	190,417
Inventory change	-110,041	-349,835	69,519
Depreciation	-160,378	-180,809	-238,001
Net farm income from operations	-115,384	-400,744	21,935
Gain or loss on capital sales	0	0	-
Average net farm income	-115,384	-400,744	21,935
Median net farm income	-77,566	-355,344	-1,734
Profitability (cost)			
Rate of return on assets	-2.8 %	-11.9 %	3.3 %
Rate of return on equity	-12.7 %	-31.1 %	-1.2 %
Operating profit margin	-7.5 %	-32.7 %	7.9 %
Asset turnover rate	37.4 %	36.4 %	42.0 %
Profitability (market)			
Rate of return on assets	0.5 %	-7.0 %	7.6 %
Rate of return on equity	-2.0 %	-14.1 %	9.2 %
Operating profit margin	2.1 %	-27.7 %	29.6 %
Asset turnover rate	23.6 %	25.4 %	25.7 %
Liquidity & Repayment (end of year)			
Current assets	662,135	698,451	977,537
Current liabilities	339,110	567,979	325,457
Current ratio	1.95	1.23	3.00
Working capital	323,025	130,473	652,079
Working capital to gross inc	22.1 %	9.0 %	34.2 %
Term debt coverage ratio	0.39	-1.75	1.89
Replacement coverage ratio	0.31	-1.44	1.47
Solvency (end of year at cost)			
Number of farms	26	6	7
Total farm assets	2,999,888	2,987,783	3,603,117
Total farm liabilities	1,791,377	1,787,158	2,524,670
Total assets	3,241,012	3,220,182	3,644,974
Total liabilities	1,837,280	1,821,699	2,524,670
Net worth	1,403,732	1,398,483	1,120,304
Net worth change	-231,895	-686,805	-68,146
Farm debt to asset ratio	60 %	60 %	70 %
Total debt to asset ratio	57 %	57 %	69 %
Solvency (end of year at market)			
Number of farms	26	6	7
Total farm assets	4,770,698	4,345,715	5,963,386
Total farm liabilities	1,791,377	1,787,158	2,524,670
Total assets	5,081,455	4,577,225	6,155,415
Total liabilities	1,837,280	1,821,699	2,524,670
Net worth	3,244,175	2,755,526	3,630,745
Net worth change	-136,222	-685,974	264,744
Farm debt to asset ratio	38 %	41 %	42 %
Total debt to asset ratio	36 %	40 %	41 %
Nonfarm Information			
Net nonfarm income	14,705	1,658	32,528
Crop Acres			
Total acres owned	481	560	523
Total crop acres	1,040	1,364	1,502
Total crop acres owned	624	568	971
Total crop acres cash rented	399	796	531
Total crop acres share rented	16	-	-

E. Financial Summary Information, Herds with 450+ Cows

Table 57 Crop Production and Marketing Summary
2009 MI Dairy 450+ cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms
Dairy	
Number of farms	14
Average number of cows	658
Milk production per cow lbs.,	25,737
Average milk price per cwt.,	\$13.52
Acreage Summary	
Total acres owned	627
Total crop acres	1,386
Crop acres owned	667
Crop acres cash rented	715
Crop acres share rented	4
Total pasture acres	-
Percent crop acres owned	48 %
Average Price Received (Cash Sales Only)	
Wheat, Winter per bushel	3.46

Table 58

Farm Income Statement
2009 MI Dairy 450+ cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms
Number of farms	14
Cash Farm Income	
Cordwood	307
Corn	42,746
Soybeans	34,612
Sugar Beets	16,714
Wheat, Winter	20,818
Miscellaneous crop income	54
Dairy, Milk	2,287,765
Dairy, Dairy Calves	29,463
Dairy Replacement Heifers	1,994
Dairy Finishing	11,918
Cull breeding livestock	98,595
Misc. livestock income	1,396
Direct & CC govt payments	34,828
Other government payments	92,399
Custom work income	28,565
Patronage dividends, cash	36,844
Insurance income	16,188
Other farm income	63,185
Gross Cash Farm Income	2,818,392

Table 58

Farm Income Statement (Continued)

2009 MI Dairy 450+ cows

(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms
Number of farms	14
Cash Farm Expense	
Seed	63,118
Fertilizer	73,254
Crop chemicals	28,762
Crop insurance	7,273
Storage	224
Crop miscellaneous	11,699
Purchased feed	690,917
Breeding fees	30,702
Veterinary	89,174
Livestock supplies	94,151
DHIA	3,518
Hauling and trucking	30,725
Livestock marketing	77,639
Bedding	11,517
Interest	138,818
Packaging and supplies	15,536
Supplies	8,293
Fuel & oil	79,591
Repairs	139,728
Repair, machinery	7,432
Custom hire	160,735
Repair, buildings	1,973
Hired labor	491,582
Land rent	77,364
Machinery leases	10,564
Real estate taxes	16,249
Personal property taxes	184
Farm insurance	31,323
Utilities	72,458
Marketing	1,795
Dues & professional fees	13,664
Miscellaneous	49,621
Total cash expense	2,529,581
Net cash farm income	288,810
Inventory Changes	
Prepays and supplies	-46,328
Accounts receivable	-66,912
Hedging accounts	254
Other current assets	1,119
Crops and feed	-79,373
Market livestock	-1,979
Breeding livestock	92,580
Other assets	-2,985
Accounts payable	-97,446
Accrued interest	692

Total inventory change	-200,378
Net operating profit	88,432
Depreciation	
Machinery and equipment	-184,324
Titled vehicles	1,464
Buildings and improvements	-110,284
Total depreciation	-293,144
Net farm income from operations	-204,712
Gain or loss on capital sales	-
Net farm income	-204,712

Table 59

Inventory Changes
2009 MI Dairy 450+ cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms
Number of farms	14
Net cash farm income	288,810
Crops and Feed	
Ending inventory	599,136
Beginning inventory	678,509
Inventory change	-79,373
Market Livestock	
Ending inventory	22,611
Beginning inventory	24,590
Inventory change	-1,979
Accts Receivable	
Ending inventory	118,055
Beginning inventory	184,967
Inventory change	-66,912
Prepaid Expenses and Supplies	
Ending inventory	94,591
Beginning inventory	140,919
Inventory change	-46,328
Hedging Activities	
Ending inventory	254
Withdrawals	-
Beginning inventory	-
Deposits	-
Gain or loss	254
Other Current Assets	
Ending inventory	22,931
Beginning inventory	21,812
Inventory change	1,119
Breeding Livestock	
Ending inventory	1,657,582
Capital sales	12,505
Beginning inventory	1,543,000
Capital purchases	34,507
Depreciation, capital adjust	92,580
Other Capital Assets	
Ending inventory	223,283
Capital sales	63,106
Beginning inventory	218,605
Capital purchases	70,769
Depreciation, capital adjust	-2,985
Accounts Payable	
Beginning inventory	75,369
Ending inventory	172,815
Inventory change	-97,446
Accrued Interest	
Beginning inventory	10,376
Ending inventory	9,684
Inventory change	692
Total inventory change	-200,378
Net operating profit	88,432

Table 60

Depreciation
2009 MI Dairy 450+ cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms
Number of farms	14
Net operating profit	88,432
Machinery and Equipment	
Ending inventory	521,849
Capital sales	3,425
Beginning inventory	619,955
Capital purchases	89,643
Depreciation, capital adjust.	-184,324
Titled Vehicles	
Ending inventory	1,464
Capital sales	-
Beginning inventory	-
Capital purchases	-
Depreciation, capital adjust.	1,464
Buildings and Improvements	
Ending inventory	947,976
Capital sales	577
Beginning inventory	886,180
Capital purchases	172,657
Depreciation, capital adjust.	-110,284
Total depreciation, capital adj.	-293,144
Net farm income from operations	-204,712
Gain or loss on capital sales	-
Net farm income	-204,712

Table 61

Profitability Measures
2009 MI Dairy 450+ cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms
Number of farms	14
Profitability (assets valued at cost)	
Net farm income from operations	-204,712
Rate of return on assets	-2.4 %
Rate of return on equity	-10.2 %
Operating profit margin	-6.0 %
Asset turnover rate	40.9 %
Farm interest expense	138,126
Value of operator lbr and mgmt.	57,262
Return on farm assets	-123,848
Average farm assets	5,056,940
Return on farm equity	-261,974
Average farm equity	2,566,532
Value of farm production	2,069,039

	Avg. Of All Farms
Number of farms	14
Profitability (assets valued at market)	
Net farm income from operations	-26,612
Rate of return on assets	0.7 %
Rate of return on equity	-1.5 %
Operating profit margin	2.6 %
Asset turnover rate	25.9 %
Farm interest expense	138,126
Value of operator lbr and mgmt.	57,262
Return on farm assets	54,251
Average farm assets	8,002,286
Return on farm equity	-83,875
Average farm equity	5,511,877
Value of farm production	2,069,039

Table 62

Liquidity & Repayment Capacity Measures

2009 MI Dairy 450+ cows

(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms
Number of farms	14
Liquidity	
Current ratio	1.69
Working capital	409,427
Working capital to gross inc	14.8 %
Current assets	999,238
Current liabilities	589,811
Gross revenues (accrual)	2,759,956
Repayment capacity	
Net farm income from operations	-204,712
Depreciation	293,144
Personal income	30,190
Family living/owner withdrawals	-86,754
Payments on personal debt	-1,157
Income taxes paid	-43,184
Interest on term debt	132,963
Capital debt repayment capacity	120,490
Scheduled term debt payments	-329,593
Capital debt repayment margin	-209,103
Cash replacement allowance	-25,918
Replacement margin	-235,022
Term debt coverage ratio	0.37
Replacement coverage ratio	0.34

Table 63

Balance Sheet at Cost Values
2009 MI Dairy 450+ cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	
Number of farms	14	
	Beginning	Ending
Assets		
Current Farm Assets		
Cash and checking balance	59,634	141,659
Prepaid expenses & supplies	140,919	94,591
Growing crops	21,792	22,931
Accounts receivable	184,967	118,055
Hedging accounts	0	254
Crops held for sale or feed	678,509	599,136
Crops under government loan	0	0
Market livestock held for sale	24,590	22,611
Other current assets	20	0
Total current farm assets	1,110,431	999,238
Intermediate Farm Assets		
Breeding livestock	1,543,000	1,657,582
Machinery and equipment	619,955	521,849
Titled vehicles	0	1,464
Other intermediate assets	204,327	206,558
Total intermediate farm assets	2,367,281	2,387,453
Long Term Farm Assets		
Farm land	672,620	711,699
Buildings and improvements	886,180	947,976
Other long-term assets	14,278	16,725
Total long-term farm assets	1,573,078	1,676,400
Total Farm Assets	5,050,790	5,063,091
Total Nonfarm Assets	538,142	595,475
Total Assets	5,588,932	5,658,566
Liabilities		
Current Farm Liabilities		
Accrued interest	10,376	9,684
Accounts payable	75,369	172,815
Current notes	187,579	198,446
Government crop loans	0	0
Principal due on term debt	196,630	208,866
Total current farm liabilities	469,954	589,811
Total intermediate farm liabs	455,613	528,676
Total long term farm liabilities	1,420,635	1,516,129
Total farm liabilities	2,346,202	2,634,616
Total nonfarm liabilities	9,714	73,110
Total liabilities	2,355,916	2,707,726
Net worth (farm and nonfarm)	3,233,016	2,950,840
Net worth change		-282,177
Percent net worth change		-9 %
Ratio Analysis		
Current farm liabilities / assets	42 %	59 %
Intermediate farm liab. / assets	19 %	22 %
Long term farm liab. / assets	90 %	90 %
Total debt to asset ratio	42 %	48 %

Table 64

Balance Sheet at Market Values
2009 MI Dairy 450+ cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	
Number of farms	14	
	Beginning	Ending
Assets		
Current Farm Assets		
Cash and checking balance	59,634	141,659
Prepaid expenses & supplies	140,919	94,591
Growing crops	21,792	22,931
Accounts receivable	184,967	118,055
Hedging accounts	0	254
Crops held for sale or feed	678,509	599,136
Crops under government loan	0	0
Market livestock held for sale	24,590	22,611
Other current assets	20	0
Total current farm assets	1,110,431	999,238
Intermediate Farm Assets		
Breeding livestock	1,692,846	1,776,846
Machinery and equipment	1,073,870	1,073,809
Titled vehicles	24,586	26,011
Other intermediate assets	211,298	216,191
Total intermediate farm assets	3,002,600	3,092,858
Long Term Farm Assets		
Farm land	2,088,038	2,157,508
Buildings and improvements	1,691,412	1,831,881
Other long-term assets	14,606	16,001
Total long-term farm assets	3,794,055	4,005,391
Total Farm Assets	7,907,085	8,097,486
Total Nonfarm Assets	617,895	675,227
Total Assets	8,524,980	8,772,713
Liabilities		
Current Farm Liabilities		
Accrued interest	10,376	9,684
Accounts payable	75,369	172,815
Current notes	187,579	198,446
Government crop loans	0	0
Principal due on term debt	196,630	208,866
Total current farm liabilities	469,954	589,811
Total intermediate farm liabs	455,613	528,676
Total long term farm liabilities	1,420,635	1,516,129
Total farm liabilities	2,346,202	2,634,616
Total nonfarm liabilities	9,714	73,110
Total liabs excluding deferreds	2,355,916	2,707,726
Total deferred liabilities	0	0
Total liabilities	2,355,916	2,707,726
Retained earnings	3,233,016	2,950,840
Market valuation equity	2,936,048	3,114,148
Net worth (farm and nonfarm)	6,169,064	6,064,987
Net worth excluding deferreds	6,169,064	6,064,987
Net worth change		-104,077
Percent net worth change		-2 %
Ratio Analysis		
Current farm liabilities / assets	42 %	59 %
Intermediate farm liab. / assets	15 %	17 %
Long term farm liab. / assets	37 %	38 %
Total debt to asset ratio	28 %	31 %
Debt to assets excl deferreds	28 %	31 %

Table 65

Statement Of Cash Flows
2009 MI Dairy 450+ cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms
Number of farms	14
Beginning cash (farm & nonfarm)	59,634
Cash Provided By Operating Activities	
Gross cash farm income	2,818,392
Total cash farm expense	-2,529,581
Net cash from hedging transactions	-
Cash provided by operating	288,810
Cash Provided By Investing Activities	
Sale of breeding livestock	12,505
Sale of machinery & equipment	3,425
Sale of titled vehicles	-
Sale of farm land	5,096
Sale of farm buildings	577
Sale of other farm assets	63,106
Sale of nonfarm assets	-
Purchase of breeding livestock	-34,507
Purchase of machinery & equip.	-89,643
Purchase of titled vehicles	-
Purchase of farm land	-57,666
Purchase of farm buildings	-172,657
Purchase of other farm assets	-70,769
Purchase of nonfarm assets	-27,817
Cash provided by investing	-368,351
Cash Provided By Financing Activities	
Money borrowed	697,485
Principal payments	-497,751
Personal income	30,190
Family living/owner withdrawals	-86,754
Income and social security tax	-43,184
Capital contributions	5,095
Capital distributions	-9,051
Dividends paid	-
Cash gifts and inheritances	65,536
Gifts given	-
Other cash flows	-
Cash provided by financing	161,566
Net change in cash balance	82,025
Ending cash (farm & nonfarm)	141,659

Table 66

Financial Standards Measures
2009 MI Dairy 450+ cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms
Number of farms	14
Liquidity	
Current ratio	1.69
Working capital	409,427
Working capital to gross inc	14.8 %
Solvency (market)	
Farm debt to asset ratio	33 %
Farm equity to asset ratio	67 %
Farm debt to equity ratio	0.48
Profitability (cost)	
Rate of return on farm assets	-2.4 %
Rate of return on farm equity	-10.2 %
Operating profit margin	-6.0 %
Net farm income	-204,712
EBIDTA	226,558
Repayment Capacity	
Capital debt repayment capacity	120,490
Capital debt repayment margin	-209,103
Replacement margin	-235,022
Term debt coverage ratio	0.37
Replacement coverage ratio	0.34
Efficiency	
Asset turnover rate (cost)	40.9 %
Operating expense ratio	91.8 %
Depreciation expense ratio	10.6 %
Interest expense ratio	5.0 %
Net farm income ratio	-7.4 %

Table 67

Operator and Labor Information
2009 MI Dairy 450+ cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms
Number of farms	14
Operator Information	
Average number of operators	1.9
Average age of operators	49.7
Average number of years farming	25.5
Results Per Operator	
Working capital	212,296
Total assets (market)	4,548,814
Total liabilities	1,404,006
Net worth (market)	3,144,808
Net worth excl deferred liabs	3,144,808
Gross farm income	1,431,088
Total farm expense	1,537,235
Net farm income from operations	-106,147
Net nonfarm income	15,654
Family living & tax withdrawals	67,375
Total acres owned	324.9
Total crop acres	718.8
Crop acres owned	345.8
Crop acres cash rented	370.9
Crop acres share rented	2.1
Total pasture acres	-
Labor Analysis	
Number of farms	14
Total unpaid labor hours	5,499
Total hired labor hours	34,106
Total labor hours per farm	39,605
Unpaid hours per operator	2,851
Value of farm production / hour	52.24
Net farm income / unpaid hour	-37.23
Average hourly hired labor wage	14.41
Partnerships & LLCs	
Number of farms	10
Number of operators	2.3
Owner withdrawals per farm	-
Withdrawals per operator	-

Table 68

Financial Summary
2009 MI Dairy 450+ cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms
Number of farms	14
Income Statement	
Gross cash farm income	2,818,392
Total cash farm expense	2,529,581
Net cash farm income	288,810
Inventory change	-200,378
Depreciation	-293,144
Net farm income from operations	-204,712
Gain or loss on capital sales	-
Average net farm income	-204,712
Median net farm income	-163,740
Profitability (cost)	
Rate of return on assets	-2.4 %
Rate of return on equity	-10.2 %
Operating profit margin	-6.0 %
Asset turnover rate	40.9 %
Profitability (market)	
Rate of return on assets	0.7 %
Rate of return on equity	-1.5 %
Operating profit margin	2.6 %
Asset turnover rate	25.9 %
Liquidity & Repayment (end of year)	
Current assets	999,238
Current liabilities	589,811
Current ratio	1.69
Working capital	409,427
Working capital to gross inc	14.8 %
Term debt coverage ratio	0.37
Replacement coverage ratio	0.34
Solvency (end of year at cost)	
Number of farms	14
Total farm assets	5,063,091
Total farm liabilities	2,634,616
Total assets	5,658,566
Total liabilities	2,707,726
Net worth	2,950,840
Net worth change	-282,177
Farm debt to asset ratio	52 %
Total debt to asset ratio	48 %
Solvency (end of year at market)	
Number of farms	14
Total farm assets	8,097,486
Total farm liabilities	2,634,616
Total assets	8,772,713
Total liabilities	2,707,726
Net worth	6,064,987
Net worth change	-104,077
Farm debt to asset ratio	33 %
Total debt to asset ratio	31 %
Nonfarm Information	
Net nonfarm income	30,190
Crop Acres	
Total acres owned	627
Total crop acres	1,386
Total crop acres owned	667
Total crop acres cash rented	715
Total crop acres share rented	4

