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**2004 Michigan Cash Grain Business
Analysis Summary**

by
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and
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Staff Paper 05-13

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2004 Michigan TelFarm and Farm Credit Services Data
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¹ Co-workers in the TelFarm project were: R. Betz, L. Borton, B. Battel, W. Schauer, D. Stein, and V. Varner with the assistance of Michigan State University Extension Agents. Farm Credit Services of Michigan co-workers were Kelly Tobin, Steve Eshelman, Janice Raymond, Tiffany Aldrich, Anne Gerke, Kathleen Spranger, Sonya Pentecost, and Lynette Wood. Farm Credit Services of Wisconsin co-worker was Steve Zimmerman.

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Executive Summary

This report summarizes the 2004 financial and production records of 88 Michigan cash grain farms. To be included, the farms must have produced at least 50 percent of gross cash farm income from one or a combination of these items: corn, soybeans, wheat, and all varieties of navy beans, oats, sugar beets and other small grains. The records came from Michigan State University's TelFarm project and Farm Credit Service of Michigan. The values were pooled into averages for reporting purposes.

Farm records were included if a farm financial analysis had completed 2004 data including beginning and ending balance sheets and a statement of income and expenses. The data were checked to verify that cash discrepancy was less than 10% of gross cash inflow and that debt discrepancy was less than \$1,000. While considerable variation in the data exists, average values are reported in the summary tables below.

Summary of Results

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

Table 1. Average Michigan Cash Grain Farm Characteristics, 2000-2004

	2000	2001	2002	2003	2004
Total acres owned	530	473	416	379	401
Total crop acres	1170	1136	1132	1069	1123
Number of farms	45	49	78	92	88

Net farm income is the profit (loss) remaining after all farm expenses and inventory changes have been recognized. The net farm income value is the return to unpaid operator management, labor and equity capital invested, as illustrated in Table 2. Net farm income in 2004 averaged \$29,524; and the median was \$23,343, with a standard deviation of \$101,640. This average somewhat obscures a very large range of net farm income values. As illustrated in the second page of Table 9, the farms in the top 25 percent of the net farm income distribution averaged \$104,635 while those in the bottom 25 percent had a negative \$57,310. The total difference across the averages of the top versus the bottom groups of farms is \$161,945.

Gross cash farm income averaged \$430,857 in 2004, (Table 2). The two largest components of these revenues were corn and soybeans sales, which averaged \$103,976 and \$77,874, respectively. Government payments averaged \$32,998 per farm in 2004.

Average total cash expenses were \$361,681 in 2004 and average net cash farm income was \$69,176. The net inventory changes in 2004 was \$11,042 because of changes in prepaid expenses and supplies, crops and feed inventories, and account receivable.

Table 2. Average Michigan Cash Grain Farm Income Statement, 2000-2004

	2000	2001	2002	2003	2004
			(\$)		
Gross cash farm income	371,648	370,924	359,406	365,699	430,857
- <u>Total cash expense</u>	<u>310,306</u>	<u>305,393</u>	<u>326,884</u>	<u>320,235</u>	<u>361,681</u>
= Net cash farm income	61,342	65,531	32,522	45,464	69,176
+ Inventory change*	313	-17,551	9,624	9,635	11,042
+ <u>Depreciation + capital adjustments*</u>	<u>-42,653</u>	<u>-47,285</u>	<u>-44,324</u>	<u>-42,311</u>	<u>-50,693</u>
= Net farm income	19,003	696	-2,178	12,788	29,524

* Changes calculated as ending values minus beginning value

Four key financial performance indicators are presented in Table 3. The rate of return on assets (ROA) is calculated as if the farm has no debt. ROA indicates the farm earnings, after subtracting out an allowance for unpaid operator labor and management. ROA provides the key summary performance indicator for your farm. By multiplying the operating profit margin by the asset turnover rate, the ROA is determined. The average ROA was 3.3 percent, an improvement over the last five years, (Table 3).

The rate of return on equity (ROE) represents the farm earnings after interest payments which covers the cost of borrowed funds. Ideally the ROE should be higher than the ROA, indicating that profit is being made on borrowed money (and conversely which is the case in Table 3). Table 3 points out that the ROE has not been above the ROA in the last five years. This farm summary indicates that profitability on these farms is still a challenge.

Operating profit margin (OPM) measures the dollars of profit generated per dollar of revenue. In 2004, Michigan cash grain farms generated 13.2 cents of profit per dollar of revenue. Asset turnover ratio (ATO) measures the efficiency with which farm assets generate revenue. In 2004, this ratio was 25.1 percent and was below the 2003 and 2000 values but above the 2001 and 2002 levels.

Table 3. Average Michigan Cash Grain Farm Profitability Indicators, 2000-2004

	2000	2001	2002	2003	2004
	(percent)				
Rate of return on assets*	2.5	3.1	3.1	3.1	3.3
Rate of return on equity	0.6	1.7	2.2	2.5	3.1
Operating profit margin	8.8	12.8	12.9	12.4	13.2
Asset turnover rate*	28.2	24.4	24.3	25.2	25.1

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

Results by Farm Size

To further facilitate financial comparisons and benchmarking, the financial summaries were categorized by cropped acres, Table 4. The smallest size category, 140 to 799 cropped acres, includes 43 farms. The medium size category, 800 to 1199 cropped acres, includes 20 farms. The largest size category, 1200 plus cropped acres, contains the remaining 25 farms.

**Table 4. Average
2004 Michigan Cash Grain Farm Characteristics by Farm Size Category**

	140-799	800-1199	1200+
	Acres	Acres	Acres
Total acres owned	337	407	506
Total crop acres	473	1,010	2,330
Number of farms	43	20	25

Table 5 presents the average farm income statement by farm acreage size. The smallest farms returned \$6,345; the medium farms \$19,892; and the largest farms \$77,099.

Table 5. Average 2004 Michigan Cash Grain Farm Income Statement by Size

	140-799	800-1199	1200+
	Acres	Acres	Acres
	(\$)	(\$)	(\$)
Gross cash farm income	175,193	404,996	891,289
- <u>Total cash expense</u>	<u>137,884</u>	<u>349,773</u>	<u>756,138</u>
= Net cash farm income	37,309	55,222	135,151
+ Inventory change*	-3,824	4,866	41,550
+ <u>Depreciation and capital adjustments*</u>	<u>-27,141</u>	<u>-40,197</u>	<u>-99,602</u>
= Net farm income	6,345	19,892	77,099

* Changes calculated as ending values minus beginning value

Table 6 compares profitability measures across farm sizes with assets valued at cost. With assets valued on a cost basis, both small-sized farms and mid-sized farm had negative values for three key financial performance indicators: ROA, ROE and OPM. ROA and ROE were negative for both small farms (140-799 acres) and mid-sized farms (800 - 1199 acres), while the larger-sized farms (1200 + acres) had a positive ROA of 4.3 percent and ROE of 6.6 in 2004. The larger-sized farms had the highest OPM and the highest ATO, 6.3 percent and 69.2 percent respectively. In contrast, the smaller-sized farms had the lowest average OPM and lowest ATO, a negative 6.4 percent and 37.6 percent respectively.

Table 6. Average 2004 Michigan Cash Grain Farm Profitability Indicators by Size

	140-799 Acres	800-1199 Acres	1200+ Acres
	(Percent)		
Rate of return on assets*	-2.4	-0.4	4.3
Rate of return on equity	-9.1	-6.0	6.6
Operating profit margin	-6.4	-0.8	6.3
Asset turnover rate*	37.6	43.8	69.2

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

Table 7 compares profitability measures across farm sizes with assets valued at market. The market value approach includes the impact of price appreciation (inflation) of the asset base (land primarily) as a form of income. Financial performance indicators like ROA can be looked upon in this comparison as the “opportunity cost” of farming versus alternative investments. Market value for assets is more appropriate when comparing across different farms (while cost is more appropriate to compare the same farm across time). The larger size farms had the highest ROA and ROE in 2004. Also, the larger size farms realized the highest average ATO.

Table 7. Average 2004 Michigan Cash Grain Farm Profitability Indicators by Size

	140-799 Acres	800-1199 Acres	1200+ Acres
	(Percent)		
Rate of return on assets*	2.1	2.3	4.7
Rate of return on equity	1.6	1.6	5.3
Operating profit margin	14.4	10.3	13.9
Asset turnover rate*	14.7	22.6	33.7

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

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

A) Average of 88 Cash Grain Farms, All Sizes

Table 8 Crop Production and Marketing Summary
Michigan Cash Grain, All Sizes, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	88	22	20
Acreage Summary			
Total acres owned	401	286	235
Total crop acres	1,123	825	1,416
Crop acres owned	375	225	354
Crop acres cash rented	725	573	1,020
Crop acres share rented	22	27	42
Total pasture acres	1	-	-
Average Price Received (Cash Sales Only)			
Corn per bushel	2.32	2.27	2.36
Soybeans per bushel	6.34	5.40	7.21
Wheat, Winter per bushel	3.22	3.10	3.16
Straw per ton	6.31	-	-
Hay, Alfalfa per ton	50.66	26.61	-
Hay, Mixed per ton	66.00	-	-
Sugar Beets per ton	30.42	-	-
Beans, Navy per cwt	16.51	-	-
Oats per bushel	1.94	-	-
Corn, Seed per bushel	2.52	-	-

Table 9

Farm Income Statement
Michigan Cash Grain, All Sizes, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	88	22	20
Cash Farm Income			
Barley	418	-	-
Beans, Dark Red Kidney	763	2,663	51
Beans, Green	2,147	-	5,382
Beans, Light Red Kidney	272	-	-
Beans, Navy	9,524	6,472	6,073
Beans, Small Red	177	-	-
Carrots	477	-	-
Clover Seed	443	-	-
Corn	103,976	79,103	159,709
Corn Silage	8,371	22,407	-
Corn, Seed	23,718	-	48,444
Cucumbers	7,925	-	23,672
Hay, Alfalfa	3,856	7,458	5,226
Hay, Mixed	3,203	4,058	5,658
Haylage, Alfalfa	1,930	6,834	-
Haylage, Mixed	893	3,506	-
Oatlage	88	352	-
Oats	1,801	34	423
Potatoes	19,727	49,266	15,254
Rye	95	381	-
Soybeans	77,874	43,154	119,632
Soybeans Seed	1,915	-	-
Straw	2,365	1,053	1,023
Sugar Beets	13,979	10,143	4,723
Sweet Corn	2,467	-	-
Wheat, Winter	24,134	21,521	25,691
Wheat, Seed	114	-	-
Miscellaneous crop income	256	78	-
Beef Cow-Calf, Beef Calves	1,185	614	-
Beef, Custom Fed	1,256	731	92
Beef, Finish Beef Calves	3,071	1,544	-
Beef, Finish Yrlg Steers	2,513	711	289
Chickens, Egg Product., Eggs	167	-	56
Dairy Heifers (for sale)	158	-	-
Dairy Steers	354	1,405	-
Hogs, Farrow-Fin, Raised Hogs	2,552	-	-
Horses, Boarding	181	313	-
Sheep, Lamb Finishing	141	-	-
Sheep, Market Lambs, Mkt Lambs	640	-	-
Hogs, Weaning to Finish	1,991	-	-
Cull breeding livestock	327	112	90
Misc. livestock income	3,614	2,981	11,050
Direct & CC govt payments	15,152	10,865	11,170
Other government payments	17,846	11,367	32,351
Custom work income	22,304	38,021	17,043
Patronage dividends, cash	173	27	148
Insurance income	10,097	5,704	7,369
Contract livestock income	2,454	-	-
Other farm income	31,773	26,438	66,549
Gross Cash Farm Income	430,857	359,316	567,166

Table 9

Farm Income Statement (Continued)
Michigan Cash Grain, All Sizes, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	88	22	20
Cash Farm Expense			
Seed	31,135	29,942	36,264
Fertilizer	51,885	38,979	78,108
Crop chemicals	30,377	24,218	40,440
Crop insurance	3,706	3,184	6,778
Drying fuel	1,233	277	977
Irrigation energy	670	-	2,947
Crop packaging and supplies	136	10	319
Crop custom hire	645	137	781
Crop utilities	27	-	118
Crop hauling and trucking	581	1,924	90
Crop marketing	1,497	3,166	505
Crop miscellaneous	2,949	751	1,956
Feeder livestock purchase	6,196	1,746	50
Purchased feed	6,067	3,220	2,772
Breeding fees	66	38	166
Veterinary	677	403	1,148
Livestock supplies	666	815	682
Livestock marketing	172	79	231
Interest	20,788	17,276	24,852
Packaging and supplies	225	-	748
Supplies	321	1,008	-
Fuel & oil	18,758	17,293	20,620
Repairs	27,450	23,064	30,196
Custom hire	19,273	44,934	12,237
Hired labor	24,522	29,863	19,392
Land rent	54,209	36,907	89,643
Machinery & bldg leases	4,568	2,982	11,993
Real estate taxes	9,437	7,846	6,771
Personal property taxes	70	50	244
Farm insurance	13,559	11,058	16,618
Utilities	8,338	8,756	9,050
Hauling and trucking	127	-	554
Dues & professional fees	3,975	3,346	4,751
Hedging account deposits	180	-	291
Miscellaneous	17,194	10,016	28,240
Total cash expense	361,681	323,289	450,528
Net cash farm income	69,176	36,027	116,638
Inventory Changes			
Crops and feed	4,195	-44,127	18,326
Market livestock	2,300	-1,922	240
Accounts receivable	7,761	-205	14,356
Prepaid expenses and supplies	3,445	-1,499	8,554
Accounts payable	-6,661	799	36
Total inventory change	11,042	-46,953	41,512
Net operating profit	80,218	-10,926	158,150
Depreciation and Other Capital Adjustments			
Breeding livestock	1,257	777	3,180
Machinery and equipment	-42,204	-34,745	-49,806
Buildings and improvements	-9,447	-11,443	-5,761
Other farm capital	-299	-972	-1,127
Total depr. and other capital adj	-50,693	-46,384	-53,515
Net farm income	29,524	-57,310	104,635

Table 10

Inventory Changes
Michigan Cash Grain, All Sizes, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	88	21	23
Net cash farm income	69,176	38,337	94,605
Crops and Feed			
Ending inventory	166,141	107,876	197,242
Beginning inventory	161,945	154,104	177,074
Inventory change	4,195	-46,228	20,168
Market Livestock			
Ending inventory	13,208	2,828	14,881
Beginning inventory	10,907	4,842	11,507
Inventory change	2,300	-2,013	3,374
Accts Receivable & Other Current Assets			
Ending inventory	40,744	24,676	58,889
Beginning inventory	32,983	24,892	44,390
Inventory change	7,761	-215	14,499
Prepaid Expenses and Supplies			
Ending inventory	23,803	10,427	36,951
Beginning inventory	20,357	11,997	27,116
Inventory change	3,445	-1,570	9,835
Accounts Payable & Accrued Expenses			
Beginning inventory	25,496	30,320	23,487
Ending inventory	32,157	29,696	23,849
Inventory change	-6,661	624	-362
Total inventory change	11,042	-49,402	47,514
Net operating profit	80,218	-11,066	142,119

Table 11

Depreciation and Other Capital Adjustments

Michigan Cash Grain, All Sizes, 2004

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

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	88	21	23
Net operating profit	80,218	-11,066	142,119
Breeding Livestock			
Ending inventory	8,398	6,474	8,150
Capital sales	4,971	20,380	-
Beginning inventory	11,102	25,524	4,037
Capital purchases	1,009	517	1,348
Depreciation, capital adjust.	1,257	814	2,765
Machinery and Equipment			
Ending inventory	117,718	90,791	139,397
Capital sales	3,193	831	2,177
Beginning inventory	121,588	112,759	128,713
Capital purchases	41,527	14,006	56,380
Depreciation, capital adjust.	-42,204	-35,143	-43,519
Buildings and Improvements			
Ending inventory	66,208	99,458	33,027
Capital sales	102	429	-
Beginning inventory	68,243	100,680	34,736
Capital purchases	7,515	10,944	3,908
Depreciation, capital adjust.	-9,447	-11,737	-5,618
Other Capital Assets			
Ending inventory	30,336	38,516	14,730
Capital sales	5,322	20,330	868
Beginning inventory	26,775	41,259	15,361
Capital purchases	9,181	18,605	1,195
Depreciation, capital adjust.	-299	-1,019	-958
Total depreciation, capital adj.	-50,693	-47,085	-47,330
Net farm income	29,524	-58,151	94,788

Table 12

Profitability Measures
Michigan Cash Grain, All Sizes, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	88	21	23
Profitability (assets valued at cost)			
Net farm income	29,524	-58,151	94,788
Labor and management earnings	10,227	-69,979	78,178
Rate of return on assets	1.3 %	-12.7 %	10.5 %
Rate of return on equity	-3.7 %	-89.1 %	22.9 %
Operating profit margin	2.5 %	-24.5 %	13.7 %
Asset turnover rate	54.2 %	51.9 %	76.2 %
Interest on farm net worth	19,297	11,828	16,610
Farm interest expense	20,778	17,737	24,705
Value of operator lbr and mgmt.	39,659	37,557	41,652
Return on farm assets	10,643	-77,971	77,841
Average farm assets	800,557	613,642	744,227
Return on farm equity	-10,135	-95,708	53,136
Average farm equity	274,175	107,394	232,520
Value of farm production	434,108	318,338	567,302
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	88	21	23
Profitability (assets valued at market)			
Net farm income	76,366	-52,912	185,939
Labor and management earnings	3,944	-96,633	134,857
Rate of return on assets	3.3 %	-6.0 %	12.4 %
Rate of return on equity	3.1 %	-12.7 %	16.9 %
Operating profit margin	13.2 %	-22.8 %	29.8 %
Asset turnover rate	25.1 %	26.1 %	41.6 %
Interest on farm net worth	72,423	43,721	51,081
Farm interest expense	20,778	17,737	24,705
Value of operator lbr and mgmt.	39,659	37,557	41,652
Return on farm assets	57,485	-72,733	168,992
Average farm assets	1,729,296	1,217,580	1,363,060
Return on farm equity	36,707	-90,470	144,287
Average farm equity	1,202,902	711,332	851,353
Value of farm production	434,108	318,338	567,302

Table 13

Liquidity Measures
Michigan Cash Grain, All Sizes, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	88	21	23
Liquidity (cash)			
Net cash farm income	69,176	38,337	94,605
Net nonfarm income	20,664	28,003	16,025
Family living and taxes	30,892	23,810	36,533
Principal due on long term debt	14,517	8,198	11,373
Cash available for interm. debt	44,432	34,333	62,724
Average intermediate debt	133,400	161,810	123,857
Years to turnover interm. debt	3.0	4.7	2.0
Expense as a % of income	84 %	90 %	83 %
Interest as a % of income	5 %	5 %	4 %
Liquidity (accrual)			
Total accrual farm income	445,114	322,727	585,263
Total accrual operating expense	364,896	333,793	443,145
Net accrual operating income	80,218	-11,066	142,119
Net nonfarm income	20,664	28,003	16,025
Family living and taxes	30,892	23,810	36,533
Principal due on long term debt	14,517	8,198	11,373
Available for intermediate debt	55,473	-15,070	110,238
Average intermediate debt	133,400	161,810	123,857
Years to turnover interm. debt	2.4	**	1.1
Expense as a % of income	82 %	103 %	76 %
Interest as a % of income	5 %	5 %	4 %

** Income insufficient to meet debt servicing requirements

Table 14

Balance Sheet at Cost Values
Michigan Cash Grain, All Sizes, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
	88		21		23	
Number of farms	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	38,823	53,685	12,196	18,198	47,562	66,681
Prepaid expenses & supplies	20,357	23,803	11,997	10,427	27,116	36,951
Growing crops	10,561	9,612	10,426	8,705	11,970	9,526
Accounts receivable	18,951	28,338	12,447	14,988	31,510	45,737
Hedging accounts	90	468	0	116	174	374
Crops held for sale or feed	161,945	164,899	154,104	106,180	177,074	197,242
Crops under government loan	0	1,242	0	1,696	0	0
Market livestock held for sale	10,907	13,208	4,842	2,828	11,507	14,881
Other current assets	3,381	2,326	2,019	867	736	3,251
Total current farm assets	265,015	297,580	208,030	164,006	307,649	374,643
Intermediate Farm Assets						
Breeding livestock	11,102	8,398	25,524	6,474	4,037	8,150
Machinery and equipment	121,378	116,564	112,759	90,791	127,912	137,090
Titled vehicles	209	1,154	0	0	801	2,308
Other intermediate assets	18,219	21,783	33,241	31,709	8,204	6,746
Total intermediate farm assets	150,909	147,898	171,524	128,974	140,954	154,292
Long Term Farm Assets						
Farm land	288,519	299,633	160,292	179,495	212,062	215,949
Buildings and improvements	68,243	66,208	100,680	99,458	34,736	33,027
Other long-term assets	8,556	8,553	8,018	6,808	7,157	7,984
Total long-term farm assets	365,318	374,394	268,990	285,760	253,955	256,960
Total Farm Assets	781,242	819,872	648,544	578,740	702,557	785,896
Total Nonfarm Assets	161,850	169,275	209,129	228,308	77,318	85,912
Total Assets	943,092	989,148	857,673	807,048	779,875	871,808
Liabilities						
Current Farm Liabilities						
Accrued interest	5,438	5,427	2,798	2,958	9,078	10,113
Accounts payable	20,059	26,730	27,522	26,738	14,409	13,736
Current notes	129,205	122,059	105,509	85,246	160,522	168,272
Government crop loans	0	870	0	1,696	0	0
Principal due on term debt	42,725	52,982	48,608	56,192	34,244	45,395
Total current farm liabilities	197,426	208,069	184,437	172,830	218,252	237,516
Total intermediate farm liabs	103,332	102,101	134,650	110,859	93,471	98,829
Total long term farm liabilities	219,687	222,151	186,988	222,733	190,036	185,309
Total farm liabilities	520,444	532,321	506,075	506,421	501,759	521,654
Total nonfarm liabilities	8,688	8,471	3,631	3,675	17,303	17,061
Total liabilities	529,132	540,792	509,706	510,096	519,063	538,715
Net worth (farm and nonfarm)	413,960	448,356	347,967	296,951	260,813	333,093
Net worth change		34,396		-51,016		72,280
Ratio Analysis						
Current farm liabilities / assets	74 %	70 %	89 %	105 %	71 %	63 %
Curr. & interm farm liab. / assets	72 %	70 %	84 %	97 %	69 %	64 %
Long term farm liab. / assets	60 %	59 %	70 %	78 %	75 %	72 %
Total debt to asset ratio	56 %	55 %	59 %	63 %	67 %	62 %

Table 15

Balance Sheet at Market Values
Michigan Cash Grain, All Sizes, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of		Low 25%		High 25%	
	All Farms					
Number of farms	88		21		23	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	38,823	53,685	12,196	18,198	47,562	66,681
Prepaid expenses & supplies	20,357	23,803	11,997	10,427	27,116	36,951
Growing crops	10,561	9,612	10,426	8,705	11,970	9,526
Accounts receivable	18,951	28,338	12,447	14,988	31,510	45,737
Hedging accounts	90	468	0	116	174	374
Crops held for sale or feed	161,945	164,899	154,104	106,180	177,074	197,242
Crops under government loan	0	1,242	0	1,696	0	0
Market livestock held for sale	10,907	13,208	4,842	2,828	11,507	14,881
Other current assets	3,381	2,326	2,019	867	736	3,251
Total current farm assets	265,015	297,580	208,030	164,006	307,649	374,643
Intermediate Farm Assets						
Breeding livestock	11,666	9,093	25,524	6,474	4,800	9,244
Machinery and equipment	382,932	395,437	318,595	305,903	362,873	392,341
Titled vehicles	2,212	4,419	2,571	2,429	870	6,957
Other intermediate assets	19,881	23,487	33,622	33,018	8,937	11,686
Total intermediate farm assets	416,692	432,436	380,312	347,823	377,480	420,227
Long Term Farm Assets						
Farm land	853,278	884,903	438,577	451,388	503,634	557,317
Buildings and improvements	143,081	146,426	215,273	215,587	79,815	81,675
Other long-term assets	8,495	10,688	7,672	6,493	7,239	16,442
Total long-term farm assets	1,004,853	1,042,017	661,521	673,468	590,688	655,434
Total Farm Assets	1,686,560	1,772,033	1,249,863	1,185,298	1,275,816	1,450,304
Total Nonfarm Assets	314,060	344,454	313,116	356,781	220,984	245,487
Total Assets	2,000,620	2,116,486	1,562,979	1,542,079	1,496,799	1,695,791
Liabilities						
Current Farm Liabilities						
Accrued interest	5,438	5,427	2,798	2,958	9,078	10,113
Accounts payable	20,059	26,730	27,522	26,738	14,409	13,736
Current notes	129,205	122,059	105,509	85,246	160,522	168,272
Government crop loans	0	870	0	1,696	0	0
Principal due on term debt	42,725	52,982	48,608	56,192	34,244	45,395
Total current farm liabilities	197,426	208,069	184,437	172,830	218,252	237,516
Total intermediate farm liabs	103,332	102,101	134,650	110,859	93,471	98,829
Total long term farm liabilities	219,687	222,151	186,988	222,733	190,036	185,309
Total farm liabilities	520,444	532,321	506,075	506,421	501,759	521,654
Total nonfarm liabilities	8,688	8,471	3,631	3,675	17,303	17,061
Total liabs excluding deferreds	529,132	540,792	509,706	510,096	519,063	538,715
Total deferred liabilities	12	12	0	0	0	0
Total liabilities	529,144	540,804	509,706	510,096	519,063	538,715
Retained earnings	413,960	448,356	347,967	296,951	260,813	333,093
Market valuation equity	1,057,517	1,127,326	705,306	735,031	716,924	823,984
Net worth (farm and nonfarm)	1,471,476	1,575,682	1,053,273	1,031,983	977,737	1,157,076
Net worth excluding deferreds	1,471,488	1,575,694	1,053,273	1,031,983	977,737	1,157,076
Net worth change		104,206		-21,290		179,340
Ratio Analysis						
Current farm liabilities / assets	74 %	70 %	89 %	105 %	71 %	63 %
Curr. & interm farm liab. / assets	44 %	42 %	54 %	55 %	45 %	42 %
Long term farm liab. / assets	22 %	21 %	28 %	33 %	32 %	28 %
Total debt to asset ratio	26 %	26 %	33 %	33 %	35 %	32 %
Debt to assets excl deferreds	26 %	26 %	33 %	33 %	35 %	32 %

Table 16

Statement Of Cash Flows
Michigan Cash Grain, All Sizes, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	88	21	23
Beginning cash (farm & nonfarm)	41,393	17,945	48,171
Cash From Operating Activities			
Gross cash farm income	430,857	371,184	547,223
Net nonfarm income	20,664	28,003	16,025
Total cash farm expense	-361,681	-332,847	-452,618
Apparent family living expense	-28,597	-21,538	-32,654
Income and social security tax	-2,295	-2,272	-3,878
Cash from operations	58,949	42,530	74,097
Cash From Investing Activities			
Sale of breeding livestock	4,971	20,380	-
Sale of machinery & equipment	3,193	831	2,177
Sale of titled vehicles	-	-	-
Sale of farm land	517	2,167	-
Sale of farm buildings	102	429	-
Sale of other farm assets	5,322	20,330	868
Sale of nonfarm assets	14,694	2,877	11,093
Purchase of breeding livestock	-1,009	-517	-1,348
Purchase of machinery & equip.	-40,420	-14,006	-53,882
Purchase of titled vehicles	-1,107	-	-2,498
Purchase of farm land	-7,571	-10,518	-2,609
Purchase of farm buildings	-7,515	-10,944	-3,908
Purchase of other farm assets	-9,181	-18,605	-1,195
Purchase of nonfarm assets	-16,635	-41,807	-22,314
Cash from investing activities	-54,640	-49,384	-73,617
Cash From Financing Activities			
Money borrowed	171,219	135,572	236,634
Cash gifts and inheritances	15,294	13,166	333
Principal payments	-166,009	-134,705	-216,492
Dividends paid	-	-	-
Gifts given	-8,302	-5	-2,228
Cash from financing activities	12,202	14,028	18,247
Net change in cash balance	16,511	7,175	18,728
Ending cash (farm & nonfarm)	57,904	25,119	66,898

Table 17

Financial Standards Measures
Michigan Cash Grain, All Sizes, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	88	21	23
Liquidity			
Current ratio	1.43	0.95	1.58
Working capital	89,511	-8,824	137,128
Solvency (market)			
Farm debt to asset ratio	30 %	43 %	36 %
Farm equity to asset ratio	70 %	57 %	64 %
Farm debt to equity ratio	43 %	75 %	56 %
Profitability (cost)			
Rate of return on farm assets	1.3 %	-12.7 %	10.5 %
Rate of return on farm equity	-3.7 %	-89.1 %	22.9 %
Operating profit margin	2.5 %	-24.5 %	13.7 %
Net farm income	29,524	-58,151	94,788
Repayment Capacity			
Term debt coverage ratio	144 %	14 %	252 %
Capital replacement margin	26,640	-55,710	86,476
Efficiency			
Asset turnover rate (cost)	54.2 %	51.9 %	76.2 %
Operating expense ratio	77.3 %	97.9 %	71.5 %
Depreciation expense ratio	11.4 %	14.6 %	8.1 %
Interest expense ratio	4.7 %	5.5 %	4.2 %
Net farm income ratio	6.6 %	-18.0 %	16.2 %

Table 18

Operator and Labor Information
Michigan Cash Grain, All Sizes, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	88	21	23
Operator Information			
Average number of operators	1.3	1.1	1.3
Average age of operators	50.2	51.4	41.2
Average number of years farming	28.1	28.5	21.8
Results Per Operator			
Working capital	69,646	-7,721	101,740
Total assets (market)	1,646,780	1,349,319	1,258,168
Total liabilities	420,785	446,334	399,692
Net worth (market)	1,225,995	902,985	858,476
Net worth excl deferred liabs	1,226,004	902,985	858,476
Gross farm income	346,331	282,386	434,228
Total farm expense	323,359	333,269	363,901
Net farm income	22,972	-50,882	70,327
Net nonfarm income	16,078	24,503	11,889
Family living & tax withdrawals	24,036	20,834	27,105
Total acres owned	311.9	235.5	181.7
Total crop acres	873.4	736.0	1,000.2
Crop acres owned	292.1	186.5	250.8
Crop acres cash rented	564.2	524.8	722.3
Crop acres share rented	17.0	24.7	27.1
Total pasture acres	0.5	-	-
Labor Analysis			
Number of farms	87	21	23
Total unpaid labor hours	2,807	2,519	2,691
Total hired labor hours	2,016	1,979	2,271
Total labor hours per farm	4,823	4,498	4,962
Unpaid hours per operator	2,179	2,204	1,997
Value of farm production / hour	90.57	70.78	114.32
Net farm income / unpaid hour	10.75	-23.09	35.22
Average hourly hired labor wage	12.38	14.85	9.37
Partnerships & LLCs			
Number of farms	16	2	2
Number of operators	2.1	-	-
Owner withdrawals per farm	-	-	-
Withdrawals per operator	-	-	-

Table 19

Financial Summary
Michigan Cash Grain, All Sizes, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	88	21	23
Income Statement			
Gross cash farm income	430,857	371,184	547,223
Total cash farm expense	361,681	332,847	452,618
Net cash farm income	69,176	38,337	94,605
Inventory change	11,042	-49,402	47,514
Depreciation and capital adjust	-50,693	-47,085	-47,330
Net farm income	29,524	-58,151	94,788
Profitability (cost)			
Labor and management earnings	10,227	-69,979	78,178
Rate of return on assets	1.3 %	-12.7 %	10.5 %
Rate of return on equity	-3.7 %	-89.1 %	22.9 %
Operating profit margin	2.5 %	-24.5 %	13.7 %
Asset turnover rate	54.2 %	51.9 %	76.2 %
Profitability (market)			
Labor and management earnings	3,944	-96,633	134,857
Rate of return on assets	3.3 %	-6.0 %	12.4 %
Rate of return on equity	3.1 %	-12.7 %	16.9 %
Operating profit margin	13.2 %	-22.8 %	29.8 %
Asset turnover rate	25.1 %	26.1 %	41.6 %
Liquidity			
Ending current ratio	1.43	0.95	1.58
Ending working capital	89,511	-8,824	137,128
End working capital to gross inc	20.8 %	-2.4 %	25.1 %
Term debt coverage ratio	144.0 %	13.9 %	252.2 %
Expense as a percent of income	82.0 %	103.4 %	75.7 %
Interest as a percent of income	4.7 %	5.5 %	4.2 %
Solvency (cost)			
Number of farms	88	21	23
Ending farm assets	819,872	578,740	785,896
Ending farm liabilities	532,321	506,421	521,654
Ending total assets	989,148	807,048	871,808
Ending total liabilities	540,792	510,096	538,715
Ending net worth	448,356	296,951	333,093
Net worth change	34,396	-51,016	72,280
Ending farm debt to asset ratio	65 %	88 %	66 %
Beg total debt to asset ratio	56 %	59 %	67 %
End total debt to asset ratio	55 %	63 %	62 %
Solvency (market)			
Number of farms	88	21	23
Ending farm assets	1,772,033	1,185,298	1,450,304
Ending farm liabilities	532,333	506,421	521,654
Ending total assets	2,116,486	1,542,079	1,695,791
Ending total liabilities	540,804	510,096	538,715
Ending net worth	1,575,682	1,031,983	1,157,076
Net worth change	104,206	-21,290	179,340
Ending farm debt to asset ratio	30 %	43 %	36 %
Beg total debt to asset ratio	26 %	33 %	35 %
End total debt to asset ratio	26 %	33 %	32 %
Nonfarm Information			
Net nonfarm income	20,664	28,003	16,025
Farms reporting living expenses	8	-	5
Total family living expense	27,650	-	-
Total living, invest, & capital	26,130	-	-
Crop Acres			
Total acres owned	401	269	245
Total crop acres	1,123	841	1,348
Total crop acres owned	375	213	338
Total crop acres cash rented	725	600	974
Total crop acres share rented	22	28	36

B) Average of 43 Cash Grain Farms, 140 to 799 Acres

Table 20 Crop Production and Marketing Summary
Michigan Cash Grain, 140 to 799 Acres, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	43	10	8
Acreage Summary			
Total acres owned	337	275	244
Total crop acres	473	387	498
Crop acres owned	259	237	211
Crop acres cash rented	198	150	254
Crop acres share rented	15	-	33
Total pasture acres	1	-	-
Average Price Received (Cash Sales Only)			
Corn per bushel	2.26	2.26	2.24
Soybeans per bushel	6.53	5.85	7.05
Wheat, Winter per bushel	3.39	-	-
Hay, Alfalfa per ton	50.14	-	-
Straw per ton	7.91	-	-
Beans, Navy per cwt	20.33	-	-

Table 21

Farm Income Statement
Michigan Cash Grain, 140 to 799 Acres, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	43	10	8
Cash Farm Income			
Beans, Black Turtle	182	-	-
Beans, Dark Red Kidney	198	-	1,066
Beans, Light Red Kidney	558	-	-
Beans, Navy	5,716	14,238	3,112
Beans, Pinto	195	172	-
Beans, Small Red	362	-	-
Corn	34,447	35,442	32,259
Corn Silage	2,808	-	-
Corn, Seed	1,309	-	-
Cucumbers	791	-	-
Hay, Alfalfa	4,143	2,345	12,924
Hay, Mixed	5,609	7,751	10,976
Haylage, Mixed	635	-	-
Oats	815	-	615
Potatoes	10,069	37,261	7,546
Soybeans	27,030	16,100	27,335
Soybeans Seed	251	-	-
Straw	783	576	2,042
Sugar Beets	9,893	16,744	11,808
Wheat, Winter	11,521	9,455	7,058
Wheat, Seed	233	-	-
Miscellaneous crop income	178	-	-
Beef Bulls	41	-	125
Beef Cow-Calf, Beef Calves	1,430	1,149	-
Beef, Custom Fed	2,451	1,608	230
Beef, Finish Beef Calves	1,929	3,396	-
Beef, Finish Yrlg Steers	1,497	1,565	724
Chickens, Egg Product., Eggs	41	-	139
Dairy Heifers (for sale)	323	-	-
Dairy Steers	527	1,930	-
Horses, Boarding	370	-	-
Cull breeding livestock	106	246	225
Misc. livestock income	83	129	-
Direct & CC govt payments	7,207	5,036	5,515
Other government payments	5,330	4,261	4,058
Custom work income	9,063	681	15,581
Patronage dividends, cash	245	60	-
Insurance income	4,325	2,534	4,599
Cash from hedging accts	343	-	-
Other farm income	22,157	4,856	46,296
Gross Cash Farm Income	175,193	167,536	194,231

Table 21

Farm Income Statement (Continued)
Michigan Cash Grain, 140 to 799 Acres, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	43	10	8
Cash Farm Expense			
Seed	11,014	14,370	8,022
Fertilizer	20,361	24,485	19,047
Crop chemicals	8,981	10,672	7,613
Crop insurance	1,249	1,396	277
Drying fuel	628	192	373
Irrigation energy	101	-	543
Crop packaging and supplies	234	23	796
Crop custom hire	248	301	619
Crop utilities	55	-	296
Hauling and trucking	129	191	77
Crop marketing	646	390	676
Crop miscellaneous	1,132	936	2,064
Feeder livestock purchase	2,936	2,985	-
Purchased feed	2,475	2,265	1,304
Veterinary	379	150	24
Livestock supplies	759	1,300	1,704
Livestock marketing	88	143	-
Interest	9,894	6,983	4,722
Packaging and supplies	111	-	-
Supplies	118	-	86
Fuel & oil	8,098	7,057	10,440
Repairs	12,396	11,923	11,715
Custom hire	6,961	9,182	1,579
Hired labor	7,178	11,968	5,438
Land rent	13,706	11,147	17,534
Machinery & bldg leases	828	2,539	457
Real estate taxes	6,191	5,115	4,588
Personal property taxes	34	111	24
Farm insurance	6,570	5,129	6,374
Utilities	4,599	6,415	2,728
Dues & professional fees	1,607	1,519	1,568
Miscellaneous	8,178	11,067	12,529
Total cash expense	137,884	149,952	123,215
Net cash farm income	37,309	17,583	71,016
Inventory Changes			
Crops and feed	2,462	-8,572	-1,581
Market livestock	-313	-3,068	-2,338
Accounts receivable	-3,960	-5,800	-19,743
Prepaid expenses and supplies	1,698	-938	5,505
Accounts payable	-3,711	-822	-1,312
Total inventory change	-3,824	-19,200	-19,468
Net operating profit	33,485	-1,617	51,548
Depreciation and Other Capital Adjustments			
Breeding livestock	500	-735	-1
Machinery and equipment	-20,975	-15,666	-24,102
Buildings and improvements	-6,443	-6,259	-2,186
Other farm capital	-224	-774	-1,704
Total depr. and other capital adj	-27,141	-23,434	-27,993
Net farm income	6,345	-25,051	23,555

Table 22

Inventory Changes
Michigan Cash Grain, 140 to 799 Acres, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	43	10	11
Net cash farm income	37,309	17,583	72,969
Crops and Feed			
Ending inventory	64,363	38,026	84,093
Beginning inventory	61,901	46,598	85,243
Inventory change	2,462	-8,572	-1,150
Market Livestock			
Ending inventory	5,577	3,460	497
Beginning inventory	5,890	6,528	2,003
Inventory change	-313	-3,068	-1,507
Accts Receivable & Other Current Assets			
Ending inventory	14,828	9,000	14,059
Beginning inventory	18,788	14,800	28,426
Inventory change	-3,960	-5,800	-14,367
Prepaid Expenses and Supplies			
Ending inventory	14,039	12,481	7,676
Beginning inventory	12,341	13,419	3,928
Inventory change	1,698	-938	3,748
Accounts Payable & Accrued Expenses			
Beginning inventory	5,908	1,878	3,502
Ending inventory	9,619	2,700	4,812
Inventory change	-3,711	-822	-1,310
Total inventory change	-3,824	-19,200	-14,586
Net operating profit	33,485	-1,617	58,383

Table 23

Depreciation and Other Capital Adjustments
Michigan Cash Grain, 140 to 799 Acres, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	43	10	11
Net operating profit	33,485	-1,617	58,383
Breeding Livestock			
Ending inventory	5,683	7,295	13
Capital sales	253	-	-
Beginning inventory	5,184	8,030	14
Capital purchases	252	-	-
Depreciation, capital adjust.	500	-735	-1
Machinery and Equipment			
Ending inventory	58,789	41,728	83,744
Capital sales	1,128	937	1,009
Beginning inventory	59,685	46,885	83,308
Capital purchases	21,208	11,445	28,116
Depreciation, capital adjust.	-20,975	-15,666	-26,671
Buildings and Improvements			
Ending inventory	43,121	50,600	49,245
Capital sales	209	-	-
Beginning inventory	41,346	43,591	52,680
Capital purchases	8,426	13,268	5,521
Depreciation, capital adjust.	-6,443	-6,259	-8,955
Other Capital Assets			
Ending inventory	22,909	7,704	9,618
Capital sales	2,580	1,148	0
Beginning inventory	16,330	7,732	10,138
Capital purchases	9,383	1,894	23
Depreciation, capital adjust.	-224	-774	-544
Total depreciation, capital adj.	-27,141	-23,434	-36,171
Net farm income	6,345	-25,051	22,212

Table 24

Profitability Measures
Michigan Cash Grain, 140 to 799 Acres, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	43	10	11
Profitability (assets valued at cost)			
Net farm income	6,345	-25,051	22,212
Labor and management earnings	-8,321	-35,322	8,795
Rate of return on assets	-2.4 %	-13.8 %	1.9 %
Rate of return on equity	-9.1 %	-35.6 %	-0.6 %
Operating profit margin	-6.4 %	-32.6 %	4.8 %
Asset turnover rate	37.6 %	42.4 %	39.9 %
Interest on farm net worth	14,666	10,272	13,417
Farm interest expense	9,547	7,029	9,788
Value of operator lbr and mgmt.	26,674	28,933	23,383
Return on farm assets	-10,783	-46,954	8,617
Average farm assets	447,994	339,518	447,844
Return on farm equity	-20,330	-53,984	-1,171
Average farm equity	223,733	151,836	210,127
Value of farm production	168,472	144,111	178,762
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	43	10	11
Profitability (assets valued at market)			
Net farm income	41,332	-47,234	132,609
Labor and management earnings	-14,019	-81,304	86,592
Rate of return on assets	2.1 %	-9.3 %	11.8 %
Rate of return on equity	1.6 %	-13.8 %	14.2 %
Operating profit margin	14.4 %	-48.0 %	66.6 %
Asset turnover rate	14.7 %	19.4 %	17.8 %
Interest on farm net worth	55,351	34,070	46,017
Farm interest expense	9,547	7,029	9,788
Value of operator lbr and mgmt.	26,674	28,933	23,383
Return on farm assets	24,204	-69,137	119,014
Average farm assets	1,143,457	741,155	1,004,667
Return on farm equity	14,658	-76,167	109,226
Average farm equity	919,171	553,473	766,950
Value of farm production	168,472	144,111	178,762

Table 25

Liquidity Measures
Michigan Cash Grain, 140 to 799 Acres, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	43	10	11
Liquidity (cash)			
Net cash farm income	37,309	17,583	72,969
Net nonfarm income	21,902	32,776	17,277
Family living and taxes	20,846	23,989	17,886
Principal due on long term debt	5,790	6,890	7,468
Cash available for interm. debt	32,575	19,480	64,893
Average intermediate debt	73,217	59,569	99,804
Years to turnover interm. debt	2.2	3.1	1.5
Expense as a % of income	79 %	90 %	63 %
Interest as a % of income	6 %	4 %	5 %
Liquidity (accrual)			
Total accrual farm income	173,382	150,095	179,940
Total accrual operating expense	139,897	151,712	121,557
Net accrual operating income	33,485	-1,617	58,383
Net nonfarm income	21,902	32,776	17,277
Family living and taxes	20,846	23,989	17,886
Principal due on long term debt	5,790	6,890	7,468
Available for intermediate debt	28,751	279	50,307
Average intermediate debt	73,217	59,569	99,804
Years to turnover interm. debt	2.5	213.2	2.0
Expense as a % of income	81 %	101 %	68 %
Interest as a % of income	6 %	5 %	5 %

Table 26

Balance Sheet at Cost Values
Michigan Cash Grain, 140 to 799 Acres, 2004
(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	43		10		11	
Assets						
Current Farm Assets						
Cash and checking balance	44,773	59,266	1,997	5,123	58,687	78,722
Prepaid expenses & supplies	12,341	14,039	13,419	12,481	3,928	7,676
Growing crops	8,327	6,722	2,590	2,665	13,826	7,636
Accounts receivable	9,835	7,827	12,110	6,235	13,062	6,241
Hedging accounts	0	0	0	0	0	0
Crops held for sale or feed	61,901	64,363	46,598	38,026	85,243	84,093
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	5,890	5,577	6,528	3,460	2,003	497
Other current assets	626	279	100	100	1,538	182
Total current farm assets	143,693	158,073	83,341	68,090	178,287	185,047
Intermediate Farm Assets						
Breeding livestock	5,184	5,683	8,030	7,295	14	13
Machinery and equipment	59,685	57,661	46,885	41,728	83,308	83,744
Titled vehicles	0	1,128	0	0	0	0
Other intermediate assets	12,947	19,981	4,229	5,542	1,097	1,269
Total intermediate farm assets	77,815	84,453	59,144	54,565	84,419	85,026
Long Term Farm Assets						
Farm land	167,058	174,118	146,408	167,633	121,797	121,797
Buildings and improvements	41,346	43,121	43,591	50,600	52,680	49,245
Other long-term assets	3,382	2,928	3,503	2,162	9,041	8,349
Total long-term farm assets	211,787	220,167	193,502	220,395	183,518	179,391
Total Farm Assets	433,295	462,693	335,987	343,049	446,224	449,464
Total Nonfarm Assets	138,680	136,931	30,388	28,772	104,148	125,559
Total Assets	571,975	599,625	366,375	371,822	550,373	575,022
Liabilities						
Current Farm Liabilities						
Accrued interest	2,397	2,049	680	726	1,354	1,959
Accounts payable	3,511	7,570	1,198	1,974	2,147	2,853
Current notes	45,344	39,248	33,437	35,720	36,709	34,756
Government crop loans	0	0	0	0	0	0
Principal due on term debt	20,000	25,253	20,843	24,760	26,388	29,982
Total current farm liabilities	71,252	74,121	56,158	63,180	66,598	69,550
Total intermediate farm liabs	60,552	54,575	54,135	38,292	82,479	75,385
Total long term farm liabilities	91,460	96,561	70,147	93,452	96,247	85,174
Total farm liabilities	223,265	225,257	180,439	194,924	245,324	230,110
Total nonfarm liabilities	8,275	7,502	0	297	13,876	12,209
Total liabilities	231,540	232,759	180,439	195,221	259,200	242,319
Net worth (farm and nonfarm)	340,435	366,866	185,936	176,601	291,172	332,704
Net worth change		26,431		-9,335		41,531
Ratio Analysis						
Current farm liabilities / assets	50 %	47 %	67 %	93 %	37 %	38 %
Curr. & interm farm liab. / assets	60 %	53 %	77 %	83 %	57 %	54 %
Long term farm liab. / assets	43 %	44 %	36 %	42 %	52 %	47 %
Total debt to asset ratio	40 %	39 %	49 %	53 %	47 %	42 %

Table 27

Balance Sheet at Market Values
Michigan Cash Grain, 140 to 799 Acres, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of		Low 25%		High 25%	
	All Farms					
Number of farms	43		10		11	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	44,773	59,266	1,997	5,123	58,687	78,722
Prepaid expenses & supplies	12,341	14,039	13,419	12,481	3,928	7,676
Growing crops	8,327	6,722	2,590	2,665	13,826	7,636
Accounts receivable	9,835	7,827	12,110	6,235	13,062	6,241
Hedging accounts	0	0	0	0	0	0
Crops held for sale or feed	61,901	64,363	46,598	38,026	85,243	84,093
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	5,890	5,577	6,528	3,460	2,003	497
Other current assets	626	279	100	100	1,538	182
Total current farm assets	143,693	158,073	83,341	68,090	178,287	185,047
Intermediate Farm Assets						
Breeding livestock	6,259	6,904	8,030	7,295	1,609	2,301
Machinery and equipment	227,990	231,360	155,338	151,201	228,574	230,189
Titled vehicles	1,419	2,743	4,700	4,500	0	0
Other intermediate assets	13,724	22,110	5,029	5,542	2,643	8,828
Total intermediate farm assets	249,392	263,116	173,097	168,538	232,826	241,319
Long Term Farm Assets						
Farm land	632,118	661,023	374,014	381,926	456,094	532,423
Buildings and improvements	82,802	86,139	115,487	113,540	71,429	76,665
Other long-term assets	3,257	7,298	2,776	1,501	9,213	26,032
Total long-term farm assets	718,178	754,461	492,277	496,967	536,736	635,120
Total Farm Assets	1,111,263	1,175,650	748,715	733,595	947,849	1,061,486
Total Nonfarm Assets	285,364	309,552	117,334	138,511	155,042	197,923
Total Assets	1,396,627	1,485,202	866,049	872,106	1,102,891	1,259,409
Liabilities						
Current Farm Liabilities						
Accrued interest	2,397	2,049	680	726	1,354	1,959
Accounts payable	3,511	7,570	1,198	1,974	2,147	2,853
Current notes	45,344	39,248	33,437	35,720	36,709	34,756
Government crop loans	0	0	0	0	0	0
Principal due on term debt	20,000	25,253	20,843	24,760	26,388	29,982
Total current farm liabilities	71,252	74,121	56,158	63,180	66,598	69,550
Total intermediate farm liabs	60,552	54,575	54,135	38,292	82,479	75,385
Total long term farm liabilities	91,460	96,561	70,147	93,452	96,247	85,174
Total farm liabilities	223,265	225,257	180,439	194,924	245,324	230,110
Total nonfarm liabilities	8,275	7,502	0	297	13,876	12,209
Total liabs excluding deferreds	231,540	232,759	180,439	195,221	259,200	242,319
Total deferred liabilities	24	25	0	0	0	0
Total liabilities	231,564	232,784	180,439	195,221	259,200	242,319
Retained earnings	340,435	366,866	185,936	176,601	291,172	332,704
Market valuation equity	824,628	885,552	499,674	500,285	552,518	684,386
Net worth (farm and nonfarm)	1,165,063	1,252,418	685,610	676,885	843,691	1,017,090
Net worth excluding deferreds	1,165,087	1,252,443	685,610	676,885	843,691	1,017,090
Net worth change		87,355		-8,724		173,399
Ratio Analysis						
Current farm liabilities / assets	50 %	47 %	67 %	93 %	37 %	38 %
Curr. & interm farm liab. / assets	34 %	31 %	43 %	43 %	36 %	34 %
Long term farm liab. / assets	13 %	13 %	14 %	19 %	18 %	13 %
Total debt to asset ratio	17 %	16 %	21 %	22 %	24 %	19 %
Debt to assets excl deferreds	17 %	16 %	21 %	22 %	24 %	19 %

Table 28

Statement Of Cash Flows
Michigan Cash Grain, 140 to 799 Acres, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	43	10	11
Beginning cash (farm & nonfarm)	46,629	6,329	58,687
Cash From Operating Activities			
Gross cash farm income	175,193	167,536	196,964
Net nonfarm income	21,902	32,776	17,277
Total cash farm expense	-137,884	-149,952	-123,994
Apparent family living expense	-19,095	-21,078	-16,090
Income and social security tax	-1,751	-2,911	-1,795
Cash from operations	38,365	26,370	72,361
Cash From Investing Activities			
Sale of breeding livestock	253	-	-
Sale of machinery & equipment	1,128	937	1,009
Sale of titled vehicles	-	-	-
Sale of farm land	1,058	4,000	-
Sale of farm buildings	209	-	-
Sale of other farm assets	2,580	1,148	0
Sale of nonfarm assets	20,118	-	3,945
Purchase of breeding livestock	-252	-	-
Purchase of machinery & equip.	-20,278	-11,445	-28,116
Purchase of titled vehicles	-930	-	-
Purchase of farm land	-7,284	-22,088	-
Purchase of farm buildings	-8,426	-13,268	-5,521
Purchase of other farm assets	-9,383	-1,894	-23
Purchase of nonfarm assets	-3,375	-1,800	-5,423
Cash from investing activities	-24,581	-44,410	-34,129
Cash From Financing Activities			
Money borrowed	69,874	60,210	53,201
Cash gifts and inheritances	2,976	6,516	-
Principal payments	-72,388	-46,251	-71,398
Dividends paid	-	-	-
Gifts given	-6	-	-
Cash from financing activities	456	20,475	-18,197
Net change in cash balance	14,240	2,435	20,035
Ending cash (farm & nonfarm)	60,869	8,763	78,722

Table 29

Financial Standards Measures
Michigan Cash Grain, 140 to 799 Acres, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	43	10	11
Liquidity			
Current ratio	2.13	1.08	2.66
Working capital	83,952	4,909	115,497
Solvency (market)			
Farm debt to asset ratio	19 %	27 %	22 %
Farm equity to asset ratio	81 %	73 %	78 %
Farm debt to equity ratio	24 %	36 %	28 %
Profitability (cost)			
Rate of return on farm assets	-2.4 %	-13.8 %	1.9 %
Rate of return on farm equity	-9.1 %	-35.6 %	-0.6 %
Operating profit margin	-6.4 %	-32.6 %	4.8 %
Net farm income	6,345	-25,051	22,212
Repayment Capacity			
Term debt coverage ratio	149 %	48 %	176 %
Capital replacement margin	13,811	-13,674	30,047
Efficiency			
Asset turnover rate (cost)	37.6 %	42.4 %	39.9 %
Operating expense ratio	75.2 %	96.4 %	62.1 %
Depreciation expense ratio	15.7 %	15.6 %	20.1 %
Interest expense ratio	5.5 %	4.7 %	5.4 %
Net farm income ratio	3.7 %	-16.7 %	12.3 %

Table 30

Operator and Labor Information
Michigan Cash Grain, 140 to 799 Acres, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	43	10	11
Operator Information			
Average number of operators	1.1	1.1	1.1
Average age of operators	51.3	50.9	38.3
Average number of years farming	29.9	26.4	24.1
Results Per Operator			
Working capital	75,207	4,463	105,872
Total assets (market)	1,330,493	792,824	1,154,458
Total liabilities	208,536	177,474	222,126
Net worth (market)	1,121,958	615,350	932,332
Net worth excl deferred liabs	1,121,980	615,350	932,332
Gross farm income	155,321	136,450	164,945
Total farm expense	149,638	159,224	144,584
Net farm income	5,684	-22,773	20,361
Net nonfarm income	19,620	29,796	15,837
Family living & tax withdrawals	18,674	21,808	16,395
Total acres owned	301.9	250.1	247.5
Total crop acres	423.4	352.0	444.9
Crop acres owned	232.3	215.6	221.0
Crop acres cash rented	177.5	136.4	202.0
Crop acres share rented	13.6	-	21.9
Total pasture acres	1.3	-	-
Labor Analysis			
Number of farms	42	10	11
Total unpaid labor hours	2,459	2,215	2,618
Total hired labor hours	633	880	688
Total labor hours per farm	3,092	3,094	3,306
Unpaid hours per operator	2,198	2,013	2,400
Value of farm production / hour	54.26	46.57	54.07
Net farm income / unpaid hour	2.91	-11.31	8.48
Average hourly hired labor wage	13.31	13.23	9.29

Table 31

Financial Summary
Michigan Cash Grain, 140 to 799 Acres, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	43	10	11
Income Statement			
Gross cash farm income	175,193	167,536	196,964
Total cash farm expense	137,884	149,952	123,994
Net cash farm income	37,309	17,583	72,969
Inventory change	-3,824	-19,200	-14,586
Depreciation and capital adjust	-27,141	-23,434	-36,171
Net farm income	6,345	-25,051	22,212
Profitability (cost)			
Labor and management earnings	-8,321	-35,322	8,795
Rate of return on assets	-2.4 %	-13.8 %	1.9 %
Rate of return on equity	-9.1 %	-35.6 %	-0.6 %
Operating profit margin	-6.4 %	-32.6 %	4.8 %
Asset turnover rate	37.6 %	42.4 %	39.9 %
Profitability (market)			
Labor and management earnings	-14,019	-81,304	86,592
Rate of return on assets	2.1 %	-9.3 %	11.8 %
Rate of return on equity	1.6 %	-13.8 %	14.2 %
Operating profit margin	14.4 %	-48.0 %	66.6 %
Asset turnover rate	14.7 %	19.4 %	17.8 %
Liquidity			
Ending current ratio	2.13	1.08	2.66
Ending working capital	83,952	4,909	115,497
End working capital to gross inc	47.9 %	2.9 %	58.6 %
Term debt coverage ratio	148.8 %	48.3 %	175.5 %
Expense as a percent of income	80.7 %	101.1 %	67.6 %
Interest as a percent of income	5.5 %	4.7 %	5.4 %
Solvency (cost)			
Number of farms	43	10	11
Ending farm assets	462,693	343,049	449,464
Ending farm liabilities	225,257	194,924	230,110
Ending total assets	599,625	371,822	575,022
Ending total liabilities	232,759	195,221	242,319
Ending net worth	366,866	176,601	332,704
Net worth change	26,431	-9,335	41,531
Ending farm debt to asset ratio	49 %	57 %	51 %
Beg total debt to asset ratio	40 %	49 %	47 %
End total debt to asset ratio	39 %	53 %	42 %
Solvency (market)			
Number of farms	43	10	11
Ending farm assets	1,175,650	733,595	1,061,486
Ending farm liabilities	225,282	194,924	230,110
Ending total assets	1,485,202	872,106	1,259,409
Ending total liabilities	232,784	195,221	242,319
Ending net worth	1,252,418	676,885	1,017,090
Net worth change	87,355	-8,724	173,399
Ending farm debt to asset ratio	19 %	27 %	22 %
Beg total debt to asset ratio	17 %	21 %	24 %
End total debt to asset ratio	16 %	22 %	19 %
Nonfarm Information			
Net nonfarm income	21,902	32,776	17,277
Crop Acres			
Total acres owned	337	275	270
Total crop acres	473	387	485
Total crop acres owned	259	237	241
Total crop acres cash rented	198	150	220
Total crop acres share rented	15	-	24

C) Average of 20 Cash Grain Farms, 800 to 1199 Acres

Table 32

Crop Production and Marketing Summary
Michigan Cash Grain, 800 to 1199 Acres, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	High 25%
Number of farms	20	6
Acreage Summary		
Total acres owned	407	128
Total crop acres	1,010	1,029
Crop acres owned	347	209
Crop acres cash rented	628	820
Crop acres share rented	35	-
Total pasture acres	-	-
Average Price Received (Cash Sales Only)		
Soybeans per bushel	6.31	-
Corn per bushel	2.31	-
Wheat, Winter per bushel	2.98	-

Table 33

Farm Income Statement
Michigan Cash Grain, 800 to 1199 Acres, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	High 25%
Number of farms	20	6
Cash Farm Income		
Beans, Dark Red Kidney	2,930	-
Beans, Green	4,066	-
Beans, Navy	7,630	16,092
Clover Seed	97	325
Corn	102,782	147,884
Corn Silage	18,421	-
Corn, Seed	33,278	-
Cucumbers	13,917	14,723
Hay, Alfalfa	6,347	260
Hay, Mixed	766	-
Haylage, Mixed	2,492	-
Oats	245	689
Potatoes	35,562	-
Rye	245	-
Soybeans	57,005	60,939
Straw	1,060	-
Sugar Beets	2,785	-
Wheat, Winter	15,647	15,127
Beef Cow-Calf, Beef Calves	2,140	-
Beef, Finish Beef Calves	5,851	11,454
Beef, Finish Yrlg Steers	7,837	26,123
Chickens, Egg Product., Eggs	645	-
Dairy Steers	413	-
Hogs, Finish Feeder Pigs	144	-
Sheep, Lamb Finishing	619	-
Sheep, Market Lambs, Mkt Lambs	2,816	-
Sheep, Market Lambs, Wool	106	-
Cull breeding livestock	302	-
Misc. livestock income	14,252	36,665
Direct & CC govt payments	13,410	21,682
Other government payments	18,280	7,507
Custom work income	8,082	1,835
Patronage dividends, cash	166	285
Insurance income	5,608	1,731
Contract livestock income	10,092	33,640
Other farm income	8,960	13,998
Gross Cash Farm Income	404,996	410,957

Table 33

Farm Income Statement (Continued)
Michigan Cash Grain, 800 to 1199 Acres, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	High 25%
Number of farms	20	6
Cash Farm Expense		
Seed	30,294	28,308
Fertilizer	46,227	46,098
Crop chemicals	27,670	20,951
Crop insurance	2,714	763
Drying fuel	1,403	-
Crop custom hire	534	1,779
Hauling and trucking	2,054	299
Crop marketing	3,256	444
Crop miscellaneous	1,354	2,249
Feeder livestock purchase	14,654	40,172
Purchased feed	12,931	36,739
Breeding fees	231	500
Veterinary	1,768	5,326
Livestock supplies	648	-
Livestock marketing	444	770
Interest	18,753	15,165
Packaging and supplies	461	1,521
Supplies	1,159	169
Fuel & oil	19,887	18,907
Repairs	29,098	27,014
Custom hire	14,337	7,291
Hired labor	20,956	18,133
Land rent	47,016	41,727
Machinery & bldg leases	5,735	7,296
Real estate taxes	9,655	5,860
Personal property taxes	234	780
Farm insurance	12,019	14,690
Utilities	9,470	8,802
Dues & professional fees	2,974	1,777
Hedging account deposits	347	-
Miscellaneous	11,491	21,595
Total cash expense	349,773	375,124
Net cash farm income	55,222	35,833
Inventory Changes		
Crops and feed	-7,178	26,813
Market livestock	6,545	16,051
Accounts receivable	3,406	13,491
Prepaid expenses and supplies	-2,842	-1,400
Accounts payable	4,934	-5,201
Total inventory change	4,866	49,754
Net operating profit	60,089	85,587
Depreciation and Other Capital Adjustments		
Breeding livestock	4,755	10,600
Machinery and equipment	-36,594	-21,460
Buildings and improvements	-7,665	-4,775
Other farm capital	-693	-936
Total depr. and other capital adj	-40,197	-16,571
Net farm income	19,892	69,016

Table 34

Inventory Changes
Michigan Cash Grain, 800 to 1199 Acres, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	High 25%
Number of farms	20	6
Net cash farm income	55,222	35,833
Crops and Feed		
Ending inventory	193,739	167,655
Beginning inventory	200,917	140,842
Inventory change	-7,178	26,813
Market Livestock		
Ending inventory	22,450	56,834
Beginning inventory	15,905	40,783
Inventory change	6,545	16,051
Accts Receivable & Other Current Assets		
Ending inventory	26,260	32,249
Beginning inventory	22,854	18,759
Inventory change	3,406	13,491
Prepaid Expenses and Supplies		
Ending inventory	23,197	39,189
Beginning inventory	26,039	40,589
Inventory change	-2,842	-1,400
Accounts Payable & Accrued Expenses		
Beginning inventory	45,329	12,760
Ending inventory	40,395	17,961
Inventory change	4,934	-5,201
Total inventory change	4,866	49,754
Net operating profit	60,089	85,587

Table 35

Depreciation and Other Capital Adjustments
Michigan Cash Grain, 800 to 1199 Acres, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	High 25%
Number of farms	20	6
Net operating profit	60,089	85,587
Breeding Livestock		
Ending inventory	22,721	31,050
Capital sales	219	-
Beginning inventory	14,764	15,283
Capital purchases	3,420	5,167
Depreciation, capital adjust.	4,755	10,600
Machinery and Equipment		
Ending inventory	137,374	125,828
Capital sales	3,635	4,158
Beginning inventory	133,575	96,584
Capital purchases	44,027	54,862
Depreciation, capital adjust.	-36,594	-21,460
Buildings and Improvements		
Ending inventory	64,757	17,606
Capital sales	-	-
Beginning inventory	66,690	19,123
Capital purchases	5,731	3,258
Depreciation, capital adjust.	-7,665	-4,775
Other Capital Assets		
Ending inventory	15,094	18,524
Capital sales	833	-
Beginning inventory	13,662	10,705
Capital purchases	2,958	8,755
Depreciation, capital adjust.	-693	-936
Total depreciation, capital adj.	-40,197	-16,571
Net farm income	19,892	69,016

Table 36

Profitability Measures
Michigan Cash Grain, 800 to 1199 Acres, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	High 25%
Number of farms	20	6
Profitability (assets valued at cost)		
Net farm income	19,892	69,016
Labor and management earnings	-3,898	55,312
Rate of return on assets	-0.4 %	7.8 %
Rate of return on equity	-6.0 %	15.2 %
Operating profit margin	-0.8 %	12.8 %
Asset turnover rate	43.8 %	61.0 %
Interest on farm net worth	23,790	13,704
Farm interest expense	20,169	19,202
Value of operator lbr and mgmt.	43,149	36,883
Return on farm assets	-3,088	51,335
Average farm assets	878,200	657,513
Return on farm equity	-23,257	32,133
Average farm equity	388,550	211,553
Value of farm production	384,940	400,999
	Avg. Of All Farms	High 25%
Number of farms	20	6
Profitability (assets valued at market)		
Net farm income	62,694	157,515
Labor and management earnings	-10,207	124,893
Rate of return on assets	2.3 %	14.1 %
Rate of return on equity	1.6 %	22.2 %
Operating profit margin	10.3 %	34.9 %
Asset turnover rate	22.6 %	40.5 %
Interest on farm net worth	72,901	32,622
Farm interest expense	20,169	19,202
Value of operator lbr and mgmt.	43,149	36,883
Return on farm assets	39,714	139,833
Average farm assets	1,704,663	989,658
Return on farm equity	19,545	120,631
Average farm equity	1,215,013	543,698
Value of farm production	384,940	400,999

Table 37

Liquidity Measures
Michigan Cash Grain, 800 to 1199 Acres, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	High 25%
Number of farms	20	6
Liquidity (cash)		
Net cash farm income	55,222	35,833
Net nonfarm income	23,870	21,824
Family living and taxes	30,213	23,399
Principal due on long term debt	14,716	8,890
Cash available for interm. debt	34,164	25,368
Average intermediate debt	128,767	89,559
Years to turnover interm. debt	3.8	3.5
Expense as a % of income	86 %	91 %
Interest as a % of income	5 %	4 %
Liquidity (accrual)		
Total accrual farm income	407,769	467,311
Total accrual operating expense	347,681	381,724
Net accrual operating income	60,089	85,587
Net nonfarm income	23,870	21,824
Family living and taxes	30,213	23,399
Principal due on long term debt	14,716	8,890
Available for intermediate debt	39,030	75,121
Average intermediate debt	128,767	89,559
Years to turnover interm. debt	3.3	1.2
Expense as a % of income	85 %	82 %
Interest as a % of income	5 %	4 %

Table 38

Balance Sheet at Cost Values
Michigan Cash Grain, 800 to 1199 Acres, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of		High 25%	
	All Farms			
Number of farms	20		6	
	Beginning	Ending	Beginning	Ending
Assets				
Current Farm Assets				
Cash and checking balance	22,147	41,908	29,883	44,664
Prepaid expenses & supplies	26,039	23,197	40,589	39,189
Growing crops	7,816	8,388	9,123	10,085
Accounts receivable	14,988	16,441	9,635	22,164
Hedging accounts	50	572	0	0
Crops held for sale or feed	200,917	191,959	140,842	167,655
Crops under government loan	0	1,781	0	0
Market livestock held for sale	15,905	22,450	40,783	56,834
Other current assets	0	860	0	0
Total current farm assets	287,861	307,555	270,857	340,592
Intermediate Farm Assets				
Breeding livestock	14,764	22,721	15,283	31,050
Machinery and equipment	132,654	134,720	93,515	116,983
Titled vehicles	921	2,654	3,070	8,846
Other intermediate assets	11,267	13,069	8,653	15,972
Total intermediate farm assets	159,606	173,164	120,520	172,850
Long Term Farm Assets				
Farm land	335,921	356,425	174,596	194,279
Buildings and improvements	66,690	64,757	19,123	17,606
Other long-term assets	2,395	2,025	2,053	2,553
Total long-term farm assets	405,006	423,207	195,771	214,437
Total Farm Assets	852,474	903,926	587,148	727,878
Total Nonfarm Assets	147,761	152,858	54,804	63,095
Total Assets	1,000,234	1,056,784	641,952	790,973
Liabilities				
Current Farm Liabilities				
Accrued interest	5,407	6,823	3,689	7,726
Accounts payable	39,922	33,572	9,071	10,234
Current notes	131,050	130,725	171,376	222,426
Government crop loans	0	1,781	0	0
Principal due on term debt	42,303	55,733	15,092	39,017
Total current farm liabilities	218,681	228,634	199,228	279,403
Total intermediate farm liabs	91,662	99,882	73,563	71,800
Total long term farm liabilities	175,084	165,357	128,973	138,953
Total farm liabilities	485,427	493,872	401,763	490,156
Total nonfarm liabilities	116	4,071	388	10,571
Total liabilities	485,543	497,944	402,151	500,728
Net worth (farm and nonfarm)	514,691	558,840	239,801	290,245
Net worth change		44,150		50,444
Ratio Analysis				
Current farm liabilities / assets	76 %	74 %	74 %	82 %
Curr. & interm farm liab. / assets	69 %	68 %	70 %	68 %
Long term farm liab. / assets	43 %	39 %	66 %	65 %
Total debt to asset ratio	49 %	47 %	63 %	63 %

Table 39

Balance Sheet at Market Values
Michigan Cash Grain, 800 to 1199 Acres, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of		High 25%	
	All Farms			
Number of farms	20		6	
	Beginning	Ending	Beginning	Ending
Assets				
Current Farm Assets				
Cash and checking balance	22,147	41,908	29,883	44,664
Prepaid expenses & supplies	26,039	23,197	40,589	39,189
Growing crops	7,816	8,388	9,123	10,085
Accounts receivable	14,988	16,441	9,635	22,164
Hedging accounts	50	572	0	0
Crops held for sale or feed	200,917	191,959	140,842	167,655
Crops under government loan	0	1,781	0	0
Market livestock held for sale	15,905	22,450	40,783	56,834
Other current assets	0	860	0	0
Total current farm assets	287,861	307,555	270,857	340,592
Intermediate Farm Assets				
Breeding livestock	14,934	23,146	15,283	31,050
Machinery and equipment	364,906	388,337	247,226	310,794
Titled vehicles	6,683	13,548	11,908	35,242
Other intermediate assets	16,910	15,990	8,629	21,126
Total intermediate farm assets	403,433	441,020	283,047	398,212
Long Term Farm Assets				
Farm land	834,090	870,514	286,300	330,237
Buildings and improvements	129,757	130,675	32,788	32,679
Other long-term assets	2,395	2,025	2,053	2,553
Total long-term farm assets	966,241	1,003,215	321,140	365,469
Total Farm Assets	1,657,535	1,751,790	875,043	1,104,272
Total Nonfarm Assets	263,775	308,023	186,537	212,213
Total Assets	1,921,310	2,059,812	1,061,580	1,316,486
Liabilities				
Current Farm Liabilities				
Accrued interest	5,407	6,823	3,689	7,726
Accounts payable	39,922	33,572	9,071	10,234
Current notes	131,050	130,725	171,376	222,426
Government crop loans	0	1,781	0	0
Principal due on term debt	42,303	55,733	15,092	39,017
Total current farm liabilities	218,681	228,634	199,228	279,403
Total intermediate farm liabs	91,662	99,882	73,563	71,800
Total long term farm liabilities	175,084	165,357	128,973	138,953
Total farm liabilities	485,427	493,872	401,763	490,156
Total nonfarm liabilities	116	4,071	388	10,571
Total liabs excluding deferreds	485,543	497,944	402,151	500,728
Total deferred liabilities	0	0	0	0
Total liabilities	485,543	497,944	402,151	500,728
Retained earnings	514,691	558,840	239,801	290,245
Market valuation equity	921,076	1,003,028	419,628	525,513
Net worth (farm and nonfarm)	1,435,767	1,561,869	659,429	815,758
Net worth excluding deferreds	1,435,767	1,561,869	659,429	815,758
Net worth change		126,102		156,329
Ratio Analysis				
Current farm liabilities / assets	76 %	74 %	74 %	82 %
Curr. & interm farm liab. / assets	45 %	44 %	49 %	48 %
Long term farm liab. / assets	18 %	16 %	40 %	38 %
Total debt to asset ratio	25 %	24 %	38 %	38 %
Debt to assets excl deferreds	25 %	24 %	38 %	38 %

Table 40

Statement Of Cash Flows
Michigan Cash Grain, 800 to 1199 Acres, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	High 25%
Number of farms	20	6
Beginning cash (farm & nonfarm)	29,265	31,550
Cash From Operating Activities		
Gross cash farm income	404,996	410,957
Net nonfarm income	23,870	21,824
Total cash farm expense	-349,773	-375,124
Apparent family living expense	-28,431	-23,121
Income and social security tax	-1,782	-278
Cash from operations	48,879	34,258
Cash From Investing Activities		
Sale of breeding livestock	219	-
Sale of machinery & equipment	3,635	4,158
Sale of titled vehicles	-	-
Sale of farm land	-	-
Sale of farm buildings	-	-
Sale of other farm assets	833	-
Sale of nonfarm assets	11,261	7,106
Purchase of breeding livestock	-3,420	-5,167
Purchase of machinery & equip.	-41,154	-45,285
Purchase of titled vehicles	-2,873	-9,577
Purchase of farm land	-3,000	-10,000
Purchase of farm buildings	-5,731	-3,258
Purchase of other farm assets	-2,958	-8,755
Purchase of nonfarm assets	-13,123	-43,742
Cash from investing activities	-56,312	-114,520
Cash From Financing Activities		
Money borrowed	188,479	134,521
Cash gifts and inheritances	18,107	-
Principal payments	-171,145	-41,145
Dividends paid	-	-
Gifts given	-500	-
Cash from financing activities	34,941	93,376
Net change in cash balance	27,508	13,114
Ending cash (farm & nonfarm)	56,774	44,664

Table 41

Financial Standards Measures
Michigan Cash Grain, 800 to 1199 Acres, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	High 25%
Number of farms	20	6
Liquidity		
Current ratio	1.35	1.22
Working capital	78,921	61,188
Solvency (market)		
Farm debt to asset ratio	28 %	44 %
Farm equity to asset ratio	72 %	56 %
Farm debt to equity ratio	39 %	80 %
Profitability (cost)		
Rate of return on farm assets	-0.4 %	7.8 %
Rate of return on farm equity	-6.0 %	15.2 %
Operating profit margin	-0.8 %	12.8 %
Net farm income	19,892	69,016
Repayment Capacity		
Term debt coverage ratio	119 %	311 %
Capital replacement margin	11,381	68,715
Efficiency		
Asset turnover rate (cost)	43.8 %	61.0 %
Operating expense ratio	80.3 %	77.6 %
Depreciation expense ratio	9.9 %	3.5 %
Interest expense ratio	4.9 %	4.1 %
Net farm income ratio	4.9 %	14.8 %

Table 42

Operator and Labor Information
Michigan Cash Grain, 800 to 1199 Acres, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	High 25%
Number of farms	20	6
Operator Information		
Average number of operators	1.4	1.2
Average age of operators	49.6	42.8
Average number of years farming	27.2	19.7
Results Per Operator		
Working capital	58,245	52,447
Total assets (market)	1,520,157	1,128,416
Total liabilities	367,486	429,195
Net worth (market)	1,152,671	699,221
Net worth excl deferred liabs	1,152,671	699,221
Gross farm income	300,937	400,552
Total farm expense	286,256	341,395
Net farm income	14,680	59,156
Net nonfarm income	17,616	18,706
Family living & tax withdrawals	22,298	20,056
Total acres owned	300.2	109.5
Total crop acres	745.4	881.9
Crop acres owned	256.4	179.1
Crop acres cash rented	463.3	702.7
Crop acres share rented	25.6	-
Total pasture acres	-	-
Labor Analysis		
Number of farms	20	6
Total unpaid labor hours	3,026	2,000
Total hired labor hours	1,892	2,222
Total labor hours per farm	4,918	4,222
Unpaid hours per operator	2,233	1,714
Value of farm production / hour	78.27	94.98
Net farm income / unpaid hour	6.57	34.51
Average hourly hired labor wage	10.16	8.22

Table 43

Financial Summary
Michigan Cash Grain, 800 to 1199 Acres, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	High 25%
Number of farms	20	6
Income Statement		
Gross cash farm income	404,996	410,957
Total cash farm expense	349,773	375,124
Net cash farm income	55,222	35,833
Inventory change	4,866	49,754
Depreciation and capital adjust	-40,197	-16,571
Net farm income	19,892	69,016
Profitability (cost)		
Labor and management earnings	-3,898	55,312
Rate of return on assets	-0.4 %	7.8 %
Rate of return on equity	-6.0 %	15.2 %
Operating profit margin	-0.8 %	12.8 %
Asset turnover rate	43.8 %	61.0 %
Profitability (market)		
Labor and management earnings	-10,207	124,893
Rate of return on assets	2.3 %	14.1 %
Rate of return on equity	1.6 %	22.2 %
Operating profit margin	10.3 %	34.9 %
Asset turnover rate	22.6 %	40.5 %
Liquidity		
Ending current ratio	1.35	1.22
Ending working capital	78,921	61,188
End working capital to gross inc	19.5 %	14.9 %
Term debt coverage ratio	119.5 %	310.7 %
Expense as a percent of income	85.3 %	81.7 %
Interest as a percent of income	4.9 %	4.1 %
Solvency (cost)		
Number of farms	20	6
Ending farm assets	903,926	727,878
Ending farm liabilities	493,872	490,156
Ending total assets	1,056,784	790,973
Ending total liabilities	497,944	500,728
Ending net worth	558,840	290,245
Net worth change	44,150	50,444
Ending farm debt to asset ratio	55 %	67 %
Beg total debt to asset ratio	49 %	63 %
End total debt to asset ratio	47 %	63 %
Solvency (market)		
Number of farms	20	6
Ending farm assets	1,751,790	1,104,272
Ending farm liabilities	493,872	490,156
Ending total assets	2,059,812	1,316,486
Ending total liabilities	497,944	500,728
Ending net worth	1,561,869	815,758
Net worth change	126,102	156,329
Ending farm debt to asset ratio	28 %	44 %
Beg total debt to asset ratio	25 %	38 %
End total debt to asset ratio	24 %	38 %
Nonfarm Information		
Net nonfarm income	23,870	21,824
Crop Acres		
Total acres owned	407	128
Total crop acres	1,010	1,029
Total crop acres owned	347	209
Total crop acres cash rented	628	820
Total crop acres share rented	35	-

D) Average of 25 Cash Grain Farms, 1200 Plus Acres

Table 44 Crop Production and Marketing Summary			
Michigan Cash Grain, 1200 Plus Acres, 2004			
(Farms Sorted By Rate of Return on Assets - Mkt)			
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	25	7	5
Acreage Summary			
Total acres owned	506	577	218
Total crop acres	2,330	3,324	2,351
Crop acres owned	598	534	658
Crop acres cash rented	1,710	2,791	1,578
Crop acres share rented	23	-	115
Total pasture acres	-	-	-
Average Price Received (Cash Sales Only)			
Corn per bushel	2.34	2.42	-
Soybeans per bushel	6.29	5.42	-
Wheat, Winter per bushel	3.21	3.20	-
Straw per ton	4.34	-	-

Table 45

Farm Income Statement
Michigan Cash Grain, 1200 Plus Acres, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	25	7	5
Cash Farm Income			
Alfalfa Seed	50	178	-
Barley	1,470	5,251	-
Beans, Green	4,306	-	13,368
Beans, Navy	17,589	42,109	-
Carrots	1,678	5,992	-
Clover Seed	1,482	5,292	-
Corn	224,521	277,126	254,194
Corn Silage	9,900	25,753	-
Corn, Seed	54,613	3,531	86,950
Cucumbers	15,404	-	-
Hay, Alfalfa	1,370	3,296	-
Hay, Mixed	1,016	-	5,007
Haylage, Alfalfa	6,793	24,259	-
Oatlage	310	1,106	-
Oats	4,741	16,017	1,210
Potatoes	23,670	-	61,016
Soybeans	182,022	212,359	247,720
Soybeans Seed	6,312	22,541	-
Straw	6,130	20,120	316
Sugar Beets	29,963	41,219	-
Sweet Corn	8,683	31,009	-
Wheat, Winter	52,619	104,405	27,802
Miscellaneous crop income	97	60	-
Beef, Custom Fed	205	-	-
Beef, Finish Beef Calves	2,813	-	-
Hogs, Farrow-Fin, Raised Hogs	8,982	-	-
Hogs, Weaning to Finish	7,009	-	-
Cull breeding livestock	728	151	-
Misc. livestock income	917	3,200	-
Direct & CC govt payments	30,211	52,757	21,082
Other government payments	39,027	16,210	75,396
Custom work income	56,456	100,576	18,769
Patronage dividends, cash	53	-	249
Insurance income	23,615	27,612	4,490
Cash from hedging accts	-651	122	719
Contract livestock income	564	-	-
Other farm income	66,625	98,053	6,200
Gross Cash Farm Income	891,289	1,140,306	824,487

Table 45

Farm Income Statement (Continued)
Michigan Cash Grain, 1200 Plus Acres, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	25	7	5
Cash Farm Expense			
Seed	66,416	93,532	70,177
Fertilizer	110,633	118,492	146,237
Crop chemicals	69,345	79,550	91,803
Crop insurance	8,726	5,749	12,557
Drying fuel	2,139	35	2,529
Irrigation energy	2,183	-	5,201
Crop custom hire	1,418	1,294	-
Crop hauling and trucking	179	213	-
Marketing	1,554	2,502	92
Crop miscellaneous	7,351	807	1,799
Feeder livestock purchase	5,036	471	200
Purchased feed	6,756	3,465	763
Veterinary	317	-	38
Supplies	521	366	-
Interest	41,155	51,836	37,539
Packaging and supplies	233	-	1,167
Fuel & oil	36,190	49,306	24,315
Repairs	52,024	69,427	38,041
Custom hire	44,400	110,113	16,781
Hired labor	57,208	119,190	23,661
Land rent	129,629	153,640	158,683
Machinery & bldg leases	10,069	909	9,690
Real estate taxes	14,846	29,335	5,737
Farm insurance	26,811	37,168	16,066
Utilities	13,865	11,651	9,778
Hauling and trucking	440	-	2,200
Dues & professional fees	8,848	12,874	2,954
Hedging account deposits	233	-	202
Miscellaneous	37,613	66,127	12,440
Total cash expense	756,138	1,018,054	690,650
Net cash farm income	135,151	122,252	133,837
Inventory Changes			
Crops and feed	16,275	-51,412	50,286
Market livestock	3,399	-2,325	-
Accounts receivable	31,405	41,906	20,729
Prepaid expenses and supplies	11,480	1,756	44,517
Accounts payable	-21,010	-68,938	3,733
Total inventory change	41,550	-79,013	119,264
Net operating profit	176,701	43,239	253,102
Depreciation and Other Capital Adjustments			
Breeding livestock	-239	-	-
Machinery and equipment	-83,206	-110,858	-67,802
Buildings and improvements	-16,041	-29,082	-6,418
Other farm capital	-114	-514	0
Total depr. and other capital adj	-99,602	-140,454	-74,220
Net farm income	77,099	-97,215	178,882

Table 46

Inventory Changes
Michigan Cash Grain, 1200 Plus Acres, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	25	6	7
Net cash farm income	135,151	118,876	136,716
Crops and Feed			
Ending inventory	319,119	325,501	230,777
Beginning inventory	302,844	359,838	191,855
Inventory change	16,275	-34,338	38,922
Market Livestock			
Ending inventory	18,938	21,114	-
Beginning inventory	15,539	23,826	-
Inventory change	3,399	-2,713	-
Accts Receivable & Other Current Assets			
Ending inventory	96,906	169,621	139,850
Beginning inventory	65,500	125,400	80,356
Inventory change	31,405	44,222	59,494
Prepaid Expenses and Supplies			
Ending inventory	41,080	38,359	57,135
Beginning inventory	29,600	38,727	28,046
Inventory change	11,480	-368	29,090
Accounts Payable & Accrued Expenses			
Beginning inventory	43,323	64,275	33,705
Ending inventory	64,332	146,900	34,005
Inventory change	-21,010	-82,625	-300
Total inventory change	41,550	-75,821	127,207
Net operating profit	176,701	43,054	263,923

Table 47

Depreciation and Other Capital Adjustments
Michigan Cash Grain, 1200 Plus Acres, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	25	6	7
Net operating profit	176,701	43,054	263,923
Breeding Livestock			
Ending inventory	1,608	-	143
Capital sales	16,887	69,617	-
Beginning inventory	18,352	69,617	143
Capital purchases	382	-	-
Depreciation, capital adjust.	-239	-	-
Machinery and Equipment			
Ending inventory	203,351	223,554	240,296
Capital sales	6,389	7,742	4,193
Beginning inventory	218,470	284,922	221,434
Capital purchases	74,476	60,936	98,079
Depreciation, capital adjust.	-83,206	-114,562	-75,024
Buildings and Improvements			
Ending inventory	107,081	279,102	42,757
Capital sales	-	-	-
Beginning inventory	115,747	296,838	45,459
Capital purchases	7,375	10,601	5,976
Depreciation, capital adjust.	-16,041	-28,337	-8,678
Other Capital Assets			
Ending inventory	55,303	90,637	18,910
Capital sales	13,629	51,293	1,209
Beginning inventory	55,233	90,498	16,509
Capital purchases	13,814	52,033	3,610
Depreciation, capital adjust.	-114	-600	0
Total depreciation, capital adj.	-99,602	-143,499	-83,702
Net farm income	77,099	-100,444	180,221

Table 48

Profitability Measures
Michigan Cash Grain, 1200 Plus Acres, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	25	6	7
Profitability (assets valued at cost)			
Net farm income	77,099	-100,444	180,221
Labor and management earnings	53,431	-121,201	160,429
Rate of return on assets	4.3 %	-5.2 %	15.7 %
Rate of return on equity	6.6 %	-706.8 %	41.7 %
Operating profit margin	6.3 %	-8.8 %	17.6 %
Asset turnover rate	69.2 %	58.9 %	89.2 %
Interest on farm net worth	23,668	20,757	19,793
Farm interest expense	40,583	58,480	48,544
Value of operator lbr and mgmt.	59,201	60,654	64,241
Return on farm assets	58,481	-102,619	164,524
Average farm assets	1,344,852	1,968,969	1,045,630
Return on farm equity	17,898	-161,098	115,980
Average farm equity	269,434	22,793	277,801
Value of farm production	930,337	1,160,102	932,620
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	25	6	7
Profitability (assets valued at market)			
Net farm income	147,562	-15,371	246,185
Labor and management earnings	46,158	-103,357	171,067
Rate of return on assets	4.7 %	-0.5 %	11.4 %
Rate of return on equity	5.3 %	-5.3 %	14.5 %
Operating profit margin	13.9 %	-1.5 %	24.7 %
Asset turnover rate	33.7 %	34.4 %	46.2 %
Interest on farm net worth	101,404	87,986	75,117
Farm interest expense	40,583	58,480	48,544
Value of operator lbr and mgmt.	59,201	60,654	64,241
Return on farm assets	128,944	-17,546	230,487
Average farm assets	2,756,648	3,375,818	2,019,785
Return on farm equity	88,361	-76,025	181,944
Average farm equity	1,681,230	1,429,642	1,251,956
Value of farm production	930,337	1,160,102	932,620

Table 49

Liquidity Measures
Michigan Cash Grain, 1200 Plus Acres, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	25	6	7
Liquidity (cash)			
Net cash farm income	135,151	118,876	136,716
Net nonfarm income	15,972	28,643	14,172
Family living and taxes	48,715	26,431	59,074
Principal due on long term debt	29,368	54,311	21,286
Cash available for interm. debt	73,040	66,777	70,529
Average intermediate debt	240,620	304,852	177,617
Years to turnover interm. debt	3.3	4.6	2.5
Expense as a % of income	85 %	90 %	84 %
Interest as a % of income	5 %	5 %	6 %
Liquidity (accrual)			
Total accrual farm income	942,368	1,164,695	933,308
Total accrual operating expense	765,668	1,121,640	669,385
Net accrual operating income	176,701	43,054	263,923
Net nonfarm income	15,972	28,643	14,172
Family living and taxes	48,715	26,431	59,074
Principal due on long term debt	29,368	54,311	21,286
Available for intermediate debt	114,590	-9,044	197,736
Average intermediate debt	240,620	304,852	177,617
Years to turnover interm. debt	2.1	**	0.9
Expense as a % of income	81 %	96 %	72 %
Interest as a % of income	4 %	5 %	5 %

** Income insufficient to meet debt servicing requirements

Table 50

Balance Sheet at Cost Values
Michigan Cash Grain, 1200 Plus Acres, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of		Low 25%		High 25%	
	All Farms					
Number of farms	25		6		7	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	41,930	53,509	46,254	69,977	43,857	29,414
Prepaid expenses & supplies	29,600	41,080	38,727	38,359	28,046	57,135
Growing crops	16,600	15,562	36,318	32,900	10,200	10,623
Accounts receivable	37,800	73,134	44,149	119,763	69,585	117,602
Hedging accounts	276	1,188	0	0	571	1,229
Crops held for sale or feed	302,844	316,172	359,838	325,501	191,855	230,777
Crops under government loan	0	2,947	0	0	0	0
Market livestock held for sale	15,539	18,938	23,826	21,114	0	0
Other current assets	10,824	7,021	44,933	16,958	0	10,397
Total current farm assets	455,413	529,552	594,045	624,572	344,114	457,177
Intermediate Farm Assets						
Breeding livestock	18,352	1,608	69,617	0	143	143
Machinery and equipment	218,470	203,351	284,922	223,554	221,434	240,296
Titled vehicles	0	0	0	0	0	0
Other intermediate assets	32,850	31,853	72,915	73,654	14,366	11,910
Total intermediate farm assets	269,672	236,812	427,453	297,209	235,942	252,349
Long Term Farm Assets						
Farm land	459,512	470,084	692,077	692,077	354,208	350,109
Buildings and improvements	115,747	107,081	296,838	279,102	45,459	42,757
Other long-term assets	22,383	23,450	17,583	16,983	2,143	7,000
Total long-term farm assets	597,641	600,614	1,006,498	988,162	401,811	399,866
Total Farm Assets	1,322,726	1,366,978	2,027,996	1,909,942	981,867	1,109,392
Total Nonfarm Assets	212,973	238,040	604,990	677,225	140,978	140,319
Total Assets	1,535,699	1,605,018	2,632,986	2,587,167	1,122,845	1,249,711
Liabilities						
Current Farm Liabilities						
Accrued interest	10,693	10,122	3,403	3,677	25,649	25,475
Accounts payable	32,630	54,211	60,872	143,223	8,056	8,530
Current notes	271,969	257,560	469,429	397,666	203,995	179,391
Government crop loans	0	1,639	0	0	0	0
Principal due on term debt	82,148	98,476	122,022	161,991	56,772	68,907
Total current farm liabilities	397,440	422,008	655,726	706,557	294,472	282,303
Total intermediate farm liabs	186,248	185,622	240,915	235,021	115,405	153,205
Total long term farm liabilities	475,918	483,601	1,000,413	1,053,721	352,597	337,676
Total farm liabilities	1,059,606	1,091,230	1,897,053	1,995,299	762,473	773,184
Total nonfarm liabilities	16,256	13,658	0	0	52,518	44,148
Total liabilities	1,075,862	1,104,888	1,897,053	1,995,299	814,991	817,332
Net worth (farm and nonfarm)	459,837	500,130	735,932	591,868	307,854	432,379
Net worth change		40,293		-144,064		124,525
Ratio Analysis						
Current farm liabilities / assets	87 %	80 %	110 %	113 %	86 %	62 %
Curr. & interm farm liab. / assets	80 %	79 %	88 %	102 %	71 %	61 %
Long term farm liab. / assets	80 %	81 %	99 %	107 %	88 %	84 %
Total debt to asset ratio	70 %	69 %	72 %	77 %	73 %	65 %

Table 51

Balance Sheet at Market Values
Michigan Cash Grain, 1200 Plus Acres, 2004
(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	41,930	53,509	46,254	69,977	43,857	29,414
Prepaid expenses & supplies	29,600	41,080	38,727	38,359	28,046	57,135
Growing crops	16,600	15,562	36,318	32,900	10,200	10,623
Accounts receivable	37,800	73,134	44,149	119,763	69,585	117,602
Hedging accounts	276	1,188	0	0	571	1,229
Crops held for sale or feed	302,844	316,172	359,838	325,501	191,855	230,777
Crops under government loan	0	2,947	0	0	0	0
Market livestock held for sale	15,539	18,938	23,826	21,114	0	0
Other current assets	10,824	7,021	44,933	16,958	0	10,397
Total current farm assets	455,413	529,552	594,045	624,572	344,114	457,177
Intermediate Farm Assets						
Breeding livestock	18,352	1,616	69,617	0	143	143
Machinery and equipment	663,852	683,329	748,092	713,183	501,478	559,291
Titled vehicles	0	0	0	0	0	0
Other intermediate assets	32,850	31,853	72,915	73,654	14,366	11,910
Total intermediate farm assets	715,054	716,798	890,624	786,837	515,987	571,344
Long Term Farm Assets						
Farm land	1,249,022	1,281,488	1,437,753	1,469,953	1,004,733	1,023,516
Buildings and improvements	257,419	262,718	452,305	460,984	56,064	57,492
Other long-term assets	22,383	23,450	17,583	16,983	2,143	7,000
Total long-term farm assets	1,528,823	1,567,656	1,907,640	1,947,919	1,062,940	1,088,008
Total Farm Assets	2,699,291	2,814,006	3,392,309	3,359,328	1,923,040	2,116,529
Total Nonfarm Assets	403,645	433,629	900,891	997,459	349,071	350,307
Total Assets	3,102,936	3,247,635	4,293,200	4,356,787	2,272,111	2,466,836
Liabilities						
Current Farm Liabilities						
Accrued interest	10,693	10,122	3,403	3,677	25,649	25,475
Accounts payable	32,630	54,211	60,872	143,223	8,056	8,530
Current notes	271,969	257,560	469,429	397,666	203,995	179,391
Government crop loans	0	1,639	0	0	0	0
Principal due on term debt	82,148	98,476	122,022	161,991	56,772	68,907
Total current farm liabilities	397,440	422,008	655,726	706,557	294,472	282,303
Total intermediate farm liabs	186,248	185,622	240,915	235,021	115,405	153,205
Total long term farm liabilities	475,918	483,601	1,000,413	1,053,721	352,597	337,676
Total farm liabilities	1,059,606	1,091,230	1,897,053	1,995,299	762,473	773,184
Total nonfarm liabilities	16,256	13,658	0	0	52,518	44,148
Total liabs excluding deferreds	1,075,862	1,104,888	1,897,053	1,995,299	814,991	817,332
Total deferred liabilities	0	0	0	0	0	0
Total liabilities	1,075,862	1,104,888	1,897,053	1,995,299	814,991	817,332
Retained earnings	459,837	500,130	735,932	591,868	307,854	432,379
Market valuation equity	1,567,237	1,642,617	1,660,214	1,769,621	1,149,266	1,217,125
Net worth (farm and nonfarm)	2,027,074	2,142,747	2,396,146	2,361,488	1,457,120	1,649,504
Net worth excluding deferreds	2,027,074	2,142,747	2,396,146	2,361,488	1,457,120	1,649,504
Net worth change		115,673		-34,658		192,384
Ratio Analysis						
Current farm liabilities / assets	87 %	80 %	110 %	113 %	86 %	62 %
Curr. & interm farm liab. / assets	50 %	49 %	60 %	67 %	48 %	42 %
Long term farm liab. / assets	31 %	31 %	52 %	54 %	33 %	31 %
Total debt to asset ratio	35 %	34 %	44 %	46 %	36 %	33 %
Debt to assets excl deferreds	35 %	34 %	44 %	46 %	36 %	33 %

Table 52

Statement Of Cash Flows
Michigan Cash Grain, 1200 Plus Acres, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	25	6	7
Beginning cash (farm & nonfarm)	42,090	46,254	44,429
Cash From Operating Activities			
Gross cash farm income	891,289	1,157,523	834,892
Net nonfarm income	15,972	28,643	14,172
Total cash farm expense	-756,138	-1,038,647	-698,175
Apparent family living expense	-45,073	-24,464	-54,974
Income and social security tax	-3,641	-1,967	-4,100
Cash from operations	102,408	121,089	91,815
Cash From Investing Activities			
Sale of breeding livestock	16,887	69,617	-
Sale of machinery & equipment	6,389	7,742	4,193
Sale of titled vehicles	-	-	-
Sale of farm land	-	-	-
Sale of farm buildings	-	-	-
Sale of other farm assets	13,629	51,293	1,209
Sale of nonfarm assets	8,109	-	24,286
Purchase of breeding livestock	-382	-	-
Purchase of machinery & equip.	-74,476	-60,936	-98,079
Purchase of titled vehicles	-	-	-
Purchase of farm land	-11,720	-	-
Purchase of farm buildings	-7,375	-10,601	-5,976
Purchase of other farm assets	-13,814	-52,033	-3,610
Purchase of nonfarm assets	-42,251	-140,932	-26,752
Cash from investing activities	-105,005	-135,850	-104,730
Cash From Financing Activities			
Money borrowed	331,726	319,530	555,410
Cash gifts and inheritances	34,231	22,897	1,095
Principal payments	-322,930	-303,925	-550,570
Dividends paid	-	-	-
Gifts given	-28,812	-17	-7,320
Cash from financing activities	14,216	38,485	-1,385
Net change in cash balance	11,619	23,723	-14,300
Ending cash (farm & nonfarm)	53,709	69,977	30,128

Table 53

Financial Standards Measures
Michigan Cash Grain, 1200 Plus Acres, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	25	6	7
Liquidity			
Current ratio	1.25	0.88	1.62
Working capital	107,544	-81,986	174,874
Solvency (market)			
Farm debt to asset ratio	39 %	59 %	37 %
Farm equity to asset ratio	61 %	41 %	63 %
Farm debt to equity ratio	63 %	146 %	58 %
Profitability (cost)			
Rate of return on farm assets	4.3 %	-5.2 %	15.7 %
Rate of return on farm equity	6.6 %	-706.8 %	41.7 %
Operating profit margin	6.3 %	-8.8 %	17.6 %
Net farm income	77,099	-100,444	180,221
Repayment Capacity			
Term debt coverage ratio	152 %	57 %	270 %
Capital replacement margin	60,912	-76,755	160,141
Efficiency			
Asset turnover rate (cost)	69.2 %	58.9 %	89.2 %
Operating expense ratio	76.9 %	91.3 %	66.5 %
Depreciation expense ratio	10.6 %	12.3 %	9.0 %
Interest expense ratio	4.3 %	5.0 %	5.2 %
Net farm income ratio	8.2 %	-8.6 %	19.3 %

Table 54

Operator and Labor Information
Michigan Cash Grain, 1200 Plus Acres, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	25	6	7
Operator Information			
Average number of operators	1.5	1.2	1.4
Average age of operators	48.6	54.3	42.7
Average number of years farming	25.6	31.3	18.0
Results Per Operator			
Working capital	70,753	-70,273	122,412
Total assets (market)	2,136,602	3,734,389	1,726,785
Total liabilities	726,900	1,710,256	572,133
Net worth (market)	1,409,702	2,024,133	1,154,653
Net worth excl deferred liabs	1,409,702	2,024,133	1,154,653
Gross farm income	619,979	998,310	653,316
Total farm expense	569,256	1,084,404	527,161
Net farm income	50,723	-86,095	126,155
Net nonfarm income	10,508	24,551	9,921
Family living & tax withdrawals	32,049	22,655	41,352
Total acres owned	332.8	405.2	254.4
Total crop acres	1,533.2	2,798.7	1,488.4
Crop acres owned	393.2	376.7	455.9
Crop acres cash rented	1,124.8	2,422.0	974.8
Crop acres share rented	15.2	-	57.7
Total pasture acres	-	-	-
Labor Analysis			
Number of farms	25	6	7
Total unpaid labor hours	3,217	2,833	3,392
Total hired labor hours	4,439	7,253	3,612
Total labor hours per farm	7,656	10,087	7,005
Unpaid hours per operator	2,117	2,429	2,375
Value of farm production / hour	121.52	115.01	133.14
Net farm income / unpaid hour	23.97	-35.45	53.12
Average hourly hired labor wage	12.95	15.46	11.60
Partnerships & LLCs			
Number of farms	7	1	1
Number of operators	2.1	-	-
Owner withdrawals per farm	-	-	-
Withdrawals per operator	-	-	-

Table 55

Financial Summary
Michigan Cash Grain, 1200 Plus Acres, 2004
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	25	6	7
Income Statement			
Gross cash farm income	891,289	1,157,523	834,892
Total cash farm expense	756,138	1,038,647	698,175
Net cash farm income	135,151	118,876	136,716
Inventory change	41,550	-75,821	127,207
Depreciation and capital adjust	-99,602	-143,499	-83,702
Net farm income	77,099	-100,444	180,221
Profitability (cost)			
Labor and management earnings	53,431	-121,201	160,429
Rate of return on assets	4.3 %	-5.2 %	15.7 %
Rate of return on equity	6.6 %	-706.8 %	41.7 %
Operating profit margin	6.3 %	-8.8 %	17.6 %
Asset turnover rate	69.2 %	58.9 %	89.2 %
Profitability (market)			
Labor and management earnings	46,158	-103,357	171,067
Rate of return on assets	4.7 %	-0.5 %	11.4 %
Rate of return on equity	5.3 %	-5.3 %	14.5 %
Operating profit margin	13.9 %	-1.5 %	24.7 %
Asset turnover rate	33.7 %	34.4 %	46.2 %
Liquidity			
Ending current ratio	1.25	0.88	1.62
Ending working capital	107,544	-81,986	174,874
End working capital to gross inc	12.1 %	-7.1 %	20.9 %
Term debt coverage ratio	151.6 %	56.8 %	269.5 %
Expense as a percent of income	81.2 %	96.3 %	71.7 %
Interest as a percent of income	4.3 %	5.0 %	5.2 %
Solvency (cost)			
Number of farms	25	6	7
Ending farm assets	1,366,978	1,909,942	1,109,392
Ending farm liabilities	1,091,230	1,995,299	773,184
Ending total assets	1,605,018	2,587,167	1,249,711
Ending total liabilities	1,104,888	1,995,299	817,332
Ending net worth	500,130	591,868	432,379
Net worth change	40,293	-144,064	124,525
Ending farm debt to asset ratio	80 %	104 %	70 %
Beg total debt to asset ratio	70 %	72 %	73 %
End total debt to asset ratio	69 %	77 %	65 %
Solvency (market)			
Number of farms	25	6	7
Ending farm assets	2,814,006	3,359,328	2,116,529
Ending farm liabilities	1,091,230	1,995,299	773,184
Ending total assets	3,247,635	4,356,787	2,466,836
Ending total liabilities	1,104,888	1,995,299	817,332
Ending net worth	2,142,747	2,361,488	1,649,504
Net worth change	115,673	-34,658	192,384
Ending farm debt to asset ratio	39 %	59 %	37 %
Beg total debt to asset ratio	35 %	44 %	36 %
End total debt to asset ratio	34 %	46 %	33 %
Nonfarm Information			
Net nonfarm income	15,972	28,643	14,172
Crop Acres			
Total acres owned	506	473	363
Total crop acres	2,330	3,265	2,126
Total crop acres owned	598	440	651
Total crop acres cash rented	1,710	2,826	1,393
Total crop acres share rented	23	-	82