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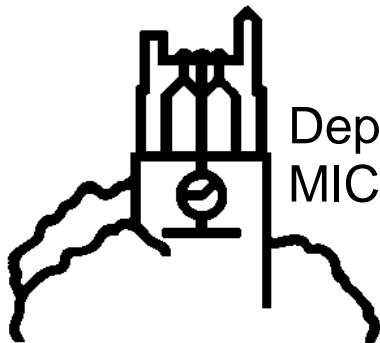
Staff Paper

2001 Business Analysis Summary for Dairy Farms

Sherrill B. Nott

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2001 BUSINESS ANALYSIS SUMMARY FOR DAIRY FARMS

2001 Michigan Telfarm and AgriSolutions Data

Staff Paper No. 2002-21, 58 pages

by

Sherrill B. Nott¹

Abstract

A panel of 158 Michigan dairy farms averaged to have 188 cows, with each selling 19,899 lbs. of milk, and made a net farm income of \$86,758 during 2001.

Introduction

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Data Source

Farm types were assigned using the 1992 Census of Agriculture's Standard Industrial Classification (SIC) definitions. Basically, any farm with 50 percent or more of value of farm sales from one item becomes a farm of that type. Dairy farms have 50 percent or more of value of combined sales from milk and cull dairy animals.

This report is a summary of the financial and production records kept by dairy farmers enrolled in the Telfarm/MicroTel record program through Michigan State University Extension, or were accounting clients of AgriSolutions in Michigan, or of Farm Credit Services of Escanaba. Farm records were included if a Finan² summary was completed on 2000 data including beginning and ending balance sheets, plus income and expenses. The summary was included if cash discrepancy was less than 10% of gross cash inflow, and if the debt discrepancy was less than \$1,000. The averages are reported in the tables below; it should be recognized that considerable variability exist in the data. The unweighted mean of the net farm income for the 158 farms was \$86,100; the standard deviation of the mean was \$203,271 and the median was \$47,094. Herd sizes on the 158 farms ranged from 25 to 2,100 cows. The unweighted mean of cows was 188 cows per farm; the standard deviation of the mean was 217 cows and the median was 140 cows. The unweighted mean of pounds of milk sold per cow was 19,899 pounds; the standard deviation of the mean was 4,144 pounds and the median was 19,882 pounds.

This report has three purposes: 1) to provide statistical information about the financial results on dairy farms during 2001; 2) to provide production costs for comparative analysis and forward planning; and 3) to provide information on the trends in resource use, income and costs during the last few years. For dairy farm averages for 1995, see Staff Paper No. 96-86, Michigan Farm Database, New Directions for 1995; it contains averages of 106 dairy farms calculated with Finansum. Staff Paper No. 97-31, Business Analysis Summary for Dairy Farms, contains averages of 146 dairy farms for 1996. Staff Paper No. 98-29, 1997 Business Analysis Summary for Dairy Farms, contains averages of 132 dairy farms for 1997. Staff Paper No. 99-37, 1998 Business Analysis Summary for Dairy Farms, contains averages of 154 dairy farms for 1998. Staff Paper No. 2000-24, 1999 Business Analysis Summary for Dairy Farms, contains averages of 153 dairy farms for 1999. Staff Paper No. 2001-29, 2000 Business Analysis Summary for Dairy Farms, contains averages of 150 dairy farms for 2000. These earlier staff papers are available at:

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

RankEm³ allows rapid analysis of group averages with some degree of choice over how the results are presented. The farm was accepted in the average regardless of whether the farm was a

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

³ Rankem provides statistical analysis and reports from Finan data sets. It also comes from the Center for Farm Financial Management.

proprietorship, partnership, limited liability company, or corporation. RankEm will produce a variety of report options; I included a subset in this publication.

The farms included in the averages below are not a random sample. They kept their financial records with Michigan State University's Telfarm/MicroTel accounting project, or had their accounting supervised by AgriSolutions, or Wisconsin Farm Credit Services' Escanaba office. A higher percentage of these farms use debt capital than do all farms in the state. The averages may be representative of bigger and better managed dairy farms in Michigan.

This document may be found and downloaded from the following:

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

Table 1.

Livestock And Crop Production Summary
Michigan Dairy Farms, All Sizes, 2001
(Farms sorted by Net Farm Income)

| | Average Of All Farms | Average Of Low 25 % | Average Of High 25 % |
|--|-------------------------|------------------------|-------------------------|
| | <hr/> | <hr/> | <hr/> |
| DAIRY | | | |
| Number of farms | 158 | 39 | 40 |
| Average number of Cows | 188 | 157 | 345 |
| Milk produced per Cow, lbs. | 19,899 | 18,773 | 22,928 |
| Average milk price per cwt., \$ | 15.23 | 14.73 | 15.14 |
| ACREAGE SUMMARY | | | |
| Total acres owned | 456 | 433 | 594 |
| Total crop acres | 613 | 670 | 821 |
| Crop acres owned | 347 | 362 | 474 |
| Crop acres cash rented | 265 | 308 | 347 |
| AVERAGE PRICE RECEIVED (Cash Sales Only) | | | |
| Wheat, Winter per bushel | 2.43 | 2.19 | 2.38 |
| Corn per bushel | 1.86 | 1.76 | 1.97 |
| Soybeans per bushel | 4.33 | 4.20 | - |
| Hay, Mixed per ton | 75.88 | - | - |

Table 2

Farm Income Statement
Michigan Dairy Farms, All Sizes, 2001
(Farms Sorted By Net Farm Income)

| | Avg. Of All Farms | Low 25% | High 25% |
|--------------------------------|----------------------|----------------|------------------|
| Number of farms | 158 | 39 | 40 |
| Cash Farm Income | | | |
| Beans, Light Red Kidney | 422 | - | - |
| Beans, Navy | 642 | - | - |
| Cordwood | 457 | - | 867 |
| Corn | 6,100 | 4,760 | 9,010 |
| Corn Silage | 641 | 1,977 | 46 |
| Hay, Mixed | 638 | 494 | 326 |
| Haylage, Alfalfa | 243 | 229 | 738 |
| Haylage, Mixed | 439 | 350 | 454 |
| Oats | 90 | 8 | 105 |
| Soybeans | 8,004 | 14,680 | 6,710 |
| Straw | 171 | 230 | 182 |
| Sugar Beets | 1,195 | 637 | - |
| Wheat, Soft Red Winter | 130 | - | - |
| Wheat, Winter | 2,690 | 2,645 | 3,291 |
| Other crops | 47 | 163 | - |
| Miscellaneous crop income | 194 | 15 | 118 |
| Beef Cow-Calf, Beef Calves | 251 | 285 | 229 |
| Beef, Background Beef | 1,565 | 6,171 | - |
| Beef, Finish Beef Calves | 165 | 667 | - |
| Dairy, Milk | 601,967 | 466,433 | 1,207,054 |
| Dairy, Dairy Calves | 5,278 | 3,276 | 11,588 |
| Dairy Heifers (for sale) | 111 | - | - |
| Dairy Replacement Heifers | 317 | 539 | 586 |
| Dairy Steers | 9,083 | 14,155 | 9,162 |
| Sheep, Market Lambs, Mkt Lambs | 36 | - | 144 |
| Cull breeding livestock | 27,335 | 25,607 | 47,586 |
| Misc. livestock income | 467 | 59 | 104 |
| Government payments | 23,744 | 25,284 | 34,862 |
| Custom work income | 3,959 | 8,828 | 2,705 |
| Patronage dividends, cash | 5,253 | 5,452 | 11,793 |
| Insurance income | 4,536 | 5,164 | 6,983 |
| Other farm income | 4,905 | 5,417 | 7,342 |
| Gross Cash Farm Income | 711,077 | 593,524 | 1,361,983 |

Table 3

Farm Income Statement, continued
Michigan Dairy Farms, All Sizes, 2001
(Farms Sorted By Net Farm Income)

| | Avg. Of All Farms | Low 25% | High 25% |
|---|----------------------|------------------|------------------|
| Cash Farm Expense | | | |
| Seed | 12,396 | 12,049 | 19,738 |
| Fertilizer | 18,845 | 21,560 | 28,180 |
| Crop chemicals | 10,981 | 8,061 | 21,075 |
| Crop insurance | 597 | 348 | 991 |
| Drying fuel | 120 | 104 | 53 |
| Irrigation energy | 63 | - | 246 |
| Crop marketing | 614 | 244 | 1,485 |
| Crop miscellaneous | 758 | 2,032 | 224 |
| Feeder livestock purchase | 2,408 | 8,870 | 5 |
| Purchased feed | 147,938 | 129,344 | 296,533 |
| Breeding fees | 5,271 | 3,884 | 11,585 |
| Veterinary | 18,498 | 15,557 | 37,902 |
| BST | 5,123 | 4,037 | 13,413 |
| Livestock supplies | 29,904 | 26,223 | 57,538 |
| DHIA | 1,886 | 1,438 | 3,294 |
| Livestock leases | 720 | 817 | 547 |
| Livestock marketing | 25,785 | 20,982 | 46,741 |
| Interest | 33,895 | 37,632 | 58,904 |
| Fuel & oil | 15,775 | 16,455 | 23,013 |
| Repairs | 40,167 | 36,606 | 62,681 |
| Custom hire | 19,425 | 16,484 | 38,612 |
| Hired labor | 99,384 | 71,444 | 202,741 |
| Land rent | 22,757 | 21,994 | 36,146 |
| Machinery & bldg leases | 7,312 | 10,470 | 12,577 |
| Real estate taxes | 7,061 | 8,149 | 9,624 |
| Farm insurance | 6,762 | 8,546 | 8,424 |
| Utilities | 13,819 | 12,870 | 22,046 |
| Dues & professional fees | 3,529 | 4,272 | 5,418 |
| Miscellaneous | 10,673 | 9,632 | 17,330 |
| Total cash expense | 562,466 | 510,106 | 1,037,066 |
| Net cash farm income | 148,610 | 83,419 | 324,916 |
| Inventory Changes | | | |
| Crops and feed | -424 | -17,069 | 25,270 |
| Market livestock | -2 | -1,981 | -128 |
| Accounts receivable | 3,628 | 288 | 9,877 |
| Prepaid expenses and supplies | 1,190 | -5,757 | 12,166 |
| Accounts payable | 1,119 | -3,294 | 4,980 |
| Total inventory change | 5,511 | -27,813 | 52,166 |
| Net operating profit | 154,122 | 55,606 | 377,083 |
| Depreciation and Other Capital Adjustments | | | |
| Breeding livestock | -6,759 | -28,220 | -7,474 |
| Machinery and equipment | -42,564 | -38,798 | -68,195 |
| Buildings and improvements | -20,629 | -16,617 | -43,063 |
| Other farm capital | 2,587 | 360 | 8,532 |
| Total depr. and other capital adj | -67,364 | -83,276 | -110,200 |
| Net farm income | \$ 86,758 | \$-27,670 | \$266,883 |

Table 4

Inventory Changes
Michigan Dairy Farms, All Sizes, 2001
(Farms Sorted By Net Farm Income)

| | Avg. Of All Farms | Low 25% | High 25% |
|---|----------------------|---------|----------|
| Number of farms | 158 | 39 | 40 |
| Net cash farm income | 148,610 | 83,419 | 324,916 |
| Crops and Feed | | | |
| Ending inventory | 125,640 | 110,875 | 218,082 |
| Beginning inventory | 126,064 | 127,944 | 192,812 |
| Inventory change | -424 | -17,069 | 25,270 |
| Market Livestock | | | |
| Ending inventory | 11,400 | 21,478 | 9,193 |
| Beginning inventory | 11,402 | 23,459 | 9,321 |
| Inventory change | -2 | -1,981 | -128 |
| Accts Receivable & Other Current Assets | | | |
| Ending inventory | 35,029 | 33,587 | 66,772 |
| Beginning inventory | 31,402 | 33,299 | 56,895 |
| Inventory change | 3,628 | 288 | 9,877 |
| Prepaid Expenses and Supplies | | | |
| Ending inventory | 33,639 | 9,662 | 98,116 |
| Beginning inventory | 32,449 | 15,419 | 85,950 |
| Inventory change | 1,190 | -5,757 | 12,166 |
| Accounts Payable & Accrued Expenses | | | |
| Beginning inventory | 13,693 | 17,536 | 16,099 |
| Ending inventory | 12,574 | 20,830 | 11,119 |
| Inventory change | 1,119 | -3,294 | 4,980 |
| Total inventory change | 5,511 | -27,813 | 52,166 |
| Net operating profit | 154,122 | 55,606 | 377,083 |

Table 5

Depreciation and Other Capital Adjustments
Michigan Dairy Farms, All Sizes, 2001
(Farms Sorted By Net Farm Income)

| | Avg. Of All Farms | Low 25% | High 25% |
|-----------------------------------|----------------------|---------|----------|
| Number of farms | 158 | 39 | 40 |
| Net operating profit | 154,122 | 55,606 | 377,083 |
| Breeding Livestock | | | |
| Ending inventory | 381,565 | 346,496 | 645,615 |
| Capital sales | 5,464 | 2,674 | 9,874 |
| Beginning inventory | 364,094 | 340,669 | 597,145 |
| Capital purchases | 29,693 | 36,721 | 65,818 |
| Depreciation, capital adjust. | -6,759 | -28,220 | -7,474 |
| Machinery and Equipment | | | |
| Ending inventory | 150,924 | 144,085 | 263,819 |
| Capital sales | 2,784 | 5,205 | 3,164 |
| Beginning inventory | 138,893 | 140,682 | 238,015 |
| Capital purchases | 57,379 | 47,406 | 97,163 |
| Depreciation, capital adjust. | -42,564 | -38,798 | -68,195 |
| Buildings and Improvements | | | |
| Ending inventory | 156,640 | 125,822 | 335,013 |
| Capital sales | 169 | 641 | - |
| Beginning inventory | 140,227 | 114,355 | 305,583 |
| Capital purchases | 37,211 | 28,725 | 72,493 |
| Depreciation, capital adjust. | -20,629 | -16,617 | -43,063 |
| Other Capital Assets | | | |
| Ending inventory | 35,343 | 47,127 | 65,765 |
| Capital sales | 7,459 | 3,107 | 24,543 |
| Beginning inventory | 31,219 | 44,172 | 53,964 |
| Capital purchases | 8,996 | 5,701 | 27,812 |
| Depreciation, capital adjust. | 2,587 | 360 | 8,532 |
| Total depreciation, capital adj. | -67,364 | -83,276 | -110,200 |
| Net farm income | 86,758 | -27,670 | 266,883 |

Table 6

Profitability Measures
Michigan Dairy Farms, All Sizes, 2001
(Farms Sorted By Net Farm Income)

| | Avg. Of All Farms | Low 25% | High 25% |
|---|----------------------|-----------|-----------|
| Number of farms | 158 | 39 | 40 |
| Profitability (assets valued at cost) | | | |
| Net farm income | 86,758 | -27,670 | 266,883 |
| Labor and management earnings | 51,627 | -50,584 | 199,668 |
| Rate of return on assets | 5.6 % | -4.2 % | 12.7 % |
| Rate of return on equity | 4.7 % | -21.4 % | 16.6 % |
| Operating profit margin | 11.0 % | -10.3 % | 22.4 % |
| Asset turnover rate | 50.6 % | 40.4 % | 56.6 % |
| Interest on farm net worth | 35,131 | 22,914 | 67,215 |
| Farm interest expense | 33,957 | 37,745 | 58,876 |
| Value of operator lbr and mgmt. | 59,363 | 51,998 | 80,763 |
| Return on farm assets | 61,351 | -41,924 | 244,996 |
| Average farm assets | 1,101,746 | 1,009,500 | 1,930,681 |
| Return on farm equity | 27,394 | -79,669 | 186,120 |
| Average farm equity | 582,726 | 372,927 | 1,120,250 |
| Value of farm production | 557,174 | 408,328 | 1,092,991 |
| | Avg. Of All Farms | Low 25% | High 25% |
| Number of farms | 158 | 39 | 40 |
| Profitability (assets valued at market) | | | |
| Net farm income | 149,802 | 56,477 | 355,140 |
| Labor and management earnings | 82,634 | -1,814 | 248,572 |
| Rate of return on assets | 7.6 % | 2.6 % | 12.8 % |
| Rate of return on equity | 8.1 % | 0.5 % | 15.4 % |
| Operating profit margin | 22.3 % | 10.3 % | 30.5 % |
| Asset turnover rate | 33.9 % | 25.3 % | 42.0 % |
| Interest on farm net worth | 67,168 | 58,290 | 106,568 |
| Farm interest expense | 33,957 | 37,745 | 58,876 |
| Value of operator lbr and mgmt. | 59,363 | 51,998 | 80,763 |
| Return on farm assets | 124,396 | 42,224 | 333,253 |
| Average farm assets | 1,645,748 | 1,613,912 | 2,604,154 |
| Return on farm equity | 90,439 | 4,478 | 274,377 |
| Average farm equity | 1,119,464 | 971,508 | 1,776,135 |
| Value of farm production | 557,174 | 408,328 | 1,092,991 |

Table 7

Liquidity Measures
Michigan Dairy Farms, All Sizes, 2001
(Farms Sorted By Net Farm Income)

| | Avg. Of All Farms | Low 25% | High 25% |
|---------------------------------|----------------------|---------|-----------|
| Number of farms | 158 | 39 | 40 |
| Liquidity (cash) | | | |
| Net cash farm income | 148,610 | 83,419 | 324,916 |
| Net nonfarm income | 4,787 | 6,778 | -1,556 |
| Family living and taxes | 68,751 | 39,284 | 142,086 |
| Real estate principal payments | 15,798 | 14,182 | 30,385 |
| Cash available for interm. debt | 68,848 | 36,730 | 150,890 |
| Average intermediate debt | 177,072 | 194,560 | 301,130 |
| Years to turnover interm. debt | 2.6 | 5.3 | 2.0 |
| Expense as a % of income | 79 % | 86 % | 76 % |
| Interest as a % of income | 5 % | 6 % | 4 % |
| Liquidity (accrual) | | | |
| Total accrual farm income | 714,279 | 574,763 | 1,397,003 |
| Total accrual operating expense | 560,157 | 519,157 | 1,019,920 |
| Net accrual operating income | 154,122 | 55,606 | 377,083 |
| Net nonfarm income | 4,787 | 6,778 | -1,556 |
| Family living and taxes | 68,751 | 39,284 | 142,086 |
| Real estate principal payments | 15,798 | 14,182 | 30,385 |
| Available for intermediate debt | 74,359 | 8,917 | 203,056 |
| Average intermediate debt | 177,072 | 194,560 | 301,130 |
| Years to turnover interm. debt | 2.4 | 21.8 | 1.5 |
| Expense as a % of income | 78 % | 90 % | 73 % |
| Interest as a % of income | 5 % | 7 % | 4 % |

Table 8

Balance Sheet at Cost Values
Michigan Dairy Farms, All Sizes, 2001
(Farms Sorted By Net Farm Income)

| | Avg. Of All Farms | | Low 25% | | High 25% | |
|---|----------------------|------------------|------------------|------------------|------------------|------------------|
| | 158 | | 39 | | 40 | |
| Number of farms | | | | | | |
| | Beginning | Ending | Beginning | Ending | Beginning | Ending |
| Assets | | | | | | |
| Current Farm Assets | | | | | | |
| Cash and checking balance | 18,162 | 20,866 | 15,456 | 9,670 | 31,979 | 53,904 |
| Prepaid expenses & supplies | 32,449 | 33,639 | 15,419 | 9,662 | 85,950 | 98,116 |
| Growing crops | 7,353 | 7,661 | 4,749 | 5,007 | 10,323 | 11,269 |
| Accounts receivable | 19,918 | 24,679 | 20,408 | 24,293 | 39,459 | 50,436 |
| Hedging accounts | 0 | 86 | 0 | 74 | 0 | 268 |
| Crops held for sale or feed | 125,137 | 123,020 | 127,944 | 110,875 | 192,812 | 210,752 |
| Crops under government loan | 927 | 2,620 | 0 | 0 | 0 | 7,330 |
| Market livestock held for sale | 11,402 | 11,400 | 23,459 | 21,478 | 9,321 | 9,193 |
| Other current assets | 4,131 | 2,603 | 8,143 | 4,213 | 7,113 | 4,799 |
| Total current farm assets | 219,479 | 226,574 | 215,577 | 185,271 | 376,957 | 446,067 |
| Intermediate Farm Assets | | | | | | |
| Breeding livestock | 364,094 | 381,565 | 340,669 | 346,496 | 597,145 | 645,615 |
| Machinery and equipment | 138,893 | 150,924 | 140,682 | 144,085 | 238,015 | 263,819 |
| Other intermediate assets | 25,651 | 28,955 | 37,280 | 39,488 | 48,582 | 58,433 |
| Total intermediate farm assets | 528,639 | 561,444 | 518,631 | 530,069 | 883,743 | 967,867 |
| Long Term Farm Assets | | | | | | |
| Farm land | 176,063 | 182,473 | 156,128 | 158,616 | 260,851 | 272,566 |
| Buildings and improvements | 140,227 | 156,640 | 114,355 | 125,822 | 305,583 | 335,013 |
| Other long-term assets | 5,567 | 6,388 | 6,892 | 7,639 | 5,382 | 7,333 |
| Total long-term farm assets | 321,856 | 345,501 | 277,375 | 292,077 | 571,815 | 614,912 |
| Total Farm Assets | 1,069,974 | 1,133,519 | 1,011,583 | 1,007,417 | 1,832,515 | 2,028,847 |
| Total Nonfarm Assets | 59,729 | 65,060 | 36,096 | 35,294 | 119,429 | 135,148 |
| Total Assets | 1,129,703 | 1,198,580 | 1,047,680 | 1,042,711 | 1,951,944 | 2,163,995 |
| Liabilities | | | | | | |
| Current Farm Liabilities | | | | | | |
| Accrued interest | 1,326 | 1,388 | 1,812 | 1,926 | 356 | 328 |
| Accounts payable | 12,368 | 11,186 | 15,724 | 18,905 | 15,743 | 10,790 |
| Current notes | 54,062 | 45,897 | 85,505 | 72,855 | 57,640 | 46,157 |
| Government crop loans | 925 | 2,618 | 0 | 0 | 0 | 7,330 |
| Principal due on term debt | 45,625 | 50,879 | 46,731 | 61,002 | 77,458 | 78,375 |
| Total current farm liabilities | 114,305 | 111,968 | 149,772 | 154,688 | 151,197 | 142,980 |
| Total intermediate farm liabs | 129,995 | 160,148 | 140,635 | 172,009 | 217,251 | 291,287 |
| Total long term farm liabilities | 258,505 | 263,122 | 324,501 | 331,541 | 411,004 | 407,144 |
| Total farm liabilities | 502,804 | 535,238 | 614,909 | 658,238 | 779,452 | 841,411 |
| Total nonfarm liabilities | 4,137 | 7,197 | 1,513 | 2,789 | 8,363 | 18,975 |
| Total liabilities | 506,941 | 542,434 | 616,422 | 661,026 | 787,815 | 860,386 |
| Net worth (farm and nonfarm) | 622,762 | 656,145 | 431,258 | 381,685 | 1,164,130 | 1,303,609 |
| Net worth change | | 33,384 | | -49,573 | | 139,480 |
| Ratio Analysis | | | | | | |
| Current farm liabilities / assets | 52 % | 49 % | 69 % | 83 % | 40 % | 32 % |
| Curr. & interm farm liab. / assets | 33 % | 35 % | 40 % | 46 % | 29 % | 31 % |
| Long term farm liab. / assets | 80 % | 76 % | 117 % | 114 % | 72 % | 66 % |
| Total debt to asset ratio | 45 % | 45 % | 59 % | 63 % | 40 % | 40 % |

Table 9

Balance Sheet at Market Values
Michigan Dairy Farms, All Sizes, 2001
(Farms Sorted By Net Farm Income)

| Number of farms | Avg. Of All Farms 158 | | Low 25% 39 | | High 25% 40 | |
|---|-----------------------------|------------------|------------------|------------------|------------------|------------------|
| | Beginning | Ending | Beginning | Ending | Beginning | Ending |
| Assets | | | | | | |
| Current Farm Assets | | | | | | |
| Cash and checking balance | 18,162 | 20,866 | 15,456 | 9,670 | 31,979 | 53,904 |
| Prepaid expenses & supplies | 32,449 | 33,639 | 15,419 | 9,662 | 85,950 | 98,116 |
| Growing crops | 7,353 | 7,661 | 4,749 | 5,007 | 10,323 | 11,269 |
| Accounts receivable | 19,918 | 24,679 | 20,408 | 24,293 | 39,459 | 50,436 |
| Hedging accounts | 0 | 86 | 0 | 74 | 0 | 268 |
| Crops held for sale or feed | 125,137 | 123,020 | 127,944 | 110,875 | 192,812 | 210,752 |
| Crops under government loan | 927 | 2,620 | 0 | 0 | 0 | 7,330 |
| Market livestock held for sale | 11,402 | 11,400 | 23,459 | 21,478 | 9,321 | 9,193 |
| Other current assets | 4,131 | 2,603 | 8,143 | 4,213 | 7,113 | 4,799 |
| Total current farm assets | 219,479 | 226,574 | 215,577 | 185,271 | 376,957 | 446,067 |
| Intermediate Farm Assets | | | | | | |
| Breeding livestock | 375,659 | 396,423 | 340,995 | 346,815 | 642,502 | 701,330 |
| Machinery and equipment | 298,895 | 320,707 | 313,199 | 322,142 | 410,631 | 452,427 |
| Other intermediate assets | 29,908 | 33,286 | 38,190 | 40,688 | 48,670 | 58,543 |
| Total intermediate farm assets | 704,462 | 750,416 | 692,384 | 709,645 | 1,101,803 | 1,212,300 |
| Long Term Farm Assets | | | | | | |
| Farm land | 477,662 | 526,284 | 496,388 | 572,785 | 631,609 | 684,423 |
| Buildings and improvements | 175,153 | 195,528 | 162,562 | 178,576 | 345,058 | 382,081 |
| Other long-term assets | 5,727 | 10,209 | 6,943 | 7,691 | 5,894 | 22,115 |
| Total long-term farm assets | 658,542 | 732,022 | 665,894 | 759,052 | 982,562 | 1,088,619 |
| Total Farm Assets | 1,582,483 | 1,709,013 | 1,573,854 | 1,653,969 | 2,461,321 | 2,746,986 |
| Total Nonfarm Assets | 113,183 | 127,110 | 75,440 | 78,970 | 177,720 | 210,811 |
| Total Assets | 1,695,666 | 1,836,123 | 1,649,294 | 1,732,939 | 2,639,041 | 2,957,797 |
| Liabilities | | | | | | |
| Current Farm Liabilities | | | | | | |
| Accrued interest | 1,326 | 1,388 | 1,812 | 1,926 | 356 | 328 |
| Accounts payable | 12,368 | 11,186 | 15,724 | 18,905 | 15,743 | 10,790 |
| Current notes | 54,062 | 45,897 | 85,505 | 72,855 | 57,640 | 46,157 |
| Government crop loans | 925 | 2,618 | 0 | 0 | 0 | 7,330 |
| Principal due on term debt | 45,625 | 50,879 | 46,731 | 61,002 | 77,458 | 78,375 |
| Total current farm liabilities | 114,305 | 111,968 | 149,772 | 154,688 | 151,197 | 142,980 |
| Total intermediate farm liabs | 129,995 | 160,148 | 140,635 | 172,009 | 217,251 | 291,287 |
| Total long term farm liabilities | 258,505 | 263,122 | 324,501 | 331,541 | 411,004 | 407,144 |
| Total farm liabilities | 502,804 | 535,238 | 614,909 | 658,238 | 779,452 | 841,411 |
| Total nonfarm liabilities | 4,137 | 7,197 | 1,513 | 2,789 | 8,363 | 18,975 |
| Total liabs excluding deferreds | 506,941 | 542,434 | 616,422 | 661,026 | 787,815 | 860,386 |
| Total deferred liabilities | 7,581 | 7,522 | 7,020 | 7,154 | 17,040 | 18,119 |
| Total liabilities | 514,522 | 549,956 | 623,442 | 668,180 | 804,855 | 878,504 |
| Retained earnings | 622,762 | 656,145 | 431,258 | 381,685 | 1,164,130 | 1,303,609 |
| Market valuation equity | 558,383 | 630,022 | 594,594 | 683,074 | 670,057 | 775,684 |
| Net worth (farm and nonfarm) | 1,181,144 | 1,286,167 | 1,025,852 | 1,064,759 | 1,834,186 | 2,079,293 |
| Net worth excluding deferreds | 1,188,725 | 1,293,689 | 1,032,873 | 1,071,913 | 1,851,227 | 2,097,412 |
| Net worth change | 105,023 | 38,907 | 245,107 | | | |
| Ratio Analysis | | | | | | |
| Current farm liabilities / assets | 52 % | 49 % | 69 % | 83 % | 40 % | 32 % |
| Curr. & interm farm liab. / assets | 26 % | 28 % | 32 % | 37 % | 25 % | 26 % |
| Long term farm liab. / assets | 39 % | 36 % | 49 % | 44 % | 42 % | 37 % |
| Total debt to asset ratio | 30 % | 30 % | 38 % | 39 % | 30 % | 30 % |
| Debt to assets excl deferreds | 30 % | 30 % | 37 % | 38 % | 30 % | 29 % |

Table 10

Statement Of Cash Flows
Michigan Dairy Farms, All Sizes, 2001
(Farms Sorted By Net Farm Income)

| | Avg. Of All Farms | Low 25% | High 25% |
|---------------------------------------|----------------------|----------|------------|
| Number of farms | 158 | 39 | 40 |
| Beginning cash (farm & nonfarm) | 19,939 | 15,943 | 35,500 |
| Cash From Operating Activities | | | |
| Gross cash farm income | 711,077 | 593,524 | 1,361,983 |
| Net nonfarm income | 4,787 | 6,778 | -1,556 |
| Total cash farm expense | -562,466 | -510,106 | -1,037,066 |
| Apparent family living expense | -64,229 | -37,723 | -132,896 |
| Income and social security tax | -4,522 | -1,561 | -9,189 |
| Cash from operations | 84,646 | 50,912 | 181,275 |
| Cash From Investing Activities | | | |
| Sale of breeding livestock | 5,464 | 2,674 | 9,874 |
| Sale of machinery & equipment | 2,784 | 5,205 | 3,164 |
| Sale of farm land | 652 | - | 350 |
| Sale of farm buildings | 169 | 641 | - |
| Sale of other farm assets | 7,459 | 3,107 | 24,543 |
| Sale of nonfarm assets | 1,236 | 2,991 | 885 |
| Purchase of breeding livestock | -29,693 | -36,721 | -65,818 |
| Purchase of machinery & equip. | -57,379 | -47,406 | -97,163 |
| Purchase of farm land | -4,542 | -1,333 | -6,461 |
| Purchase of farm buildings | -37,211 | -28,725 | -72,493 |
| Purchase of other farm assets | -8,996 | -5,701 | -27,812 |
| Purchase of nonfarm assets | -4,512 | -1,849 | -14,445 |
| Cash from investing activities | -124,569 | -107,119 | -245,377 |
| Cash From Financing Activities | | | |
| Money borrowed | 171,993 | 178,065 | 314,269 |
| Cash transfers in | 7,539 | 9,087 | 7,270 |
| Principal payments | -135,460 | -136,706 | -237,110 |
| Dividends paid | - | - | - |
| Gifts given | -2,313 | -302 | -1,123 |
| Cash from financing activities | 41,760 | 50,146 | 83,306 |
| Net change in cash balance | 1,837 | -6,061 | 19,204 |
| Ending cash (farm & nonfarm) | 21,776 | 9,882 | 54,705 |

Table 11

Financial Standards Measures
Michigan Dairy Farms, All Sizes, 2001
(Farms Sorted By Net Farm Income)

| | Avg. Of All Farms | Low 25% | High 25% |
|-------------------------------|----------------------|---------|----------|
| Number of farms | 158 | 39 | 40 |
| Liquidity | | | |
| Current ratio | 2.02 | 1.20 | 3.12 |
| Working capital | 114,607 | 30,583 | 303,087 |
| Solvency (market) | | | |
| Farm debt to asset ratio | 32 % | 40 % | 31 % |
| Farm equity to asset ratio | 68 % | 60 % | 69 % |
| Farm debt to equity ratio | 47 % | 67 % | 46 % |
| Profitability (cost) | | | |
| Rate of return on farm assets | 5.6 % | -4.2 % | 12.7 % |
| Rate of return on farm equity | 4.7 % | -21.4 % | 16.6 % |
| Operating profit margin | 11.0 % | -10.3 % | 22.4 % |
| Net farm income | 86,758 | -27,670 | 266,883 |
| Repayment Capacity | | | |
| Term debt coverage ratio | 150 % | 61 % | 210 % |
| Capital replacement margin | 34,781 | -27,342 | 129,754 |
| Efficiency | | | |
| Asset turnover rate (cost) | 50.6 % | 40.4 % | 56.6 % |
| Operating expense ratio | 73.7 % | 83.8 % | 68.8 % |
| Depreciation expense ratio | 9.4 % | 14.5 % | 7.9 % |
| Interest expense ratio | 4.8 % | 6.6 % | 4.2 % |
| Net farm income ratio | 12.1 % | -4.8 % | 19.1 % |

Table 12

Operator and Labor Information
Michigan Dairy Farms, All Sizes, 2000
(Farms Sorted By Net Farm Income)

| | Avg. Of All Farms | Low 25% | High 25% |
|---------------------------------|----------------------|-----------|-----------|
| Number of farms | 158 | 39 | 40 |
| Operator Information | | | |
| Average number of operators | 1.6 | 1.6 | 1.9 |
| Results Per Operator | | | |
| Working capital | 70,872 | 18,783 | 159,520 |
| Total assets (market) | 1,135,450 | 1,064,325 | 1,556,735 |
| Total liabilities | 344,742 | 414,772 | 471,907 |
| Net worth (market) | 790,709 | 649,553 | 1,084,829 |
| Net worth excl deferred liabs | 795,360 | 653,947 | 1,094,365 |
| | | | |
| Gross farm income | 441,707 | 353,004 | 735,265 |
| Total farm expense | 388,056 | 369,998 | 594,800 |
| Net farm income | 53,650 | -16,994 | 140,465 |
| | | | |
| Net nonfarm income | 2,960 | 4,163 | -819 |
| Family living withdrawals | 42,515 | 24,127 | 74,782 |
| | | | |
| Total acres owned | 281.7 | 266.2 | 312.6 |
| Total crop acres | 378.8 | 411.4 | 432.3 |
| Crop acres owned | 214.8 | 222.5 | 249.6 |
| Crop acres cash rented | 164.0 | 188.9 | 182.7 |
| | | | |
| Labor Analysis | | | |
| Number of farms | 157 | 39 | 39 |
| Total unpaid labor hours | 5,103 | 4,838 | 6,070 |
| Total hired labor hours | 7,950 | 6,957 | 14,422 |
| Total labor hours per farm | 13,053 | 11,796 | 20,492 |
| Unpaid hours per operator | 3,160 | 2,972 | 3,199 |
| Value of farm production / hour | 41.91 | 34.62 | 52.03 |
| Net farm income / unpaid hour | 16.84 | -5.72 | 44.18 |
| | | | |
| Partnerships | | | |
| Number of farms | 48 | 11 | 20 |
| Number of operators | 2.3 | 2.3 | 2.5 |
| | | | |
| Corporations | | | |
| Number of farms | 8 | 2 | 2 |

Table 13

Financial Summary
Michigan Dairy Farms, All Sizes, 2001
(Farms Sorted By Net Farm Income)

| | Avg. Of | | |
|---------------------------------|-----------|-----------|-----------|
| | All Farms | Low 25% | High 25% |
| Number of farms | 158 | 39 | 40 |
| Income Statement | | | |
| Gross cash farm income | 711,077 | 593,524 | 1,361,983 |
| Total cash farm expense | 562,466 | 510,106 | 1,037,066 |
| Net cash farm income | 148,610 | 83,419 | 324,916 |
| Inventory change | 5,511 | -27,813 | 52,166 |
| Depreciation and capital adjust | -67,364 | -83,276 | -110,200 |
| Net farm income | 86,758 | -27,670 | 266,883 |
| Profitability (cost) | | | |
| Labor and management earnings | 51,627 | -50,584 | 199,668 |
| Rate of return on assets | 5.6 % | -4.2 % | 12.7 % |
| Rate of return on equity | 4.7 % | -21.4 % | 16.6 % |
| Operating profit margin | 11.0 % | -10.3 % | 22.4 % |
| Asset turnover rate | 50.6 % | 40.4 % | 56.6 % |
| Profitability (market) | | | |
| Labor and management earnings | 82,634 | -1,814 | 248,572 |
| Rate of return on assets | 7.6 % | 2.6 % | 12.8 % |
| Rate of return on equity | 8.1 % | 0.5 % | 15.4 % |
| Operating profit margin | 22.3 % | 10.3 % | 30.5 % |
| Asset turnover rate | 33.9 % | 25.3 % | 42.0 % |
| Liquidity | | | |
| Term debt coverage ratio | 150.2 % | 60.9 % | 209.6 % |
| Expense as a percent of income | 78.4 % | 90.3 % | 73.0 % |
| Interest as a percent of income | 4.8 % | 6.6 % | 4.2 % |
| Solvency (cost) | | | |
| Number of farms | 158 | 39 | 40 |
| Ending farm assets | 1,133,519 | 1,007,417 | 2,028,847 |
| Ending farm liabilities | 535,238 | 658,238 | 841,411 |
| Ending total assets | 1,198,580 | 1,042,711 | 2,163,995 |
| Ending total liabilities | 542,434 | 661,026 | 860,386 |
| Ending net worth | 656,145 | 381,685 | 1,303,609 |
| Net worth change | 33,384 | -49,573 | 139,480 |
| Ending farm debt to asset ratio | 47 % | 65 % | 41 % |
| Beg total debt to asset ratio | 45 % | 59 % | 40 % |
| End total debt to asset ratio | 45 % | 63 % | 40 % |
| Solvency (market) | | | |
| Number of farms | 158 | 39 | 40 |
| Ending farm assets | 1,709,013 | 1,653,969 | 2,746,986 |
| Ending farm liabilities | 542,471 | 664,135 | 859,536 |
| Ending total assets | 1,836,123 | 1,732,939 | 2,957,797 |
| Ending total liabilities | 549,956 | 668,180 | 878,504 |
| Ending net worth | 1,286,167 | 1,064,759 | 2,079,293 |
| Net worth change | 105,023 | 38,907 | 245,107 |
| Ending farm debt to asset ratio | 32 % | 40 % | 31 % |
| Beg total debt to asset ratio | 30 % | 38 % | 30 % |
| End total debt to asset ratio | 30 % | 39 % | 30 % |
| Nonfarm Information | | | |
| Net nonfarm income | 4,787 | 6,778 | -1,556 |

Table 14

Livestock And Crop Production Summary
Michigan Dairy Farms, 25 - 75.9 Cows, 2001
(Farms sorted by Net Farm Income)

| | Average Of All Farms | Average Of Low 25 % | Average Of High 25 % |
|---------------------------------|-------------------------|------------------------|-------------------------|
| | <hr/> | <hr/> | <hr/> |
| DAIRY | | | |
| Number of farms | 29 | 7 | 8 |
| Average number of Cows | 55 | 56 | 62 |
| Milk produced per Cow, lbs. | 17,611 | 17,913 | 17,028 |
| Average milk price per cwt., \$ | 15.34 | 15.01 | 16.27 |
| ACREAGE SUMMARY | | | |
| Total acres owned | 212 | 149 | 222 |
| Total crop acres | 268 | 346 | 238 |
| Crop acres owned | 121 | 61 | 104 |
| Crop acres cash rented | 147 | 284 | 134 |

Table 15

Farm Income Statement
Michigan Dairy Farms, 25 - 75.9 Cows, 2001
(Farms Sorted By Net Farm Income)

| | Avg. Of All Farms | Low 25% | High 25% |
|-------------------------------|----------------------|----------------|----------------|
| Number of farms | 29 | 7 | 8 |
| Cash Farm Income | | | |
| Cordwood | 512 | - | - |
| Corn | 1,989 | 5,605 | 1,853 |
| Hay, Mixed | 938 | 265 | 2,412 |
| Soybeans | 3,234 | 6,303 | 1,799 |
| Straw | 48 | - | 173 |
| Sugar Beets | 1,599 | 3,548 | - |
| Wheat, Winter | 1,030 | 2,267 | - |
| Other crops | 219 | 908 | - |
| Miscellaneous crop income | 33 | 46 | 81 |
| Beef Cow-Calf, Beef Calves | 383 | 1,586 | - |
| Beef, Background Beef | 228 | - | - |
| Dairy, Milk | 150,931 | 156,244 | 169,748 |
| Dairy, Dairy Calves | 1,381 | 1,021 | 1,818 |
| Dairy Replacement Heifers | 65 | 236 | 30 |
| Dairy Steers | 4,990 | 13,970 | 2,124 |
| Cull breeding livestock | 12,189 | 15,270 | 11,293 |
| Misc. livestock income | 43 | - | 19 |
| Government payments | 6,868 | 10,694 | 5,421 |
| Custom work income | 404 | 1,395 | 117 |
| Patronage dividends, cash | 819 | 1,014 | 915 |
| Insurance income | 803 | 981 | 136 |
| Other farm income | 1,349 | 2,396 | 868 |
| Gross Cash Farm Income | 190,055 | 223,749 | 198,805 |

Table 16

Farm Income Statement, continued
Michigan Dairy Farms, 25 - 75.9 Cows, 2001
(Farms Sorted By Net Farm Income)

| | Avg. Of All Farms | Low 25% | High 25% |
|---|----------------------|-----------------|-----------------|
| Cash Farm Expense | | | |
| Seed | 2,645 | 2,690 | 2,990 |
| Fertilizer | 5,520 | 7,029 | 5,198 |
| Crop chemicals | 1,764 | 1,784 | 1,759 |
| Crop miscellaneous | 94 | - | 311 |
| Feeder livestock purchase | 283 | 1,173 | - |
| Purchased feed | 35,808 | 48,618 | 31,463 |
| Breeding fees | 923 | 1,280 | 962 |
| Veterinary | 3,329 | 3,661 | 3,671 |
| BST | 349 | - | 880 |
| Livestock supplies | 7,250 | 10,359 | 5,897 |
| DHIA | 878 | 620 | 868 |
| Livestock marketing | 7,950 | 8,526 | 8,676 |
| Interest | 9,880 | 8,597 | 11,934 |
| Fuel & oil | 5,993 | 9,979 | 5,362 |
| Repairs | 13,074 | 13,336 | 13,594 |
| Custom hire | 4,058 | 3,532 | 7,346 |
| Hired labor | 16,514 | 21,085 | 13,965 |
| Land rent | 6,460 | 17,045 | 3,645 |
| Machinery & bldg leases | 941 | 2,722 | 50 |
| Real estate taxes | 3,086 | 2,728 | 2,960 |
| Farm insurance | 2,899 | 2,802 | 3,297 |
| Utilities | 5,776 | 6,094 | 7,842 |
| Dues & professional fees | 1,620 | 2,248 | 1,208 |
| Miscellaneous | 3,745 | 2,844 | 4,460 |
| Total cash expense | 140,839 | 178,752 | 138,339 |
| Net cash farm income | 49,216 | 44,997 | 60,467 |
| Inventory Changes | | | |
| Crops and feed | -3,164 | -15,054 | 2,336 |
| Market livestock | -697 | -2,942 | -714 |
| Accounts receivable | 2,169 | 2,093 | 5,478 |
| Prepaid expenses and supplies | 320 | 30 | 834 |
| Accounts payable | -780 | -698 | 19 |
| Total inventory change | -2,153 | -16,572 | 7,953 |
| Net operating profit | 47,064 | 28,426 | 68,420 |
| Depreciation and Other Capital Adjustments | | | |
| Breeding livestock | 861 | -6,153 | 10,761 |
| Machinery and equipment | -14,614 | -16,510 | -15,165 |
| Buildings and improvements | -5,112 | -4,190 | -10,657 |
| Other farm capital | 238 | -3,342 | 2,674 |
| Total depr. and other capital adj | -18,628 | -30,196 | -12,387 |
| Net farm income | \$ 28,436 | \$-1,770 | \$56,034 |

Table 17

Liquidity Measures
Michigan Dairy Farms, 25 - 75.9 Cows, 2001
(Farms Sorted By Net Farm Income)

| | Avg. Of All Farms | Low 25% | High 25% |
|---------------------------------|----------------------|---------|----------|
| Number of farms | 29 | 7 | 8 |
| Liquidity (cash) | | | |
| Net cash farm income | 49,216 | 44,997 | 60,467 |
| Net nonfarm income | 4,934 | 5,937 | 5,376 |
| Family living and taxes | 25,053 | 23,841 | 24,929 |
| Real estate principal payments | 5,738 | 3,744 | 8,104 |
| Cash available for interm. debt | 23,359 | 23,349 | 32,810 |
| Average intermediate debt | 48,121 | 31,613 | 72,753 |
| Years to turnover interm. debt | 2.1 | 1.4 | 2.2 |
| Expense as a % of income | 74 % | 80 % | 70 % |
| Interest as a % of income | 5 % | 4 % | 6 % |
| Liquidity (accrual) | | | |
| Total accrual farm income | 188,362 | 207,846 | 205,906 |
| Total accrual operating expense | 141,299 | 179,420 | 137,486 |
| Net accrual operating income | 47,064 | 28,426 | 68,420 |
| Net nonfarm income | 4,934 | 5,937 | 5,376 |
| Family living and taxes | 25,053 | 23,841 | 24,929 |
| Real estate principal payments | 5,738 | 3,744 | 8,104 |
| Available for intermediate debt | 21,206 | 6,778 | 40,764 |
| Average intermediate debt | 48,121 | 31,613 | 72,753 |
| Years to turnover interm. debt | 2.3 | 4.7 | 1.8 |
| Expense as a % of income | 75 % | 86 % | 67 % |
| Interest as a % of income | 5 % | 4 % | 6 % |

Table 18

Balance Sheet at Cost Values
Michigan Dairy Farms, 25 - 75.9 Cows, 2001
(Farms Sorted By Net Farm Income)

| Number of farms | Avg. Of All Farms | | Low 25% | | High 25% | |
|---|----------------------|----------------|----------------|----------------|----------------|----------------|
| | 29 | | 7 | | 8 | |
| | Beginning | Ending | Beginning | Ending | Beginning | Ending |
| Assets | | | | | | |
| Current Farm Assets | | | | | | |
| Cash and checking balance | 13,691 | 7,549 | 3,507 | 1,807 | 33,470 | 20,500 |
| Prepaid expenses & supplies | 2,076 | 2,395 | 3,426 | 3,457 | 2,430 | 3,264 |
| Growing crops | 3,808 | 3,653 | 3,255 | 3,086 | 7,499 | 7,057 |
| Accounts receivable | 3,449 | 5,970 | 7,671 | 11,013 | 1,660 | 7,581 |
| Hedging accounts | 0 | 0 | 0 | 0 | 0 | 0 |
| Crops held for sale or feed | 36,965 | 33,801 | 55,670 | 40,616 | 29,148 | 31,484 |
| Crops under government loan | 0 | 0 | 0 | 0 | 0 | 0 |
| Market livestock held for sale | 6,178 | 5,482 | 19,854 | 16,912 | 1,940 | 1,226 |
| Other current assets | 1,207 | 1,010 | 4,401 | 3,321 | 0 | 0 |
| Total current farm assets | 67,373 | 59,859 | 97,784 | 80,211 | 76,146 | 71,112 |
| Intermediate Farm Assets | | | | | | |
| Breeding livestock | 118,527 | 120,878 | 119,830 | 114,393 | 133,831 | 146,894 |
| Machinery and equipment | 40,435 | 47,529 | 48,545 | 58,231 | 40,837 | 48,033 |
| Other intermediate assets | 4,290 | 5,118 | 3,892 | 3,058 | 8,845 | 12,043 |
| Total intermediate farm assets | 163,253 | 173,525 | 172,267 | 175,682 | 183,513 | 206,969 |
| Long Term Farm Assets | | | | | | |
| Farm land | 86,916 | 87,202 | 81,771 | 81,771 | 72,253 | 73,092 |
| Buildings and improvements | 21,470 | 24,165 | 17,662 | 15,445 | 20,539 | 31,718 |
| Other long-term assets | 1,100 | 1,015 | 2,893 | 1,619 | 125 | 0 |
| Total long-term farm assets | 109,486 | 112,382 | 102,327 | 98,835 | 92,916 | 104,810 |
| Total Farm Assets | 340,112 | 345,767 | 372,378 | 354,728 | 352,575 | 382,891 |
| Total Nonfarm Assets | 29,277 | 33,745 | 14,744 | 12,862 | 37,203 | 46,684 |
| Total Assets | 369,388 | 379,512 | 387,121 | 367,590 | 389,778 | 429,575 |
| Liabilities | | | | | | |
| Current Farm Liabilities | | | | | | |
| Accrued interest | 475 | 491 | 473 | 411 | 465 | 662 |
| Accounts payable | 1,051 | 1,815 | 806 | 1,566 | 654 | 438 |
| Current notes | 12,555 | 11,995 | 20,027 | 21,497 | 8,741 | 6,180 |
| Government crop loans | 0 | 0 | 0 | 0 | 0 | 0 |
| Principal due on term debt | 14,267 | 14,670 | 8,973 | 13,363 | 18,570 | 17,631 |
| Total current farm liabilities | 28,348 | 28,971 | 30,279 | 36,836 | 28,429 | 24,910 |
| Total intermediate farm liabs | 40,167 | 37,895 | 22,482 | 25,817 | 68,083 | 54,571 |
| Total long term farm liabilities | 90,809 | 89,767 | 71,990 | 61,809 | 90,917 | 105,428 |
| Total farm liabilities | 159,324 | 156,633 | 124,751 | 124,462 | 187,429 | 184,910 |
| Total nonfarm liabilities | 5,994 | 6,220 | 4,085 | 4,085 | 18,042 | 18,863 |
| Total liabilities | 165,318 | 162,853 | 128,837 | 128,548 | 205,471 | 203,773 |
| Net worth (farm and nonfarm) | 204,071 | 216,659 | 258,285 | 239,042 | 184,307 | 225,802 |
| Net worth change | | 12,588 | | -19,242 | | 41,495 |
| Ratio Analysis | | | | | | |
| Current farm liabilities / assets | 42 % | 48 % | 31 % | 46 % | 37 % | 35 % |
| Curr. & interm farm liab. / assets | 30 % | 29 % | 20 % | 24 % | 37 % | 29 % |
| Long term farm liab. / assets | 83 % | 80 % | 70 % | 63 % | 98 % | 101 % |
| Total debt to asset ratio | 45 % | 43 % | 33 % | 35 % | 53 % | 47 % |

Table 19

Balance Sheet at Market Values
Michigan Dairy Farms, 25 - 75.9 Cows, 2001
(Farms Sorted By Net Farm Income)

| Number of farms | Avg. Of All Farms 29 | | Low 25% 7 | | High 25% 8 | |
|---|----------------------------|----------------|----------------|----------------|----------------|----------------|
| | Beginning | Ending | Beginning | Ending | Beginning | Ending |
| Assets | | | | | | |
| Current Farm Assets | | | | | | |
| Cash and checking balance | 13,691 | 7,549 | 3,507 | 1,807 | 33,470 | 20,500 |
| Prepaid expenses & supplies | 2,076 | 2,395 | 3,426 | 3,457 | 2,430 | 3,264 |
| Growing crops | 3,808 | 3,653 | 3,255 | 3,086 | 7,499 | 7,057 |
| Accounts receivable | 3,449 | 5,970 | 7,671 | 11,013 | 1,660 | 7,581 |
| Hedging accounts | 0 | 0 | 0 | 0 | 0 | 0 |
| Crops held for sale or feed | 36,965 | 33,801 | 55,670 | 40,616 | 29,148 | 31,484 |
| Crops under government loan | 0 | 0 | 0 | 0 | 0 | 0 |
| Market livestock held for sale | 6,178 | 5,482 | 19,854 | 16,912 | 1,940 | 1,226 |
| Other current assets | 1,207 | 1,010 | 4,401 | 3,321 | 0 | 0 |
| Total current farm assets | 67,373 | 59,859 | 97,784 | 80,211 | 76,146 | 71,112 |
| Intermediate Farm Assets | | | | | | |
| Breeding livestock | 118,962 | 121,358 | 121,630 | 116,221 | 133,831 | 146,981 |
| Machinery and equipment | 132,041 | 143,463 | 183,129 | 185,779 | 122,045 | 130,889 |
| Other intermediate assets | 4,762 | 5,435 | 3,892 | 3,058 | 10,556 | 13,195 |
| Total intermediate farm assets | 255,765 | 270,256 | 308,651 | 305,058 | 266,432 | 291,065 |
| Long Term Farm Assets | | | | | | |
| Farm land | 243,313 | 284,758 | 224,286 | 330,514 | 174,130 | 197,663 |
| Buildings and improvements | 53,751 | 52,978 | 32,480 | 19,810 | 69,368 | 73,650 |
| Other long-term assets | 1,100 | 1,015 | 2,893 | 1,619 | 125 | 0 |
| Total long-term farm assets | 298,165 | 338,750 | 259,659 | 351,943 | 243,623 | 271,313 |
| Total Farm Assets | 621,303 | 668,866 | 666,094 | 737,212 | 586,201 | 633,489 |
| Total Nonfarm Assets | 72,952 | 76,949 | 30,877 | 30,136 | 71,293 | 81,186 |
| Total Assets | 694,254 | 745,815 | 696,970 | 767,347 | 657,495 | 714,675 |
| Liabilities | | | | | | |
| Current Farm Liabilities | | | | | | |
| Accrued interest | 475 | 491 | 473 | 411 | 465 | 662 |
| Accounts payable | 1,051 | 1,815 | 806 | 1,566 | 654 | 438 |
| Current notes | 12,555 | 11,995 | 20,027 | 21,497 | 8,741 | 6,180 |
| Government crop loans | 0 | 0 | 0 | 0 | 0 | 0 |
| Principal due on term debt | 14,267 | 14,670 | 8,973 | 13,363 | 18,570 | 17,631 |
| Total current farm liabilities | 28,348 | 28,971 | 30,279 | 36,836 | 28,429 | 24,910 |
| Total intermediate farm liabs | 40,167 | 37,895 | 22,482 | 25,817 | 68,083 | 54,571 |
| Total long term farm liabilities | 90,809 | 89,767 | 71,990 | 61,809 | 90,917 | 105,428 |
| Total farm liabilities | 159,324 | 156,633 | 124,751 | 124,462 | 187,429 | 184,910 |
| Total nonfarm liabilities | 5,994 | 6,220 | 4,085 | 4,085 | 18,042 | 18,863 |
| Total liabs excluding deferreds | 165,318 | 162,853 | 128,837 | 128,548 | 205,471 | 203,773 |
| Total deferred liabilities | 0 | 0 | 0 | 0 | 0 | 0 |
| Total liabilities | 165,318 | 162,853 | 128,837 | 128,548 | 205,471 | 203,773 |
| Retained earnings | 204,071 | 216,659 | 258,285 | 239,042 | 184,307 | 225,802 |
| Market valuation equity | 324,866 | 366,303 | 309,849 | 399,757 | 267,716 | 285,100 |
| Net worth (farm and nonfarm) | 528,937 | 582,962 | 568,134 | 638,799 | 452,024 | 510,902 |
| Net worth excluding deferreds | 528,937 | 582,962 | 568,134 | 638,799 | 452,024 | 510,902 |
| Net worth change | | 54,025 | | 70,666 | | 58,878 |
| Ratio Analysis | | | | | | |
| Current farm liabilities / assets | 42 % | 48 % | 31 % | 46 % | 37 % | 35 % |
| Curr. & interm farm liab. / assets | 21 % | 20 % | 13 % | 16 % | 28 % | 22 % |
| Long term farm liab. / assets | 30 % | 26 % | 28 % | 18 % | 37 % | 39 % |
| Total debt to asset ratio | 24 % | 22 % | 18 % | 17 % | 31 % | 29 % |
| Debt to assets excl deferreds | 24 % | 22 % | 18 % | 17 % | 31 % | 29 % |

Table 20

Statement Of Cash Flows
Michigan Dairy Farms, 25 - 75.9 Cows, 2001
(Farms Sorted By Net Farm Income)

| | Avg. Of All Farms | Low 25% | High 25% |
|---------------------------------------|----------------------|----------|----------|
| Number of farms | 29 | 7 | 8 |
| Beginning cash (farm & nonfarm) | 14,935 | 6,221 | 34,545 |
| Cash From Operating Activities | | | |
| Gross cash farm income | 190,055 | 223,749 | 198,805 |
| Net nonfarm income | 4,934 | 5,937 | 5,376 |
| Total cash farm expense | -140,839 | -178,752 | -138,339 |
| Apparent family living expense | -23,451 | -21,781 | -22,829 |
| Income and social security tax | -1,602 | -2,061 | -2,100 |
| Cash from operations | 29,097 | 27,093 | 40,914 |
| Cash From Investing Activities | | | |
| Sale of breeding livestock | 5,448 | 3,373 | 16,655 |
| Sale of machinery & equipment | 103 | 286 | 94 |
| Sale of farm land | - | - | - |
| Sale of farm buildings | 59 | - | - |
| Sale of other farm assets | 506 | 2,095 | - |
| Sale of nonfarm assets | 1,493 | - | - |
| Purchase of breeding livestock | -6,938 | -4,089 | -18,956 |
| Purchase of machinery & equip. | -21,812 | -26,483 | -22,454 |
| Purchase of farm land | - | - | - |
| Purchase of farm buildings | -7,867 | -1,973 | -21,837 |
| Purchase of other farm assets | -1,010 | -3,328 | -399 |
| Purchase of nonfarm assets | -951 | - | -1,438 |
| Cash from investing activities | -30,969 | -30,120 | -48,336 |
| Cash From Financing Activities | | | |
| Money borrowed | 34,383 | 22,728 | 54,722 |
| Cash transfers in | 1,471 | 789 | 2,643 |
| Principal payments | -37,602 | -23,719 | -56,389 |
| Dividends paid | - | - | - |
| Gifts given | -2,520 | - | -7,024 |
| Cash from financing activities | -4,269 | -202 | -6,048 |
| Net change in cash balance | -6,141 | -3,228 | -13,470 |
| Ending cash (farm & nonfarm) | 8,794 | 2,993 | 21,075 |

Table 21

Financial Standards Measures
Michigan Dairy Farms, 25 - 75.9 Cows, 2001
(Farms Sorted By Net Farm Income)

| | Avg. Of All Farms | Low 25% | High 25% |
|-------------------------------|----------------------|---------|----------|
| Number of farms | 29 | 7 | 8 |
| Liquidity | | | |
| Current ratio | 2.07 | 2.18 | 2.85 |
| Working capital | 30,889 | 43,374 | 46,201 |
| Solvency (market) | | | |
| Farm debt to asset ratio | 23 % | 17 % | 29 % |
| Farm equity to asset ratio | 77 % | 83 % | 71 % |
| Farm debt to equity ratio | 31 % | 20 % | 41 % |
| Profitability (cost) | | | |
| Rate of return on farm assets | 0.8 % | -6.7 % | 8.5 % |
| Rate of return on farm equity | -3.9 % | -13.7 % | 10.5 % |
| Operating profit margin | 1.8 % | -15.9 % | 16.9 % |
| Net farm income | 28,436 | -1,770 | 56,034 |
| Repayment Capacity | | | |
| Term debt coverage ratio | 152 % | 114 % | 193 % |
| Capital replacement margin | 12,066 | 2,080 | 28,973 |
| Efficiency | | | |
| Asset turnover rate (cost) | 44.7 % | 41.8 % | 50.4 % |
| Operating expense ratio | 69.8 % | 82.2 % | 60.9 % |
| Depreciation expense ratio | 9.9 % | 14.5 % | 6.0 % |
| Interest expense ratio | 5.3 % | 4.1 % | 5.9 % |
| Net farm income ratio | 15.1 % | -0.9 % | 27.2 % |

Table 22

Operator and Labor Information
Michigan Dairy Farms, 25 - 75.9 Cows, 2001
(Farms Sorted By Net Farm Income)

| | Avg. Of All Farms | Low 25% | High 25% |
|---------------------------------|----------------------|---------|----------|
| Number of farms | 29 | 7 | 8 |
| Operator Information | | | |
| Average number of operators | 1.3 | 1.9 | 1.3 |
| Results Per Operator | | | |
| Working capital | 23,573 | 23,355 | 36,961 |
| Total assets (market) | 569,175 | 413,187 | 571,740 |
| Total liabilities | 124,283 | 69,218 | 163,018 |
| Net worth (market) | 444,892 | 343,969 | 408,722 |
| Net worth excl deferred liabs | 444,892 | 343,969 | 408,722 |
| | | | |
| Gross farm income | 143,750 | 111,917 | 164,725 |
| Total farm expense | 122,049 | 112,870 | 119,898 |
| Net farm income | 21,701 | -953 | 44,827 |
| | | | |
| Net nonfarm income | 3,765 | 3,197 | 4,301 |
| Family living withdrawals | 19,119 | 12,838 | 19,943 |
| | | | |
| Total acres owned | 162.1 | 80.2 | 177.6 |
| Total crop acres | 204.6 | 186.2 | 190.5 |
| Crop acres owned | 92.2 | 33.0 | 83.1 |
| Crop acres cash rented | 112.4 | 153.2 | 107.4 |
| Crop acres share rented | - | - | - |
| Total pasture acres | 1.8 | - | 7.0 |
| | | | |
| Labor Analysis | | | |
| Number of farms | 29 | 7 | 8 |
| Total unpaid labor hours | 3,786 | 3,685 | 3,604 |
| Total hired labor hours | 2,191 | 3,591 | 1,942 |
| Total labor hours per farm | 5,977 | 7,276 | 5,546 |
| Unpaid hours per operator | 2,889 | 1,984 | 2,883 |
| Value of farm production / hour | 25.62 | 20.88 | 33.40 |
| Net farm income / unpaid hour | 7.51 | -0.48 | 15.55 |

Table 23

Financial Summary
Michigan Dairy Farms, 25 - 75.9 Cows, 2001
(Farms Sorted By Net Farm Income)

| | Avg. Of All Farms | Low 25% | High 25% |
|---------------------------------|----------------------|---------|----------|
| Number of farms | 29 | 7 | 8 |
| Income Statement | | | |
| Gross cash farm income | 190,055 | 223,749 | 198,805 |
| Total cash farm expense | 140,839 | 178,752 | 138,339 |
| Net cash farm income | 49,216 | 44,997 | 60,467 |
| Inventory change | -2,153 | -16,572 | 7,953 |
| Depreciation and capital adjust | -18,628 | -30,196 | -12,387 |
| Net farm income | 28,436 | -1,770 | 56,034 |
| Profitability (cost) | | | |
| Labor and management earnings | 17,272 | -16,107 | 45,140 |
| Rate of return on assets | 0.8 % | -6.7 % | 8.5 % |
| Rate of return on equity | -3.9 % | -13.7 % | 10.5 % |
| Operating profit margin | 1.8 % | -15.9 % | 16.9 % |
| Asset turnover rate | 44.7 % | 41.8 % | 50.4 % |
| Profitability (market) | | | |
| Labor and management earnings | 41,117 | 52,375 | 47,585 |
| Rate of return on assets | 6.9 % | 9.2 % | 7.9 % |
| Rate of return on equity | 7.1 % | 9.7 % | 8.5 % |
| Operating profit margin | 29.2 % | 42.5 % | 26.0 % |
| Asset turnover rate | 23.7 % | 21.6 % | 30.4 % |
| Liquidity | | | |
| Term debt coverage ratio | 152.1 % | 113.6 % | 193.0 % |
| Expense as a percent of income | 75.0 % | 86.3 % | 66.8 % |
| Interest as a percent of income | 5.3 % | 4.1 % | 5.9 % |
| Solvency (cost) | | | |
| Number of farms | 29 | 7 | 8 |
| Ending farm assets | 345,767 | 354,728 | 382,891 |
| Ending farm liabilities | 156,633 | 124,462 | 184,910 |
| Ending total assets | 379,512 | 367,590 | 429,575 |
| Ending total liabilities | 162,853 | 128,548 | 203,773 |
| Ending net worth | 216,659 | 239,042 | 225,802 |
| Net worth change | 12,588 | -19,242 | 41,495 |
| Ending farm debt to asset ratio | 45 % | 35 % | 48 % |
| Beg total debt to asset ratio | 45 % | 33 % | 53 % |
| End total debt to asset ratio | 43 % | 35 % | 47 % |
| Solvency (market) | | | |
| Number of farms | 29 | 7 | 8 |
| Ending farm assets | 668,866 | 737,212 | 633,489 |
| Ending farm liabilities | 156,633 | 124,462 | 184,910 |
| Ending total assets | 745,815 | 767,347 | 714,675 |
| Ending total liabilities | 162,853 | 128,548 | 203,773 |
| Ending net worth | 582,962 | 638,799 | 510,902 |
| Net worth change | 54,025 | 70,666 | 58,878 |
| Ending farm debt to asset ratio | 23 % | 17 % | 29 % |
| Beg total debt to asset ratio | 24 % | 18 % | 31 % |
| End total debt to asset ratio | 22 % | 17 % | 29 % |
| Nonfarm Information | | | |
| Net nonfarm income | 4,934 | 5,937 | 5,376 |

Table 24

Livestock And Crop Production Summary
Michigan Dairy Farms, 76 - 120.9 Cows, 2001
(Farms sorted by Net Farm Income)

| | Average Of All Farms | Average Of Low 25 % | Average Of High 25 % |
|--|-------------------------|------------------------|-------------------------|
| | <hr/> | <hr/> | <hr/> |
| DAIRY | | | |
| Number of farms | 36 | 8 | 10 |
| Average number of Cows | 98 | 91 | 105 |
| Milk produced per Cow, lbs. | 18,090 | 17,637 | 18,753 |
| Average milk price per cwt., \$ | 15.19 | 15.05 | 15.30 |
| ACREAGE SUMMARY | | | |
| Total acres owned | 351 | 338 | 368 |
| Total crop acres | 464 | 448 | 588 |
| Crop acres owned | 238 | 283 | 229 |
| Crop acres cash rented | 226 | 165 | 359 |
| AVERAGE PRICE RECEIVED (Cash Sales Only) | | | |
| Corn per bushel | 1.81 | - | - |
| Wheat, Winter per bushel | 2.31 | - | - |

Table 25

Farm Income Statement
Michigan Dairy Farms, 76 - 120.9 Cows, 2001
(Farms Sorted By Net Farm Income)

| | Avg. Of All Farms | Low 25% | High 25% |
|--------------------------------|----------------------|----------------|----------------|
| Number of farms | 36 | 8 | 10 |
| Cash Farm Income | | | |
| Beans, Navy | 212 | - | 765 |
| Corn | 7,091 | 9,475 | 15,724 |
| Corn Silage | 61 | 277 | - |
| Corn, Seed | 36 | - | 130 |
| Hay, Alfalfa | 350 | 74 | 49 |
| Hay, Mixed | 572 | 77 | 265 |
| Haylage, Alfalfa | 248 | 1,117 | - |
| Soybeans | 6,189 | 10,757 | 11,436 |
| Wheat, Winter | 1,837 | 2,356 | 3,069 |
| Miscellaneous crop income | 87 | - | - |
| Beef Cow-Calf, Beef Calves | 540 | - | 163 |
| Beef, Finish Beef Calves | 270 | 1,217 | - |
| Dairy, Milk | 269,310 | 246,513 | 300,374 |
| Dairy, Dairy Calves | 2,700 | 1,351 | 4,117 |
| Dairy Heifers (for sale) | 110 | - | 297 |
| Dairy Replacement Heifers | 31 | 118 | - |
| Dairy Steers | 6,263 | 8,661 | 5,487 |
| Hogs, Farrow-Fin, Raised Hogs | 337 | - | - |
| Hogs, Feeder Pigs, Feeder Pigs | 354 | - | 25 |
| Cull breeding livestock | 14,632 | 17,346 | 21,339 |
| Misc. livestock income | 64 | - | - |
| Government payments | 14,928 | 15,079 | 18,722 |
| Custom work income | 2,577 | 242 | 6,073 |
| Patronage dividends, cash | 1,935 | 1,483 | 1,893 |
| Insurance income | 2,794 | 1,210 | 3,847 |
| Other farm income | 2,205 | 2,152 | 1,154 |
| Gross Cash Farm Income | 335,733 | 319,504 | 394,929 |

Table 26

Farm Income Statement, continued
Michigan Dairy Farms, 76 - 120.9 Cows, 2001
(Farms Sorted By Net Farm Income)

| | Avg. Of All Farms | Low 25% | High 25% |
|---|----------------------|------------------|------------------|
| Cash Farm Expense | | | |
| Seed | 7,749 | 9,438 | 10,643 |
| Fertilizer | 12,314 | 9,603 | 14,807 |
| Crop chemicals | 6,610 | 7,724 | 9,399 |
| Crop insurance | 191 | 196 | 50 |
| Drying fuel | 119 | - | 309 |
| Crop marketing | 222 | - | 529 |
| Crop miscellaneous | 265 | 9 | 512 |
| Feeder livestock purchase | 2,017 | 1,337 | - |
| Purchased feed | 59,647 | 67,901 | 61,877 |
| Breeding fees | 2,218 | 2,833 | 2,829 |
| Veterinary | 6,279 | 8,224 | 6,780 |
| BST | 343 | - | 617 |
| Livestock supplies | 14,402 | 19,539 | 12,936 |
| DHIA | 950 | 779 | 1,175 |
| Livestock marketing | 13,527 | 13,014 | 13,772 |
| Interest | 17,085 | 27,414 | 10,814 |
| Fuel & oil | 9,600 | 10,281 | 9,958 |
| Repairs | 18,917 | 21,958 | 17,286 |
| Custom hire | 8,488 | 8,956 | 10,970 |
| Hired labor | 34,578 | 26,078 | 37,282 |
| Land rent | 14,093 | 15,892 | 16,734 |
| Machinery & bldg leases | 3,145 | 1,538 | 2,470 |
| Real estate taxes | 4,236 | 4,653 | 4,604 |
| Personal property taxes | 226 | - | - |
| Farm insurance | 5,057 | 5,873 | 5,783 |
| Utilities | 7,678 | 9,323 | 7,809 |
| Dues & professional fees | 2,186 | 2,638 | 2,235 |
| Miscellaneous | 4,766 | 3,753 | 6,278 |
| Total cash expense | 256,908 | 278,953 | 268,457 |
| Net cash farm income | 78,826 | 40,551 | 126,471 |
| Inventory Changes | | | |
| Crops and feed | -8,388 | -19,924 | -10,561 |
| Market livestock | 2,488 | 864 | 446 |
| Accounts receivable | 2,146 | 2,081 | 209 |
| Prepaid expenses and supplies | 969 | 659 | -459 |
| Accounts payable | 51 | 4,973 | -533 |
| Total inventory change | -2,733 | -11,348 | -10,898 |
| Net operating profit | 76,092 | 29,203 | 115,573 |
| Depreciation and Other Capital Adjustments | | | |
| Breeding livestock | 961 | -13,235 | 14,802 |
| Machinery and equipment | -26,804 | -30,957 | -27,518 |
| Buildings and improvements | -4,937 | -8,516 | -878 |
| Other farm capital | 467 | 38 | 74 |
| Total depr. and other capital adj | -30,314 | -52,669 | -13,520 |
| Net farm income | \$45,779 | \$-23,466 | \$102,053 |

Table 27

Liquidity Measures
Michigan Dairy Farms, 76 - 120.9 Cows, 2001
(Farms Sorted By Net Farm Income)

| | Avg. Of All Farms | Low 25% | High 25% |
|---------------------------------|----------------------|---------|----------|
| Number of farms | 36 | 8 | 10 |
| Liquidity (cash) | | | |
| Net cash farm income | 78,826 | 40,551 | 126,471 |
| Net nonfarm income | 7,778 | 18,307 | 7,920 |
| Family living and taxes | 51,982 | 38,339 | 74,987 |
| Real estate principal payments | 9,096 | 9,666 | 9,791 |
| Cash available for interm. debt | 25,526 | 10,854 | 49,613 |
| Average intermediate debt | 107,436 | 106,707 | 88,636 |
| Years to turnover interm. debt | 4.2 | 9.8 | 1.8 |
| Expense as a % of income | 77 % | 87 % | 68 % |
| Interest as a % of income | 5 % | 9 % | 3 % |
| Liquidity (accrual) | | | |
| Total accrual farm income | 331,980 | 302,524 | 385,022 |
| Total accrual operating expense | 255,887 | 273,321 | 269,449 |
| Net accrual operating income | 76,092 | 29,203 | 115,573 |
| Net nonfarm income | 7,778 | 18,307 | 7,920 |
| Family living and taxes | 51,982 | 38,339 | 74,987 |
| Real estate principal payments | 9,096 | 9,666 | 9,791 |
| Available for intermediate debt | 22,793 | -494 | 38,715 |
| Average intermediate debt | 107,436 | 106,707 | 88,636 |
| Years to turnover interm. debt | 4.7 | ** | 2.3 |
| Expense as a % of income | 77 % | 90 % | 70 % |
| Interest as a % of income | 5 % | 9 % | 3 % |

** Income insufficient to meet debt servicing requirements

Table 28

Balance Sheet at Cost Values
Michigan Dairy Farms, 76 - 120.9 Cows, 2001
 (Farms Sorted By Net Farm Income)

| Number of farms | Avg. Of All Farms | | Low 25% | | High 25% | |
|---|----------------------|----------------|----------------|----------------|----------------|----------------|
| | 36 | | 8 | | 10 | |
| | Beginning | Ending | Beginning | Ending | Beginning | Ending |
| Assets | | | | | | |
| Current Farm Assets | | | | | | |
| Cash and checking balance | 11,163 | 9,364 | 11,005 | 8,435 | 13,511 | 11,701 |
| Prepaid expenses & supplies | 7,766 | 8,734 | 10,795 | 11,453 | 12,517 | 12,058 |
| Growing crops | 5,136 | 5,222 | 2,608 | 1,839 | 8,443 | 8,685 |
| Accounts receivable | 7,920 | 9,651 | 14,447 | 17,297 | 8,754 | 8,722 |
| Hedging accounts | 0 | 0 | 0 | 0 | 0 | 0 |
| Crops held for sale or feed | 80,215 | 71,827 | 90,462 | 70,537 | 88,726 | 78,165 |
| Crops under government loan | 0 | 0 | 0 | 0 | 0 | 0 |
| Market livestock held for sale | 9,276 | 11,764 | 12,827 | 13,691 | 7,574 | 8,020 |
| Other current assets | 307 | 636 | 0 | 0 | 0 | 0 |
| Total current farm assets | 121,782 | 117,198 | 142,142 | 123,252 | 139,526 | 127,351 |
| Intermediate Farm Assets | | | | | | |
| Breeding livestock | 218,605 | 222,263 | 207,976 | 203,711 | 233,770 | 246,409 |
| Machinery and equipment | 66,739 | 78,071 | 69,191 | 74,953 | 95,197 | 103,431 |
| Other intermediate assets | 6,856 | 7,493 | 9,668 | 9,614 | 8,249 | 8,467 |
| Total intermediate farm assets | 292,200 | 307,827 | 286,836 | 288,278 | 337,216 | 358,307 |
| Long Term Farm Assets | | | | | | |
| Farm land | 127,515 | 146,365 | 153,686 | 153,686 | 142,176 | 179,912 |
| Buildings and improvements | 52,131 | 73,952 | 69,483 | 60,714 | 38,386 | 42,104 |
| Other long-term assets | 6,407 | 6,600 | 14,008 | 14,633 | 6,776 | 6,776 |
| Total long-term farm assets | 186,053 | 226,916 | 237,177 | 229,034 | 187,339 | 228,793 |
| Total Farm Assets | 600,035 | 651,942 | 666,155 | 640,564 | 664,080 | 714,451 |
| Total Nonfarm Assets | 21,114 | 21,741 | 28,357 | 35,833 | 22,247 | 22,191 |
| Total Assets | 621,149 | 673,683 | 694,512 | 676,397 | 686,328 | 736,642 |
| Liabilities | | | | | | |
| Current Farm Liabilities | | | | | | |
| Accrued interest | 514 | 574 | 368 | 814 | 149 | 246 |
| Accounts payable | 7,355 | 7,244 | 16,780 | 11,361 | 2,570 | 3,006 |
| Current notes | 25,949 | 22,719 | 58,957 | 51,552 | 11,446 | 5,844 |
| Government crop loans | 0 | 0 | 0 | 0 | 0 | 0 |
| Principal due on term debt | 29,026 | 31,545 | 28,002 | 39,906 | 30,402 | 27,124 |
| Total current farm liabilities | 62,844 | 62,082 | 104,107 | 103,633 | 44,568 | 36,220 |
| Total intermediate farm liabs | 74,110 | 97,634 | 73,302 | 94,746 | 68,321 | 65,259 |
| Total long term farm liabilities | 128,814 | 136,389 | 209,186 | 206,023 | 80,791 | 71,348 |
| Total farm liabilities | 265,768 | 296,105 | 386,595 | 404,401 | 193,680 | 172,827 |
| Total nonfarm liabilities | 2,243 | 6,909 | 812 | 4,703 | 4,770 | 19,364 |
| Total liabilities | 268,010 | 303,013 | 387,407 | 409,104 | 198,450 | 192,191 |
| Net worth (farm and nonfarm) | 353,138 | 370,669 | 307,105 | 267,293 | 487,878 | 544,451 |
| Net worth change | | 17,531 | | -39,812 | | 56,573 |
| Ratio Analysis | | | | | | |
| Current farm liabilities / assets | 52 % | 53 % | 73 % | 84 % | 32 % | 28 % |
| Curr. & interm farm liab. / assets | 33 % | 38 % | 41 % | 48 % | 24 % | 21 % |
| Long term farm liab. / assets | 69 % | 60 % | 88 % | 90 % | 43 % | 31 % |
| Total debt to asset ratio | 43 % | 45 % | 56 % | 60 % | 29 % | 26 % |

Table 29

Balance Sheet at Market Values
Michigan Dairy Farms, 76 - 120.9 Cows, 2001
(Farms Sorted By Net Farm Income)

| Number of farms | Avg. Of All Farms 36 | | Low 25% 8 | | High 25% 10 | |
|---|----------------------------|------------------|------------------|------------------|------------------|------------------|
| | Beginning | Ending | Beginning | Ending | Beginning | Ending |
| Assets | | | | | | |
| Current Farm Assets | | | | | | |
| Cash and checking balance | 11,163 | 9,364 | 11,005 | 8,435 | 13,511 | 11,701 |
| Prepaid expenses & supplies | 7,766 | 8,734 | 10,795 | 11,453 | 12,517 | 12,058 |
| Growing crops | 5,136 | 5,222 | 2,608 | 1,839 | 8,443 | 8,685 |
| Accounts receivable | 7,920 | 9,651 | 14,447 | 17,297 | 8,754 | 8,722 |
| Hedging accounts | 0 | 0 | 0 | 0 | 0 | 0 |
| Crops held for sale or feed | 80,215 | 71,827 | 90,462 | 70,537 | 88,726 | 78,165 |
| Crops under government loan | 0 | 0 | 0 | 0 | 0 | 0 |
| Market livestock held for sale | 9,276 | 11,764 | 12,827 | 13,691 | 7,574 | 8,020 |
| Other current assets | 307 | 636 | 0 | 0 | 0 | 0 |
| Total current farm assets | 121,782 | 117,198 | 142,142 | 123,252 | 139,526 | 127,351 |
| Intermediate Farm Assets | | | | | | |
| Breeding livestock | 218,607 | 222,317 | 207,976 | 203,711 | 233,770 | 246,409 |
| Machinery and equipment | 202,620 | 216,696 | 241,009 | 257,255 | 217,059 | 221,590 |
| Other intermediate assets | 7,022 | 8,020 | 10,418 | 11,984 | 8,249 | 8,467 |
| Total intermediate farm assets | 428,250 | 447,033 | 459,404 | 472,949 | 459,078 | 476,466 |
| Long Term Farm Assets | | | | | | |
| Farm land | 399,487 | 450,505 | 432,525 | 482,829 | 394,397 | 447,624 |
| Buildings and improvements | 71,089 | 98,063 | 77,786 | 84,186 | 61,386 | 72,350 |
| Other long-term assets | 6,629 | 6,984 | 14,008 | 14,633 | 7,577 | 7,871 |
| Total long-term farm assets | 477,205 | 555,552 | 524,319 | 581,648 | 463,360 | 527,845 |
| Total Farm Assets | 1,027,237 | 1,119,783 | 1,125,865 | 1,177,850 | 1,061,964 | 1,131,662 |
| Total Nonfarm Assets | 69,589 | 79,422 | 81,721 | 88,026 | 94,818 | 123,768 |
| Total Assets | 1,096,826 | 1,199,205 | 1,207,586 | 1,265,876 | 1,156,782 | 1,255,430 |
| Liabilities | | | | | | |
| Current Farm Liabilities | | | | | | |
| Accrued interest | 514 | 574 | 368 | 814 | 149 | 246 |
| Accounts payable | 7,355 | 7,244 | 16,780 | 11,361 | 2,570 | 3,006 |
| Current notes | 25,949 | 22,719 | 58,957 | 51,552 | 11,446 | 5,844 |
| Government crop loans | 0 | 0 | 0 | 0 | 0 | 0 |
| Principal due on term debt | 29,026 | 31,545 | 28,002 | 39,906 | 30,402 | 27,124 |
| Total current farm liabilities | 62,844 | 62,082 | 104,107 | 103,633 | 44,568 | 36,220 |
| Total intermediate farm liabs | 74,110 | 97,634 | 73,302 | 94,746 | 68,321 | 65,259 |
| Total long term farm liabilities | 128,814 | 136,389 | 209,186 | 206,023 | 80,791 | 71,348 |
| Total farm liabilities | 265,768 | 296,105 | 386,595 | 404,401 | 193,680 | 172,827 |
| Total nonfarm liabilities | 2,243 | 6,909 | 812 | 4,703 | 4,770 | 19,364 |
| Total liabs excluding deferreds | 268,010 | 303,013 | 387,407 | 409,104 | 198,450 | 192,191 |
| Total deferred liabilities | 6,732 | 5,130 | 0 | 0 | 24,235 | 18,468 |
| Total liabilities | 274,742 | 308,143 | 387,407 | 409,104 | 222,684 | 210,659 |
| Retained earnings | 353,138 | 370,669 | 307,105 | 267,293 | 487,878 | 544,451 |
| Market valuation equity | 468,945 | 520,392 | 513,074 | 589,478 | 446,219 | 500,320 |
| Net worth (farm and nonfarm) | 822,084 | 891,061 | 820,179 | 856,771 | 934,097 | 1,044,771 |
| Net worth excluding deferreds | 828,816 | 896,191 | 820,179 | 856,771 | 958,332 | 1,063,239 |
| Net worth change | 68,978 | 36,592 | 110,674 | | | |
| Ratio Analysis | | | | | | |
| Current farm liabilities / assets | 52 % | 53 % | 73 % | 84 % | 32 % | 28 % |
| Curr. & interm farm liab. / assets | 25 % | 28 % | 29 % | 33 % | 19 % | 17 % |
| Long term farm liab. / assets | 27 % | 25 % | 40 % | 35 % | 17 % | 14 % |
| Total debt to asset ratio | 25 % | 26 % | 32 % | 32 % | 19 % | 17 % |
| Debt to assets excl deferreds | 24 % | 25 % | 32 % | 32 % | 17 % | 15 % |

Table 30

Statement Of Cash Flows
Michigan Dairy Farms, 76 - 120.9 Cows, 2001
(Farms Sorted By Net Farm Income)

| | Avg. Of All Farms | Low 25% | High 25% |
|---------------------------------------|----------------------|----------|----------|
| Number of farms | 36 | 8 | 10 |
| Beginning cash (farm & nonfarm) | 15,005 | 11,005 | 22,511 |
| Cash From Operating Activities | | | |
| Gross cash farm income | 335,733 | 319,504 | 394,929 |
| Net nonfarm income | 7,778 | 18,307 | 7,920 |
| Total cash farm expense | -256,908 | -278,953 | -268,457 |
| Apparent family living expense | -48,588 | -35,941 | -68,997 |
| Income and social security tax | -3,394 | -2,398 | -5,990 |
| Cash from operations | 34,622 | 20,519 | 59,404 |
| Cash From Investing Activities | | | |
| Sale of breeding livestock | 2,589 | 800 | 2,828 |
| Sale of machinery & equipment | 1,551 | - | 3,597 |
| Sale of farm land | - | - | - |
| Sale of farm buildings | 689 | 3,100 | - |
| Sale of other farm assets | 497 | - | 358 |
| Sale of nonfarm assets | 27 | - | 97 |
| Purchase of breeding livestock | -5,286 | -9,769 | -665 |
| Purchase of machinery & equip. | -39,688 | -36,719 | -39,349 |
| Purchase of farm land | -12,600 | - | -8,640 |
| Purchase of farm buildings | -27,448 | -2,847 | -4,596 |
| Purchase of other farm assets | -860 | -533 | -502 |
| Purchase of nonfarm assets | -5,685 | -5,238 | -16,100 |
| Cash from investing activities | -86,214 | -51,207 | -62,973 |
| Cash From Financing Activities | | | |
| Money borrowed | 105,876 | 90,302 | 86,600 |
| Cash transfers in | 12,708 | 1,448 | - |
| Principal payments | -70,853 | -63,632 | -93,441 |
| Dividends paid | - | - | - |
| Gifts given | -1,281 | 0 | -400 |
| Cash from financing activities | 46,451 | 28,119 | -7,241 |
| Net change in cash balance | -5,141 | -2,569 | -10,810 |
| Ending cash (farm & nonfarm) | 9,864 | 8,435 | 11,701 |

Table 31

Financial Standards Measures
Michigan Dairy Farms, 76 - 120.9 Cows, 2001
(Farms Sorted By Net Farm Income)

| | Avg. Of All Farms | Low 25% | High 25% |
|-------------------------------|----------------------|---------|----------|
| Number of farms | 36 | 8 | 10 |
| Liquidity | | | |
| Current ratio | 1.89 | 1.19 | 3.52 |
| Working capital | 55,116 | 19,619 | 91,131 |
| Solvency (market) | | | |
| Farm debt to asset ratio | 27 % | 34 % | 17 % |
| Farm equity to asset ratio | 73 % | 66 % | 83 % |
| Farm debt to equity ratio | 37 % | 52 % | 20 % |
| Profitability (cost) | | | |
| Rate of return on farm assets | 2.3 % | -4.7 % | 8.3 % |
| Rate of return on farm equity | -0.9 % | -22.7 % | 9.1 % |
| Operating profit margin | 5.2 % | -13.9 % | 16.8 % |
| Net farm income | 45,779 | -23,466 | 102,053 |
| Repayment Capacity | | | |
| Term debt coverage ratio | 101 % | 35 % | 141 % |
| Capital replacement margin | 352 | -28,053 | 17,901 |
| Efficiency | | | |
| Asset turnover rate (cost) | 43.3 % | 33.7 % | 49.0 % |
| Operating expense ratio | 71.9 % | 81.1 % | 67.1 % |
| Depreciation expense ratio | 9.1 % | 17.4 % | 3.5 % |
| Interest expense ratio | 5.2 % | 9.2 % | 2.8 % |
| Net farm income ratio | 13.8 % | -7.8 % | 26.5 % |

Table 32

Operator and Labor Information
Michigan Dairy Farms, 76 - 120.9 Cows, 2001
(Farms Sorted By Net Farm Income)

| | Avg. Of All Farms | Low 25% | High 25% |
|---------------------------------|----------------------|---------|----------|
| Number of farms | 36 | 8 | 10 |
| Operator Information | | | |
| Average number of operators | 1.5 | 1.5 | 1.6 |
| Results Per Operator | | | |
| Working capital | 37,437 | 13,079 | 56,957 |
| Total assets (market) | 814,554 | 843,917 | 784,644 |
| Total liabilities | 212,789 | 272,736 | 143,204 |
| Net worth (market) | 601,765 | 571,181 | 641,439 |
| Net worth excl deferred liabs | 605,249 | 571,181 | 652,982 |
| Gross farm income | 225,496 | 201,683 | 240,639 |
| Total farm expense | 194,401 | 217,327 | 176,856 |
| Net farm income | 31,095 | -15,644 | 63,783 |
| Net nonfarm income | 5,283 | 12,205 | 4,950 |
| Family living withdrawals | 35,309 | 25,559 | 46,867 |
| Total acres owned | 238.3 | 225.3 | 229.8 |
| Total crop acres | 315.4 | 298.8 | 367.7 |
| Crop acres owned | 161.8 | 188.7 | 143.3 |
| Crop acres cash rented | 153.6 | 110.2 | 224.4 |
| Labor Analysis | | | |
| Number of farms | 36 | 8 | 10 |
| Total unpaid labor hours | 4,890 | 4,415 | 5,179 |
| Total hired labor hours | 3,140 | 2,890 | 2,641 |
| Total labor hours per farm | 8,030 | 7,305 | 7,820 |
| Unpaid hours per operator | 3,322 | 2,943 | 3,237 |
| Value of farm production / hour | 33.78 | 30.12 | 43.21 |
| Net farm income / unpaid hour | 9.36 | -5.32 | 19.71 |
| Partnerships | | | |
| Number of farms | 10 | 2 | 4 |
| Number of operators | 2.4 | - | - |

Table 33

Financial Summary
Michigan Dairy Farms, 76 - 120.9 Cows, 2001
(Farms Sorted By Net Farm Income)

| | Avg. Of All Farms | Low 25% | High 25% |
|---------------------------------|----------------------|-----------|-----------|
| Number of farms | 36 | 8 | 10 |
| Income Statement | | | |
| Gross cash farm income | 335,733 | 319,504 | 394,929 |
| Total cash farm expense | 256,908 | 278,953 | 268,457 |
| Net cash farm income | 78,826 | 40,551 | 126,471 |
| Inventory change | -2,733 | -11,348 | -10,898 |
| Depreciation and capital adjust | -30,314 | -52,669 | -13,520 |
| Net farm income | 45,779 | -23,466 | 102,053 |
| Profitability (cost) | | | |
| Labor and management earnings | 24,883 | -38,938 | 71,693 |
| Rate of return on assets | 2.3 % | -4.7 % | 8.3 % |
| Rate of return on equity | -0.9 % | -22.7 % | 9.1 % |
| Operating profit margin | 5.2 % | -13.9 % | 16.8 % |
| Asset turnover rate | 43.3 % | 33.7 % | 49.0 % |
| Profitability (market) | | | |
| Labor and management earnings | 40,826 | 8,727 | 73,635 |
| Rate of return on assets | 5.3 % | 4.1 % | 7.5 % |
| Rate of return on equity | 5.0 % | 2.5 % | 8.0 % |
| Operating profit margin | 20.8 % | 21.3 % | 24.3 % |
| Asset turnover rate | 25.3 % | 19.1 % | 30.8 % |
| Liquidity | | | |
| Term debt coverage ratio | 100.9 % | 35.5 % | 141.4 % |
| Expense as a percent of income | 77.1 % | 90.3 % | 70.0 % |
| Interest as a percent of income | 5.2 % | 9.2 % | 2.8 % |
| Solvency (cost) | | | |
| Number of farms | 36 | 8 | 10 |
| Ending farm assets | 651,942 | 640,564 | 714,451 |
| Ending farm liabilities | 296,105 | 404,401 | 172,827 |
| Ending total assets | 673,683 | 676,397 | 736,642 |
| Ending total liabilities | 303,013 | 409,104 | 192,191 |
| Ending net worth | 370,669 | 267,293 | 544,451 |
| Net worth change | 17,531 | -39,812 | 56,573 |
| Ending farm debt to asset ratio | 45 % | 63 % | 24 % |
| Beg total debt to asset ratio | 43 % | 56 % | 29 % |
| End total debt to asset ratio | 45 % | 60 % | 26 % |
| Solvency (market) | | | |
| Number of farms | 36 | 8 | 10 |
| Ending farm assets | 1,119,783 | 1,177,850 | 1,131,662 |
| Ending farm liabilities | 301,325 | 404,401 | 191,618 |
| Ending total assets | 1,199,205 | 1,265,876 | 1,255,430 |
| Ending total liabilities | 308,143 | 409,104 | 210,659 |
| Ending net worth | 891,061 | 856,771 | 1,044,771 |
| Net worth change | 68,978 | 36,592 | 110,674 |
| Ending farm debt to asset ratio | 27 % | 34 % | 17 % |
| Beg total debt to asset ratio | 25 % | 32 % | 19 % |
| End total debt to asset ratio | 26 % | 32 % | 17 % |
| Nonfarm Information | | | |
| Net nonfarm income | 7,778 | 18,307 | 7,920 |

Table 34

Livestock And Crop Production Summary
Michigan Dairy Farms, 121 - 200.9 Cows, 2001
(Farms sorted by Net Farm Income)

| | Average Of All Farms | Average Of Low 25 % | Average Of High 25 % |
|--|-------------------------|------------------------|-------------------------|
| | <hr/> | <hr/> | <hr/> |
| DAIRY | | | |
| Number of farms | 49 | 12 | 13 |
| Average number of Cows | 154 | 159 | 157 |
| Milk produced per Cow, lbs. | 20,376 | 19,448 | 23,325 |
| Average milk price per cwt., \$ | 15.25 | 15.17 | 15.06 |
| ACREAGE SUMMARY | | | |
| Total acres owned | 353 | 318 | 416 |
| Total crop acres | 510 | 494 | 547 |
| Crop acres owned | 249 | 229 | 272 |
| Crop acres cash rented | 261 | 264 | 276 |
| AVERAGE PRICE RECEIVED (Cash Sales Only) | | | |
| Wheat, Winter per bushel | 2.73 | - | - |
| Soybeans per bushel | 4.27 | - | - |
| Corn per bushel | 1.85 | - | - |

Table 35

Farm Income Statement
Michigan Dairy Farms, 121 - 200.9 Cows, 2001
(Farms Sorted By Net Farm Income)

| | Avg. Of All Farms | Low 25% | High 25% |
|-------------------------------|----------------------|----------------|----------------|
| Number of farms | 49 | 12 | 13 |
| Cash Farm Income | | | |
| Asparagus | 108 | - | - |
| Cordwood | 478 | - | 1,802 |
| Corn | 3,756 | 2,226 | 2 |
| Corn Silage | 456 | - | - |
| Hay, Mixed | 620 | 689 | 356 |
| Haylage, Mixed | 76 | 311 | - |
| Oats | 104 | - | - |
| Soybeans | 6,535 | 6,065 | 6,727 |
| Straw | 242 | 1 | 560 |
| Wheat, Winter | 2,982 | 1,166 | 1,509 |
| Miscellaneous crop income | 81 | - | - |
| Beef, Finish Beef Calves | 332 | 1,356 | - |
| Dairy, Milk | 475,432 | 466,333 | 549,854 |
| Dairy, Dairy Calves | 3,994 | 3,902 | 4,593 |
| Dairy Replacement Heifers | 465 | 1,535 | 83 |
| Dairy Steers | 8,961 | 11,363 | 8,249 |
| Cull breeding livestock | 22,744 | 21,872 | 24,374 |
| Misc. livestock income | 157 | - | 227 |
| Government payments | 22,453 | 17,455 | 21,186 |
| Custom work income | 1,190 | 294 | 1,365 |
| Patronage dividends, cash | 3,867 | 8,916 | 2,196 |
| Insurance income | 5,029 | 3,566 | 11,867 |
| Other farm income | 4,508 | 4,872 | 3,764 |
| Gross Cash Farm Income | 564,571 | 551,922 | 638,714 |

Table 36

Farm Income Statement, continued
Michigan Dairy Farms, 121 - 200.9 Cows, 2001
(Farms Sorted By Net Farm Income)

| | Avg. Of All Farms | Low 25% | High 25% |
|---|----------------------|------------------|------------------|
| Cash Farm Expense | | | |
| Seed | 9,955 | 8,684 | 8,657 |
| Fertilizer | 17,435 | 19,172 | 17,076 |
| Crop chemicals | 8,781 | 6,704 | 8,375 |
| Crop insurance | 652 | 8 | 222 |
| Drying fuel | 206 | - | - |
| Crop marketing | 751 | 621 | 794 |
| Crop miscellaneous | 312 | 100 | 583 |
| Feeder livestock purchase | 580 | 2,250 | - |
| Purchased feed | 119,201 | 141,619 | 143,909 |
| Breeding fees | 5,279 | 5,417 | 8,672 |
| Veterinary | 14,755 | 15,116 | 18,644 |
| BST | 2,725 | 2,886 | 3,881 |
| Livestock supplies | 24,313 | 23,472 | 29,055 |
| DHIA | 1,788 | 1,506 | 1,786 |
| Livestock leases | 650 | 2,656 | - |
| Livestock marketing | 22,271 | 20,090 | 24,612 |
| Interest | 26,696 | 30,366 | 26,775 |
| Fuel & oil | 13,646 | 13,284 | 12,770 |
| Repairs | 33,884 | 34,531 | 29,041 |
| Custom hire | 11,438 | 16,865 | 11,129 |
| Hired labor | 72,673 | 65,397 | 75,843 |
| Land rent | 18,372 | 14,898 | 16,048 |
| Machinery & bldg leases | 5,002 | 8,847 | 5,152 |
| Real estate taxes | 6,412 | 7,137 | 6,607 |
| Farm insurance | 5,613 | 6,750 | 5,971 |
| Utilities | 11,915 | 13,096 | 10,400 |
| Dues & professional fees | 3,846 | 4,838 | 5,679 |
| Miscellaneous | 7,415 | 7,201 | 6,625 |
| Total cash expense | 446,565 | 473,512 | 478,307 |
| Net cash farm income | 118,006 | 78,410 | 160,407 |
| Inventory Changes | | | |
| Crops and feed | -1,924 | -3,383 | -96 |
| Market livestock | 92 | -632 | -86 |
| Accounts receivable | 194 | -4,497 | 4,251 |
| Prepaid expenses and supplies | 951 | -2,729 | 7,777 |
| Accounts payable | 3,955 | -2,124 | 16,889 |
| Total inventory change | 3,267 | -13,366 | 28,735 |
| Net operating profit | 121,273 | 65,044 | 189,143 |
| Depreciation and Other Capital Adjustments | | | |
| Breeding livestock | -5,828 | -37,567 | 16,606 |
| Machinery and equipment | -40,240 | -27,408 | -47,080 |
| Buildings and improvements | -17,642 | -22,295 | -24,174 |
| Other farm capital | 2,708 | 143 | 6,997 |
| Total depr. and other capital adj | -61,002 | -87,128 | -47,651 |
| Net farm income | \$ 60,272 | \$-22,084 | \$141,491 |

Table 37

Liquidity Measures
Michigan Dairy Farms, 121 - 200.9 Cows, 2001
(Farms Sorted By Net Farm Income)

| | Avg. Of All Farms | Low 25% | High 25% |
|---------------------------------|----------------------|---------|----------|
| Number of farms | 49 | 12 | 13 |
| Liquidity (cash) | | | |
| Net cash farm income | 118,006 | 78,410 | 160,407 |
| Net nonfarm income | 6,228 | 8,303 | 5,330 |
| Family living and taxes | 55,205 | 42,467 | 63,649 |
| Real estate principal payments | 10,555 | 13,965 | 12,253 |
| Cash available for interm. debt | 58,475 | 30,281 | 89,835 |
| Average intermediate debt | 138,999 | 164,050 | 130,348 |
| Years to turnover interm. debt | 2.4 | 5.4 | 1.5 |
| Expense as a % of income | 79 % | 86 % | 75 % |
| Interest as a % of income | 5 % | 6 % | 4 % |
| Liquidity (accrual) | | | |
| Total accrual farm income | 562,932 | 543,409 | 642,784 |
| Total accrual operating expense | 441,658 | 478,365 | 453,641 |
| Net accrual operating income | 121,273 | 65,044 | 189,143 |
| Net nonfarm income | 6,228 | 8,303 | 5,330 |
| Family living and taxes | 55,205 | 42,467 | 63,649 |
| Real estate principal payments | 10,555 | 13,965 | 12,253 |
| Available for intermediate debt | 61,742 | 16,914 | 118,571 |
| Average intermediate debt | 138,999 | 164,050 | 130,348 |
| Years to turnover interm. debt | 2.3 | 9.7 | 1.1 |
| Expense as a % of income | 78 % | 88 % | 71 % |
| Interest as a % of income | 5 % | 6 % | 4 % |

Table 38

Balance Sheet at Cost Values
Michigan Dairy Farms, 121 - 200.9 Cows, 2001
(Farms Sorted By Net Farm Income)

| | Avg. Of All Farms | | Low 25% | | High 25% | |
|---|----------------------|----------------|------------------|----------------|----------------|------------------|
| | 49 | | 12 | | 13 | |
| Number of farms | Beginning | Ending | Beginning | Ending | Beginning | Ending |
| Assets | | | | | | |
| Current Farm Assets | | | | | | |
| Cash and checking balance | 16,203 | 15,681 | 23,550 | 16,107 | 15,272 | 14,079 |
| Prepaid expenses & supplies | 18,623 | 19,574 | 16,580 | 13,851 | 23,819 | 31,596 |
| Growing crops | 6,345 | 6,633 | 4,075 | 5,068 | 2,814 | 3,495 |
| Accounts receivable | 17,727 | 17,511 | 28,999 | 23,485 | 13,652 | 16,731 |
| Hedging accounts | 0 | 0 | 0 | 0 | 0 | 0 |
| Crops held for sale or feed | 95,301 | 93,902 | 92,265 | 88,881 | 85,264 | 85,168 |
| Crops under government loan | 2,989 | 2,464 | 0 | 0 | 0 | 0 |
| Market livestock held for sale | 7,807 | 7,899 | 11,595 | 10,963 | 5,811 | 5,725 |
| Other current assets | 70 | 192 | 0 | 23 | 277 | 769 |
| Total current farm assets | 165,066 | 163,856 | 177,064 | 158,378 | 146,909 | 157,563 |
| Intermediate Farm Assets | | | | | | |
| Breeding livestock | 331,210 | 331,366 | 368,617 | 348,806 | 333,326 | 352,526 |
| Machinery and equipment | 115,947 | 119,930 | 129,128 | 125,215 | 124,800 | 131,609 |
| Other intermediate assets | 23,816 | 24,709 | 83,861 | 87,316 | 4,661 | 4,648 |
| Total intermediate farm assets | 470,973 | 476,004 | 581,605 | 561,337 | 462,787 | 488,783 |
| Long Term Farm Assets | | | | | | |
| Farm land | 140,801 | 143,806 | 60,401 | 59,665 | 161,558 | 161,535 |
| Buildings and improvements | 120,831 | 126,018 | 151,289 | 144,001 | 171,600 | 196,214 |
| Other long-term assets | 4,207 | 5,348 | 6,107 | 6,720 | 4,307 | 7,234 |
| Total long-term farm assets | 265,839 | 275,172 | 217,797 | 210,385 | 337,466 | 364,983 |
| Total Farm Assets | 901,879 | 915,032 | 976,466 | 930,101 | 947,161 | 1,011,329 |
| Total Nonfarm Assets | 57,866 | 63,068 | 45,193 | 46,987 | 37,665 | 43,845 |
| Total Assets | 959,745 | 978,100 | 1,021,659 | 977,088 | 984,826 | 1,055,173 |
| Liabilities | | | | | | |
| Current Farm Liabilities | | | | | | |
| Accrued interest | 1,699 | 2,520 | 365 | 2,398 | 8 | 12 |
| Accounts payable | 14,515 | 9,739 | 13,475 | 13,566 | 22,752 | 5,858 |
| Current notes | 51,174 | 46,761 | 68,703 | 58,162 | 72,603 | 70,557 |
| Government crop loans | 2,983 | 2,458 | 0 | 0 | 0 | 0 |
| Principal due on term debt | 34,941 | 38,867 | 47,258 | 47,673 | 34,192 | 33,867 |
| Total current farm liabilities | 105,312 | 100,345 | 129,801 | 121,798 | 129,554 | 110,294 |
| Total intermediate farm liabs | 113,732 | 111,634 | 130,478 | 131,865 | 103,190 | 112,867 |
| Total long term farm liabilities | 211,848 | 218,224 | 325,933 | 344,485 | 191,954 | 181,585 |
| Total farm liabilities | 430,892 | 430,204 | 586,212 | 598,148 | 424,698 | 404,746 |
| Total nonfarm liabilities | 2,164 | 2,281 | 1,470 | 970 | 4,231 | 4,231 |
| Total liabilities | 433,056 | 432,484 | 587,682 | 599,118 | 428,929 | 408,977 |
| Net worth (farm and nonfarm) | 526,690 | 545,616 | 433,977 | 377,970 | 555,898 | 646,197 |
| Net worth change | 18,926 | | -56,007 | | 90,299 | |
| Ratio Analysis | | | | | | |
| Current farm liabilities / assets | 64 % | 61 % | 73 % | 77 % | 88 % | 70 % |
| Curr. & interm farm liab. / assets | 34 % | 33 % | 34 % | 35 % | 38 % | 35 % |
| Long term farm liab. / assets | 80 % | 79 % | 150 % | 164 % | 57 % | 50 % |
| Total debt to asset ratio | 45 % | 44 % | 58 % | 61 % | 44 % | 39 % |

Table 39

Balance Sheet at Market Values
Michigan Dairy Farms, 121 - 200.9 Cows, 2001
(Farms Sorted By Net Farm Income)

| Number of farms | Avg. Of All Farms 49 | | Low 25% 12 | | High 25% 13 | |
|---|----------------------------|------------------|------------------|------------------|------------------|------------------|
| | Beginning | Ending | Beginning | Ending | Beginning | Ending |
| Assets | | | | | | |
| Current Farm Assets | | | | | | |
| Cash and checking balance | 16,203 | 15,681 | 23,550 | 16,107 | 15,272 | 14,079 |
| Prepaid expenses & supplies | 18,623 | 19,574 | 16,580 | 13,851 | 23,819 | 31,596 |
| Growing crops | 6,345 | 6,633 | 4,075 | 5,068 | 2,814 | 3,495 |
| Accounts receivable | 17,727 | 17,511 | 28,999 | 23,485 | 13,652 | 16,731 |
| Hedging accounts | 0 | 0 | 0 | 0 | 0 | 0 |
| Crops held for sale or feed | 95,301 | 93,902 | 92,265 | 88,881 | 85,264 | 85,168 |
| Crops under government loan | 2,989 | 2,464 | 0 | 0 | 0 | 0 |
| Market livestock held for sale | 7,807 | 7,899 | 11,595 | 10,963 | 5,811 | 5,725 |
| Other current assets | 70 | 192 | 0 | 23 | 277 | 769 |
| Total current farm assets | 165,066 | 163,856 | 177,064 | 158,378 | 146,909 | 157,563 |
| Intermediate Farm Assets | | | | | | |
| Breeding livestock | 331,210 | 331,366 | 368,617 | 348,806 | 333,326 | 352,526 |
| Machinery and equipment | 305,758 | 314,674 | 265,921 | 275,091 | 293,184 | 290,843 |
| Other intermediate assets | 29,927 | 30,806 | 86,318 | 89,639 | 4,661 | 4,717 |
| Total intermediate farm assets | 666,896 | 676,846 | 720,855 | 713,536 | 631,170 | 648,086 |
| Long Term Farm Assets | | | | | | |
| Farm land | 374,392 | 402,963 | 397,783 | 446,144 | 328,925 | 366,029 |
| Buildings and improvements | 137,146 | 154,142 | 184,581 | 193,288 | 192,613 | 230,909 |
| Other long-term assets | 4,173 | 13,794 | 6,274 | 6,886 | 4,307 | 39,174 |
| Total long-term farm assets | 515,711 | 570,899 | 588,638 | 646,318 | 525,845 | 636,113 |
| Total Farm Assets | 1,347,673 | 1,411,601 | 1,486,556 | 1,518,232 | 1,303,925 | 1,441,761 |
| Total Nonfarm Assets | 125,028 | 147,543 | 122,378 | 130,036 | 50,511 | 95,528 |
| Total Assets | 1,472,701 | 1,559,144 | 1,608,934 | 1,648,268 | 1,354,436 | 1,537,289 |
| Liabilities | | | | | | |
| Current Farm Liabilities | | | | | | |
| Accrued interest | 1,699 | 2,520 | 365 | 2,398 | 8 | 12 |
| Accounts payable | 14,515 | 9,739 | 13,475 | 13,566 | 22,752 | 5,858 |
| Current notes | 51,174 | 46,761 | 68,703 | 58,162 | 72,603 | 70,557 |
| Government crop loans | 2,983 | 2,458 | 0 | 0 | 0 | 0 |
| Principal due on term debt | 34,941 | 38,867 | 47,258 | 47,673 | 34,192 | 33,867 |
| Total current farm liabilities | 105,312 | 100,345 | 129,801 | 121,798 | 129,554 | 110,294 |
| Total intermediate farm liabs | 113,732 | 111,634 | 130,478 | 131,865 | 103,190 | 112,867 |
| Total long term farm liabilities | 211,848 | 218,224 | 325,933 | 344,485 | 191,954 | 181,585 |
| Total farm liabilities | 430,892 | 430,204 | 586,212 | 598,148 | 424,698 | 404,746 |
| Total nonfarm liabilities | 2,164 | 2,281 | 1,470 | 970 | 4,231 | 4,231 |
| Total liabs excluding deferreds | 433,055 | 432,484 | 587,682 | 599,118 | 428,929 | 408,977 |
| Total deferred liabilities | 5,588 | 5,694 | 22,816 | 23,250 | 0 | 0 |
| Total liabilities | 438,643 | 438,178 | 610,498 | 622,368 | 428,929 | 408,977 |
| Retained earnings | 526,690 | 545,616 | 433,977 | 377,970 | 555,898 | 646,197 |
| Market valuation equity | 507,368 | 575,350 | 564,460 | 647,930 | 369,609 | 482,116 |
| Net worth (farm and nonfarm) | 1,034,058 | 1,120,966 | 998,437 | 1,025,900 | 925,507 | 1,128,313 |
| Net worth excluding deferreds | 1,039,646 | 1,126,660 | 1,021,252 | 1,049,150 | 925,507 | 1,128,313 |
| Net worth change | | 86,908 | | 27,464 | | 202,806 |
| Ratio Analysis | | | | | | |
| Current farm liabilities / assets | 64 % | 61 % | 73 % | 77 % | 88 % | 70 % |
| Curr. & interm farm liab. / assets | 26 % | 25 % | 29 % | 29 % | 30 % | 28 % |
| Long term farm liab. / assets | 41 % | 38 % | 55 % | 53 % | 37 % | 29 % |
| Total debt to asset ratio | 30 % | 28 % | 38 % | 38 % | 32 % | 27 % |
| Debt to assets excl deferreds | 29 % | 28 % | 37 % | 36 % | 32 % | 27 % |

Table 40

Statement Of Cash Flows
Michigan Dairy Farms, 121 - 200.9 Cows, 2001
(Farms Sorted By Net Farm Income)

| | Avg. Of All Farms | Low 25% | High 25% |
|---------------------------------------|----------------------|----------|----------|
| Number of farms | 49 | 12 | 13 |
| Beginning cash (farm & nonfarm) | 17,805 | 23,550 | 17,042 |
| Cash From Operating Activities | | | |
| Gross cash farm income | 564,571 | 551,922 | 638,714 |
| Net nonfarm income | 6,228 | 8,303 | 5,330 |
| Total cash farm expense | -446,565 | -473,512 | -478,307 |
| Apparent family living expense | -46,857 | -40,085 | -47,319 |
| Income and social security tax | -8,348 | -2,382 | -16,329 |
| Cash from operations | 69,030 | 44,246 | 102,088 |
| Cash From Investing Activities | | | |
| Sale of breeding livestock | 1,615 | 4,981 | 77 |
| Sale of machinery & equipment | 4,558 | 14,044 | 1,486 |
| Sale of farm land | - | - | - |
| Sale of farm buildings | - | - | - |
| Sale of other farm assets | 4,598 | 4,663 | 10,004 |
| Sale of nonfarm assets | - | - | - |
| Purchase of breeding livestock | -7,598 | -22,737 | -2,671 |
| Purchase of machinery & equip. | -48,780 | -37,540 | -55,375 |
| Purchase of farm land | -816 | - | - |
| Purchase of farm buildings | -22,829 | -15,007 | -48,788 |
| Purchase of other farm assets | -3,925 | -8,588 | -5,921 |
| Purchase of nonfarm assets | -687 | - | - |
| Cash from investing activities | -73,864 | -60,184 | -101,188 |
| Cash From Financing Activities | | | |
| Money borrowed | 80,594 | 78,760 | 90,326 |
| Cash transfers in | 1,518 | - | 879 |
| Principal payments | -77,142 | -69,285 | -93,389 |
| Dividends paid | - | - | - |
| Gifts given | -638 | -980 | -1 |
| Cash from financing activities | 4,331 | 8,495 | -2,185 |
| Net change in cash balance | -503 | -7,443 | -1,285 |
| Ending cash (farm & nonfarm) | 17,302 | 16,107 | 15,757 |

Table 41

Financial Standards Measures
Michigan Dairy Farms, 121 - 200.9 Cows, 2001
(Farms Sorted By Net Farm Income)

| | Avg. Of All Farms | Low 25% | High 25% |
|-------------------------------|----------------------|---------|----------|
| Number of farms | 49 | 12 | 13 |
| Liquidity | | | |
| Current ratio | 1.63 | 1.30 | 1.43 |
| Working capital | 63,511 | 36,580 | 47,269 |
| Solvency (market) | | | |
| Farm debt to asset ratio | 31 % | 41 % | 28 % |
| Farm equity to asset ratio | 69 % | 59 % | 72 % |
| Farm debt to equity ratio | 45 % | 69 % | 39 % |
| Profitability (cost) | | | |
| Rate of return on farm assets | 3.3 % | -4.2 % | 11.0 % |
| Rate of return on farm equity | 0.6 % | -20.1 % | 14.3 % |
| Operating profit margin | 6.9 % | -11.1 % | 20.8 % |
| Net farm income | 60,272 | -22,084 | 141,491 |
| Repayment Capacity | | | |
| Term debt coverage ratio | 143 % | 84 % | 225 % |
| Capital replacement margin | 23,940 | -12,030 | 65,963 |
| Efficiency | | | |
| Asset turnover rate (cost) | 48.1 % | 38.0 % | 52.6 % |
| Operating expense ratio | 73.6 % | 82.1 % | 66.4 % |
| Depreciation expense ratio | 10.8 % | 16.0 % | 7.4 % |
| Interest expense ratio | 4.9 % | 6.0 % | 4.2 % |
| Net farm income ratio | 10.7 % | -4.1 % | 22.0 % |

Table 42

Operator and Labor Information
Michigan Dairy Farms, 121 - 200.9 Cows, 2001
(Farms Sorted By Net Farm Income)

| | Avg. Of All Farms | Low 25% | High 25% |
|---------------------------------|----------------------|-----------|-----------|
| Number of farms | 49 | 12 | 13 |
| Operator Information | | | |
| Average number of operators | 1.6 | 1.6 | 1.5 |
| Results Per Operator | | | |
| Working capital | 39,145 | 22,511 | 32,342 |
| Total assets (market) | 960,982 | 1,014,319 | 1,051,830 |
| Total liabilities | 273,581 | 397,303 | 279,826 |
| Net worth (market) | 687,401 | 617,016 | 772,004 |
| Net worth excl deferred liabs | 690,910 | 631,323 | 772,004 |
| | | | |
| Gross farm income | 346,964 | 334,406 | 439,800 |
| Total farm expense | 309,816 | 347,996 | 342,990 |
| Net farm income | 37,149 | -13,590 | 96,810 |
| | | | |
| Net nonfarm income | 3,839 | 5,110 | 3,647 |
| Family living withdrawals | 34,025 | 26,134 | 43,549 |
| | | | |
| Total acres owned | 217.5 | 195.5 | 284.4 |
| Total crop acres | 314.1 | 303.7 | 374.4 |
| Crop acres owned | 153.2 | 141.1 | 185.8 |
| Crop acres cash rented | 160.9 | 162.6 | 188.7 |
| | | | |
| Labor Analysis | | | |
| Number of farms | 49 | 12 | 13 |
| Total unpaid labor hours | 5,273 | 4,925 | 5,433 |
| Total hired labor hours | 6,515 | 6,293 | 6,287 |
| Total labor hours per farm | 11,788 | 11,218 | 11,720 |
| Unpaid hours per operator | 3,250 | 3,031 | 3,718 |
| Value of farm production / hour | 37.10 | 32.27 | 43.98 |
| Net farm income / unpaid hour | 11.43 | -4.48 | 26.04 |
| | | | |
| Partnerships | | | |
| Number of farms | 14 | 3 | 3 |

Table 43

Financial Summary
Michigan Dairy Farms, 121 - 200.9 Cows, 2001
(Farms Sorted By Net Farm Income)

| | Avg. Of | | |
|---------------------------------|-----------|-----------|-----------|
| | All Farms | Low 25% | High 25% |
| Number of farms | 49 | 12 | 13 |
| Income Statement | | | |
| Gross cash farm income | 564,571 | 551,922 | 638,714 |
| Total cash farm expense | 446,565 | 473,512 | 478,307 |
| Net cash farm income | 118,006 | 78,410 | 160,407 |
| Inventory change | 3,267 | -13,366 | 28,735 |
| Depreciation and capital adjust | -61,002 | -87,128 | -47,651 |
| Net farm income | 60,272 | -22,084 | 141,491 |
| Profitability (cost) | | | |
| Labor and management earnings | 31,423 | -44,285 | 107,620 |
| Rate of return on assets | 3.3 % | -4.2 % | 11.0 % |
| Rate of return on equity | 0.6 % | -20.1 % | 14.3 % |
| Operating profit margin | 6.9 % | -11.1 % | 20.8 % |
| Asset turnover rate | 48.1 % | 38.0 % | 52.6 % |
| Profitability (market) | | | |
| Labor and management earnings | 54,273 | 2,047 | 157,674 |
| Rate of return on assets | 5.9 % | 2.5 % | 13.2 % |
| Rate of return on equity | 5.7 % | 0.6 % | 16.1 % |
| Operating profit margin | 18.5 % | 10.3 % | 35.1 % |
| Asset turnover rate | 31.7 % | 24.1 % | 37.5 % |
| Liquidity | | | |
| Term debt coverage ratio | 143.1 % | 84.2 % | 225.4 % |
| Expense as a percent of income | 78.5 % | 88.0 % | 70.6 % |
| Interest as a percent of income | 4.9 % | 6.0 % | 4.2 % |
| Solvency (cost) | | | |
| Number of farms | 49 | 12 | 13 |
| Ending farm assets | 915,032 | 930,101 | 1,011,329 |
| Ending farm liabilities | 430,204 | 598,148 | 404,746 |
| Ending total assets | 978,100 | 977,088 | 1,055,173 |
| Ending total liabilities | 432,484 | 599,118 | 408,977 |
| Ending net worth | 545,616 | 377,970 | 646,197 |
| Net worth change | 18,926 | -56,007 | 90,299 |
| Ending farm debt to asset ratio | 47 % | 64 % | 40 % |
| Beg total debt to asset ratio | 45 % | 58 % | 44 % |
| End total debt to asset ratio | 44 % | 61 % | 39 % |
| Solvency (market) | | | |
| Number of farms | 49 | 12 | 13 |
| Ending farm assets | 1,411,601 | 1,518,232 | 1,441,761 |
| Ending farm liabilities | 434,898 | 617,315 | 404,746 |
| Ending total assets | 1,559,144 | 1,648,268 | 1,537,289 |
| Ending total liabilities | 438,178 | 622,368 | 408,977 |
| Ending net worth | 1,120,966 | 1,025,900 | 1,128,313 |
| Net worth change | 86,908 | 27,464 | 202,806 |
| Ending farm debt to asset ratio | 31 % | 41 % | 28 % |
| Beg total debt to asset ratio | 30 % | 38 % | 32 % |
| End total debt to asset ratio | 28 % | 38 % | 27 % |
| Nonfarm Information | | | |
| Net nonfarm income | 6,228 | 8,303 | 5,330 |

Table 44

Livestock And Crop Production Summary
Michigan Dairy Farms, Over 200 Cows, 2001
(Farms sorted by Net Farm Income)

| | Average Of All Farms | Average Of Low 25 % | Average Of High 25 % |
|--|-------------------------|------------------------|-------------------------|
| DAIRY | | | |
| Number of farms | 44 | 10 | 12 |
| Average number of Cows | 386 | 280 | 601 |
| Milk produced per Cow, lbs. | 22,355 | 20,425 | 24,234 |
| Average milk price per cwt., \$ | 15.17 | 14.99 | 15.21 |
| ACREAGE SUMMARY | | | |
| Total acres owned | 816 | 886 | 717 |
| Total crop acres | 1,075 | 1,316 | 1,041 |
| Crop acres owned | 696 | 830 | 651 |
| Crop acres cash rented | 380 | 486 | 391 |
| AVERAGE PRICE RECEIVED (Cash Sales Only) | | | |
| Wheat, Winter per bushel | 2.32 | - | - |
| Corn per bushel | 1.91 | - | - |
| Soybeans per bushel | 4.44 | - | - |

Table 45

Farm Income Statement
Michigan Dairy Farms, Over 200 Cows, 2001
(Farms sorted by Net Farm Income)

| | Avg. Of All Farms | Low 25% | High 25% |
|--------------------------------|----------------------|------------------|------------------|
| Number of farms | 44 | 10 | 12 |
| Cash Farm Income | | | |
| Beans, Light Red Kidney | 1,514 | - | - |
| Beans, Navy | 2,133 | - | - |
| Cordwood | 772 | - | - |
| Corn | 10,611 | 4,391 | 11,365 |
| Corn Silage | 1,743 | 7,488 | - |
| Hay, Mixed | 515 | 702 | 52 |
| Haylage, Alfalfa | 671 | - | 2,459 |
| Haylage, Mixed | 1,492 | 993 | 1,015 |
| Oats | 199 | - | - |
| Soybeans | 14,270 | 36,958 | 3,546 |
| Straw | 272 | 896 | - |
| Sugar Beets | 3,239 | - | - |
| Wheat, Soft Red Winter | 466 | - | - |
| Wheat, Winter | 4,158 | 5,444 | 2,105 |
| Miscellaneous crop income | 152 | - | - |
| Beef Cow-Calf, Beef Calves | 208 | - | - |
| Beef, Background Beef | 5,470 | 24,068 | - |
| Dairy, Milk | 1,312,329 | 854,000 | 2,145,268 |
| Dairy, Dairy Calves | 11,385 | 6,297 | 24,012 |
| Dairy Heifers (for sale) | 272 | - | - |
| Dairy Replacement Heifers | 552 | - | 874 |
| Dairy Steers | 14,225 | 24,584 | 6,675 |
| Sheep, Market Lambs, Mkt Lambs | 131 | - | - |
| Cull breeding livestock | 52,821 | 43,786 | 82,385 |
| Misc. livestock income | 892 | - | 115 |
| Government payments | 43,475 | 56,332 | 41,083 |
| Custom work income | 10,516 | 31,755 | 4,243 |
| Patronage dividends, cash | 12,435 | 6,945 | 15,798 |
| Insurance income | 7,872 | 14,206 | 4,533 |
| Other farm income | 9,943 | 9,013 | 12,825 |
| Gross Cash Farm Income | 1,524,731 | 1,127,855 | 2,358,352 |

Table 46

Farm Income Statement, continued
Michigan Dairy Farms, Over 200 Cows, 2001
(Farms sorted by Net Farm Income)

| | Avg. Of All Farms | Low 25% | High 25% |
|---|----------------------|------------------|------------------|
| Cash Farm Expense | | | |
| Seed | 25,344 | 26,224 | 25,838 |
| Fertilizer | 34,543 | 47,056 | 35,897 |
| Crop chemicals | 23,081 | 15,777 | 32,119 |
| Crop insurance | 1,223 | 1,136 | 1,535 |
| Irrigation energy | 214 | - | - |
| Crop marketing | 1,163 | 208 | 3,042 |
| Crop miscellaneous | 2,207 | 8,204 | 179 |
| Feeder livestock purchase | 6,165 | 27,066 | - |
| Purchased feed | 326,084 | 211,215 | 527,305 |
| Breeding fees | 10,627 | 4,807 | 17,862 |
| Veterinary | 42,662 | 31,064 | 54,085 |
| BST | 14,850 | 12,279 | 27,628 |
| Livestock supplies | 63,744 | 47,713 | 103,985 |
| DHIA | 3,425 | 2,096 | 4,610 |
| Livestock leases | 1,859 | - | 1,345 |
| Livestock marketing | 51,482 | 37,250 | 74,541 |
| Interest | 71,494 | 73,912 | 96,999 |
| Fuel & oil | 29,646 | 29,538 | 33,265 |
| Repairs | 82,406 | 67,508 | 95,601 |
| Custom hire | 47,395 | 26,482 | 55,419 |
| Hired labor | 236,772 | 151,786 | 350,035 |
| Land rent | 45,472 | 40,087 | 60,073 |
| Machinery & bldg leases | 17,494 | 26,073 | 16,721 |
| Real estate taxes | 12,713 | 16,810 | 14,878 |
| Farm insurance | 11,984 | 17,356 | 11,682 |
| Utilities | 26,267 | 21,291 | 34,243 |
| Dues & professional fees | 5,535 | 6,853 | 9,080 |
| Miscellaneous | 23,582 | 20,672 | 25,267 |
| Total cash expense | 1,219,432 | 970,464 | 1,713,233 |
| Net cash farm income | 305,298 | 157,391 | 645,119 |
| Inventory Changes | | | |
| Crops and feed | 9,570 | -38,690 | 38,162 |
| Market livestock | -1,685 | -5,917 | 3,474 |
| Accounts receivable | 9,626 | 3,086 | 20,789 |
| Prepaid expenses and supplies | 2,210 | -20,892 | 25,622 |
| Accounts payable | 86 | -11,914 | 1,003 |
| Total inventory change | 19,807 | -74,327 | 89,049 |
| Net operating profit | 325,106 | 83,063 | 734,168 |
| Depreciation and Other Capital Adjustments | | | |
| Breeding livestock | -19,133 | -44,548 | -41,201 |
| Machinery and equipment | -76,468 | -77,315 | -103,487 |
| Buildings and improvements | -47,020 | -27,592 | -68,202 |
| Other farm capital | 5,736 | 2,443 | 13,570 |
| Total depr. and other capital adj | -136,885 | -147,013 | -199,320 |
| Net farm income | \$188,220 | \$-63,950 | \$534,848 |

Table 47

Liquidity Measures
Michigan Dairy Farms, Over 200 Cows, 2001
(Farms sorted by Net Farm Income)

| | Avg. Of All Farms | Low 25% | High 25% |
|---------------------------------|----------------------|-----------|-----------|
| Number of farms | 44 | 10 | 12 |
| Liquidity (cash) | | | |
| Net cash farm income | 305,298 | 157,391 | 645,119 |
| Net nonfarm income | 636 | 4,155 | -23,378 |
| Family living and taxes | 126,358 | 51,701 | 277,345 |
| Real estate principal payments | 33,750 | 26,591 | 57,539 |
| Cash available for interm. debt | 145,826 | 83,254 | 286,857 |
| Average intermediate debt | 361,436 | 389,446 | 464,979 |
| Years to turnover interm. debt | 2.5 | 4.7 | 1.6 |
| Expense as a % of income | 80 % | 86 % | 73 % |
| Interest as a % of income | 5 % | 7 % | 4 % |
| Liquidity (accrual) | | | |
| Total accrual farm income | 1,542,242 | 1,086,333 | 2,420,776 |
| Total accrual operating expense | 1,217,136 | 1,003,270 | 1,686,608 |
| Net accrual operating income | 325,106 | 83,063 | 734,168 |
| Net nonfarm income | 636 | 4,155 | -23,378 |
| Family living and taxes | 126,358 | 51,701 | 277,345 |
| Real estate principal payments | 33,750 | 26,591 | 57,539 |
| Available for intermediate debt | 165,633 | 8,926 | 375,906 |
| Average intermediate debt | 361,436 | 389,446 | 464,979 |
| Years to turnover interm. debt | 2.2 | 43.6 | 1.2 |
| Expense as a % of income | 79 % | 92 % | 70 % |
| Interest as a % of income | 5 % | 7 % | 4 % |

Table 48

Balance Sheet at Cost Values
Michigan Dairy Farms, Over 200 Cows, 2001
(Farms sorted by Net Farm Income)

| | Avg. Of All Farms | | Low 25% | | High 25% | |
|---|----------------------|------------------|------------------|------------------|------------------|------------------|
| | 44 | | 10 | | 12 | |
| Number of farms | 44 | | 10 | | 12 | |
| | Beginning | Ending | Beginning | Ending | Beginning | Ending |
| Assets | | | | | | |
| Current Farm Assets | | | | | | |
| Cash and checking balance | 29,018 | 44,827 | 19,271 | 9,605 | 65,257 | 117,202 |
| Prepaid expenses & supplies | 88,060 | 90,270 | 27,159 | 6,267 | 196,884 | 222,506 |
| Growing crops | 12,627 | 13,442 | 6,105 | 6,643 | 9,245 | 13,647 |
| Accounts receivable | 43,028 | 57,290 | 24,740 | 41,598 | 83,893 | 108,289 |
| Hedging accounts | 0 | 309 | 0 | 287 | 0 | 587 |
| Crops held for sale or feed | 253,230 | 256,136 | 254,707 | 216,017 | 288,949 | 327,111 |
| Crops under government loan | 0 | 6,664 | 0 | 0 | 0 | 0 |
| Market livestock held for sale | 20,589 | 18,904 | 53,246 | 47,329 | 4,127 | 7,601 |
| Other current assets | 13,708 | 7,948 | 28,675 | 14,077 | 8,596 | 0 |
| Total current farm assets | 460,260 | 495,790 | 413,902 | 341,823 | 656,951 | 796,943 |
| Intermediate Farm Assets | | | | | | |
| Breeding livestock | 681,603 | 739,625 | 567,432 | 623,603 | 938,315 | 994,515 |
| Machinery and equipment | 288,374 | 313,193 | 285,649 | 289,245 | 386,249 | 432,059 |
| Other intermediate assets | 57,153 | 66,953 | 32,164 | 33,932 | 53,969 | 89,513 |
| Total intermediate farm assets | 1,027,129 | 1,119,771 | 885,245 | 946,780 | 1,378,533 | 1,516,088 |
| Long Term Farm Assets | | | | | | |
| Farm land | 313,807 | 317,868 | 337,028 | 347,613 | 361,358 | 361,358 |
| Buildings and improvements | 312,176 | 345,709 | 187,824 | 250,274 | 503,515 | 495,303 |
| Other long-term assets | 9,340 | 10,914 | 2,762 | 4,085 | 14,762 | 18,094 |
| Total long-term farm assets | 635,323 | 674,492 | 527,614 | 601,972 | 879,635 | 874,754 |
| Total Farm Assets | 2,122,712 | 2,290,052 | 1,826,761 | 1,890,574 | 2,915,119 | 3,187,785 |
| Total Nonfarm Assets | 113,469 | 123,362 | 44,592 | 35,460 | 110,016 | 126,788 |
| Total Assets | 2,236,181 | 2,413,415 | 1,871,353 | 1,926,034 | 3,025,136 | 3,314,573 |
| Liabilities | | | | | | |
| Current Farm Liabilities | | | | | | |
| Accrued interest | 2,134 | 1,384 | 4,752 | 2,579 | 211 | 253 |
| Accounts payable | 21,537 | 22,201 | 25,285 | 39,372 | 21,017 | 19,972 |
| Current notes | 107,635 | 86,241 | 180,562 | 150,824 | 53,452 | 55,466 |
| Government crop loans | 0 | 6,664 | 0 | 0 | 0 | 0 |
| Principal due on term debt | 91,771 | 103,939 | 86,075 | 128,822 | 135,679 | 131,953 |
| Total current farm liabilities | 223,078 | 220,429 | 296,674 | 321,597 | 210,359 | 207,644 |
| Total intermediate farm liabs | 253,035 | 345,899 | 270,749 | 353,448 | 354,949 | 436,352 |
| Total long term farm liabilities | 527,100 | 531,068 | 607,947 | 625,775 | 725,799 | 674,712 |
| Total farm liabilities | 1,003,213 | 1,097,396 | 1,175,369 | 1,300,819 | 1,291,107 | 1,318,708 |
| Total nonfarm liabilities | 6,661 | 13,551 | 628 | 3,090 | 0 | 0 |
| Total liabilities | 1,009,874 | 1,110,947 | 1,175,998 | 1,303,909 | 1,291,107 | 1,318,708 |
| Net worth (farm and nonfarm) | 1,226,307 | 1,302,468 | 695,356 | 622,125 | 1,734,029 | 1,995,865 |
| Net worth change | | 76,161 | | -73,231 | | 261,836 |
| Ratio Analysis | | | | | | |
| Current farm liabilities / assets | 48 % | 44 % | 72 % | 94 % | 32 % | 26 % |
| Curr. & interm farm liab. / assets | 32 % | 35 % | 44 % | 52 % | 28 % | 28 % |
| Long term farm liab. / assets | 83 % | 79 % | 115 % | 104 % | 83 % | 77 % |
| Total debt to asset ratio | 45 % | 46 % | 63 % | 68 % | 43 % | 40 % |

Table 49

Balance Sheet at Market Values
Michigan Dairy Farms, Over 200 Cows, 2001
(Farms sorted by Net Farm Income)

| Number of farms | Avg. Of All Farms 44 | | Low 25% 10 | | High 25% 12 | |
|---|----------------------------|------------------|------------------|------------------|------------------|------------------|
| | Beginning | Ending | Beginning | Ending | Beginning | Ending |
| Assets | | | | | | |
| Current Farm Assets | | | | | | |
| Cash and checking balance | 29,018 | 44,827 | 19,271 | 9,605 | 65,257 | 117,202 |
| Prepaid expenses & supplies | 88,060 | 90,270 | 27,159 | 6,267 | 196,884 | 222,506 |
| Growing crops | 12,627 | 13,442 | 6,105 | 6,643 | 9,245 | 13,647 |
| Accounts receivable | 43,028 | 57,290 | 24,740 | 41,598 | 83,893 | 108,289 |
| Hedging accounts | 0 | 309 | 0 | 287 | 0 | 587 |
| Crops held for sale or feed | 253,230 | 256,136 | 254,707 | 216,017 | 288,949 | 327,111 |
| Crops under government loan | 0 | 6,664 | 0 | 0 | 0 | 0 |
| Market livestock held for sale | 20,589 | 18,904 | 53,246 | 47,329 | 4,127 | 7,601 |
| Other current assets | 13,708 | 7,948 | 28,675 | 14,077 | 8,596 | 0 |
| Total current farm assets | 460,260 | 495,790 | 413,902 | 341,823 | 656,951 | 796,943 |
| Intermediate Farm Assets | | | | | | |
| Breeding livestock | 722,841 | 792,619 | 567,432 | 623,528 | 1,089,444 | 1,180,182 |
| Machinery and equipment | 479,994 | 529,344 | 545,369 | 548,032 | 558,817 | 633,461 |
| Other intermediate assets | 65,186 | 75,077 | 32,164 | 33,932 | 54,012 | 89,556 |
| Total intermediate farm assets | 1,268,021 | 1,397,040 | 1,144,965 | 1,205,491 | 1,702,273 | 1,903,198 |
| Long Term Farm Assets | | | | | | |
| Farm land | 811,086 | 884,809 | 922,755 | 1,048,067 | 899,465 | 999,723 |
| Buildings and improvements | 382,637 | 415,316 | 297,630 | 353,386 | 644,926 | 630,939 |
| Other long-term assets | 9,769 | 14,916 | 2,762 | 4,085 | 16,471 | 32,767 |
| Total long-term farm assets | 1,203,492 | 1,315,041 | 1,223,146 | 1,405,538 | 1,560,861 | 1,663,428 |
| Total Farm Assets | 2,931,773 | 3,207,871 | 2,782,013 | 2,952,852 | 3,920,085 | 4,363,569 |
| Total Nonfarm Assets | 162,177 | 176,434 | 48,426 | 49,294 | 111,671 | 124,773 |
| Total Assets | 3,093,950 | 3,384,305 | 2,830,439 | 3,002,146 | 4,031,756 | 4,488,342 |
| Liabilities | | | | | | |
| Current Farm Liabilities | | | | | | |
| Accrued interest | 2,134 | 1,384 | 4,752 | 2,579 | 211 | 253 |
| Accounts payable | 21,537 | 22,201 | 25,285 | 39,372 | 21,017 | 19,972 |
| Current notes | 107,635 | 86,241 | 180,562 | 150,824 | 53,452 | 55,466 |
| Government crop loans | 0 | 6,664 | 0 | 0 | 0 | 0 |
| Principal due on term debt | 91,771 | 103,939 | 86,075 | 128,822 | 135,679 | 131,953 |
| Total current farm liabilities | 223,078 | 220,429 | 296,674 | 321,597 | 210,359 | 207,644 |
| Total intermediate farm liabs | 253,035 | 345,899 | 270,749 | 353,448 | 354,949 | 436,352 |
| Total long term farm liabilities | 527,100 | 531,068 | 607,947 | 625,775 | 725,799 | 674,712 |
| Total farm liabilities | 1,003,213 | 1,097,396 | 1,175,369 | 1,300,819 | 1,291,107 | 1,318,708 |
| Total nonfarm liabilities | 6,661 | 13,551 | 628 | 3,090 | 0 | 0 |
| Total liabs excluding deferreds | 1,009,874 | 1,110,947 | 1,175,998 | 1,303,909 | 1,291,107 | 1,318,708 |
| Total deferred liabilities | 15,491 | 16,471 | 0 | 0 | 0 | 0 |
| Total liabilities | 1,025,365 | 1,127,419 | 1,175,998 | 1,303,909 | 1,291,107 | 1,318,708 |
| Retained earnings | 1,226,307 | 1,302,468 | 695,356 | 622,125 | 1,734,029 | 1,995,865 |
| Market valuation equity | 842,278 | 954,419 | 959,086 | 1,076,112 | 1,006,620 | 1,173,769 |
| Net worth (farm and nonfarm) | 2,068,585 | 2,256,886 | 1,654,441 | 1,698,237 | 2,740,649 | 3,169,634 |
| Net worth excluding deferreds | 2,084,076 | 2,273,358 | 1,654,441 | 1,698,237 | 2,740,649 | 3,169,634 |
| Net worth change | 188,301 | 43,796 | 428,985 | 43,796 | 428,985 | 428,985 |
| Ratio Analysis | | | | | | |
| Current farm liabilities / assets | 48 % | 44 % | 72 % | 94 % | 32 % | 26 % |
| Curr. & interm farm liab. / assets | 28 % | 30 % | 36 % | 44 % | 24 % | 24 % |
| Long term farm liab. / assets | 44 % | 40 % | 50 % | 45 % | 46 % | 41 % |
| Total debt to asset ratio | 33 % | 33 % | 42 % | 43 % | 32 % | 29 % |
| Debt to assets excl deferreds | 33 % | 33 % | 42 % | 43 % | 32 % | 29 % |

Table 50

Statement Of Cash Flows
Michigan Dairy Farms, Over 200 Cows, 2001
(Farms sorted by Net Farm Income)

| | Avg. Of All Farms | Low 25% | High 25% |
|---------------------------------------|----------------------|-----------|------------|
| Number of farms | 44 | 10 | 12 |
| Beginning cash (farm & nonfarm) | 29,650 | 19,271 | 66,107 |
| Cash From Operating Activities | | | |
| Gross cash farm income | 1,524,731 | 1,127,855 | 2,358,352 |
| Net nonfarm income | 636 | 4,155 | -23,378 |
| Total cash farm expense | -1,219,432 | -970,464 | -1,713,233 |
| Apparent family living expense | -123,249 | -52,166 | -271,785 |
| Income and social security tax | -3,109 | 465 | -5,560 |
| Cash from operations | 179,576 | 109,844 | 344,396 |
| Cash From Investing Activities | | | |
| Sale of breeding livestock | 12,112 | 1,452 | 22,639 |
| Sale of machinery & equipment | 3,583 | 3,245 | 1,824 |
| Sale of farm land | 2,342 | - | - |
| Sale of farm buildings | 5 | 20 | - |
| Sale of other farm assets | 20,925 | 4,377 | 52,921 |
| Sale of nonfarm assets | 3,434 | 11,302 | - |
| Purchase of breeding livestock | -89,267 | -102,172 | -120,041 |
| Purchase of machinery & equip. | -104,870 | -84,156 | -151,121 |
| Purchase of farm land | -5,092 | -5,200 | -200 |
| Purchase of farm buildings | -80,557 | -90,062 | -59,989 |
| Purchase of other farm assets | -26,564 | -5,025 | -78,227 |
| Purchase of nonfarm assets | -10,158 | -3,019 | -1,689 |
| Cash from investing activities | -274,109 | -269,238 | -333,883 |
| Cash From Financing Activities | | | |
| Money borrowed | 418,573 | 453,224 | 330,986 |
| Cash transfers in | 14,016 | 33,731 | 12,865 |
| Principal payments | -317,763 | -337,227 | -302,382 |
| Dividends paid | - | - | - |
| Gifts given | -4,884 | - | -36 |
| Cash from financing activities | 109,942 | 149,728 | 41,433 |
| Net change in cash balance | 15,409 | -9,666 | 51,945 |
| Ending cash (farm & nonfarm) | 45,059 | 9,605 | 118,052 |

Table 51

Financial Standards Measures
Michigan Dairy Farms, Over 200 Cows, 2001
(Farms sorted by Net Farm Income)

| | Avg. Of All Farms | Low 25% | High 25% |
|-------------------------------|----------------------|---------|----------|
| Number of farms | 44 | 10 | 12 |
| Liquidity | | | |
| Current ratio | 2.25 | 1.06 | 3.84 |
| Working capital | 275,361 | 20,226 | 589,299 |
| Solvency (market) | | | |
| Farm debt to asset ratio | 35 % | 44 % | 30 % |
| Farm equity to asset ratio | 65 % | 56 % | 70 % |
| Farm debt to equity ratio | 53 % | 79 % | 43 % |
| Profitability (cost) | | | |
| Rate of return on farm assets | 7.8 % | -4.0 % | 17.2 % |
| Rate of return on farm equity | 8.8 % | -23.5 % | 24.6 % |
| Operating profit margin | 14.5 % | -9.3 % | 28.4 % |
| Net farm income | 188,220 | -63,950 | 534,848 |
| Repayment Capacity | | | |
| Term debt coverage ratio | 165 % | 46 % | 222 % |
| Capital replacement margin | 89,993 | -63,239 | 243,730 |
| Efficiency | | | |
| Asset turnover rate (cost) | 54.0 % | 43.2 % | 60.7 % |
| Operating expense ratio | 74.3 % | 85.8 % | 65.7 % |
| Depreciation expense ratio | 8.9 % | 13.5 % | 8.2 % |
| Interest expense ratio | 4.6 % | 6.6 % | 4.0 % |
| Net farm income ratio | 12.2 % | -5.9 % | 22.1 % |

Table 52

Operator and Labor Information
Michigan Dairy Farms, Over 200 Cows, 2001
(Farms sorted by Net Farm Income)

| | Avg. Of All Farms | Low 25% | High 25% |
|---------------------------------|----------------------|-----------|-----------|
| Number of farms | 44 | 10 | 12 |
| Operator Information | | | |
| Average number of operators | 1.9 | 1.7 | 2.2 |
| Results Per Operator | | | |
| Working capital | 142,540 | 11,898 | 271,984 |
| Total assets (market) | 1,751,875 | 1,765,968 | 2,071,542 |
| Total liabilities | 592,131 | 767,005 | 608,634 |
| Net worth (market) | 1,159,744 | 998,963 | 1,462,908 |
| Net worth excl deferred liabs | 1,168,271 | 998,963 | 1,462,908 |
| Gross farm income | 798,337 | 639,019 | 1,117,281 |
| Total farm expense | 700,905 | 676,637 | 870,428 |
| Net farm income | 97,432 | -37,617 | 246,853 |
| Net nonfarm income | 329 | 2,444 | -10,790 |
| Family living withdrawals | 65,409 | 30,412 | 128,005 |
| Total acres owned | 422.3 | 521.4 | 330.9 |
| Total crop acres | 556.7 | 773.9 | 480.7 |
| Crop acres owned | 360.2 | 488.2 | 300.2 |
| Crop acres cash rented | 196.5 | 285.7 | 180.4 |
| Labor Analysis | | | |
| Number of farms | 43 | 10 | 11 |
| Total unpaid labor hours | 5,974 | 6,058 | 6,661 |
| Total hired labor hours | 17,497 | 13,574 | 22,983 |
| Total labor hours per farm | 23,472 | 19,632 | 29,644 |
| Unpaid hours per operator | 3,095 | 3,564 | 3,053 |
| Value of farm production / hour | 49.80 | 40.93 | 61.61 |
| Net farm income / unpaid hour | 31.40 | -10.56 | 84.64 |
| Partnerships | | | |
| Number of farms | 22 | 5 | 9 |
| Number of operators | 2.4 | - | 2.3 |

Table 53

Financial Summary
Michigan Dairy Farms, Over 200 Cows, 2001
(Farms sorted by Net Farm Income)

| | Avg. Of | | |
|---------------------------------|-----------|-----------|-----------|
| | All Farms | Low 25% | High 25% |
| Number of farms | 44 | 10 | 12 |
| Income Statement | | | |
| Gross cash farm income | 1,524,731 | 1,127,855 | 2,358,352 |
| Total cash farm expense | 1,219,432 | 970,464 | 1,713,233 |
| Net cash farm income | 305,298 | 157,391 | 645,119 |
| Inventory change | 19,807 | -74,327 | 89,049 |
| Depreciation and capital adjust | -136,885 | -147,013 | -199,320 |
| Net farm income | 188,220 | -63,950 | 534,848 |
| Profitability (cost) | | | |
| Labor and management earnings | 118,651 | -102,087 | 430,056 |
| Rate of return on assets | 7.8 % | -4.0 % | 17.2 % |
| Rate of return on equity | 8.8 % | -23.5 % | 24.6 % |
| Operating profit margin | 14.5 % | -9.3 % | 28.4 % |
| Asset turnover rate | 54.0 % | 43.2 % | 60.7 % |
| Profitability (market) | | | |
| Labor and management earnings | 175,788 | -54,684 | 535,452 |
| Rate of return on assets | 9.1 % | 1.1 % | 16.8 % |
| Rate of return on equity | 10.5 % | -2.4 % | 21.1 % |
| Operating profit margin | 23.6 % | 4.1 % | 37.6 % |
| Asset turnover rate | 38.8 % | 28.0 % | 44.7 % |
| Liquidity | | | |
| Term debt coverage ratio | 164.7 % | 45.8 % | 222.2 % |
| Expense as a percent of income | 78.9 % | 92.4 % | 69.7 % |
| Interest as a percent of income | 4.6 % | 6.6 % | 4.0 % |
| Solvency (cost) | | | |
| Number of farms | 44 | 10 | 12 |
| Ending farm assets | 2,290,052 | 1,890,574 | 3,187,785 |
| Ending farm liabilities | 1,097,396 | 1,300,819 | 1,318,708 |
| Ending total assets | 2,413,415 | 1,926,034 | 3,314,573 |
| Ending total liabilities | 1,110,947 | 1,303,909 | 1,318,708 |
| Ending net worth | 1,302,468 | 622,125 | 1,995,865 |
| Net worth change | 76,161 | -73,231 | 261,836 |
| Ending farm debt to asset ratio | 48 % | 69 % | 41 % |
| Beg total debt to asset ratio | 45 % | 63 % | 43 % |
| End total debt to asset ratio | 46 % | 68 % | 40 % |
| Solvency (market) | | | |
| Number of farms | 44 | 10 | 12 |
| Ending farm assets | 3,207,871 | 2,952,852 | 4,363,569 |
| Ending farm liabilities | 1,113,874 | 1,300,819 | 1,318,708 |
| Ending total assets | 3,384,305 | 3,002,146 | 4,488,342 |
| Ending total liabilities | 1,127,419 | 1,303,909 | 1,318,708 |
| Ending net worth | 2,256,886 | 1,698,237 | 3,169,634 |
| Net worth change | 188,301 | 43,796 | 428,985 |
| Ending farm debt to asset ratio | 35 % | 44 % | 30 % |
| Beg total debt to asset ratio | 33 % | 42 % | 32 % |
| End total debt to asset ratio | 33 % | 43 % | 29 % |
| Nonfarm Information | | | |
| Net nonfarm income | 636 | 4,155 | -23,378 |

Per Unit Income and Expense

Table 54 gives the per cow or per acre cash income, cash expense and depreciation for 130 of the 158 dairy farms. The other 28 farms either did not report any crop acres harvested, or purchased all their feed. The 130 farms had an average of 729 acres. These included owned acres plus land cash and share rented.

| Table 54. Average Income and Expense Items, Michigan, 2001 | | | |
|--|-----|---------|-------|
| Per Cow and Per Acre, Dairy Farms | | | |
| Number of Cows | 196 | | Your |
| Total Crop Acres | 729 | | Farm |
| Income Items per Cow: | | | |
| Milk sold | | \$3,208 | _____ |
| Cull cows, bulls | | 150 | _____ |
| Dairy steers | | 52 | _____ |
| Dairy calves | | 32 | _____ |
| Government | | 126 | _____ |
| Other cash income | | 244 | _____ |
| Expense Items per Cow: | | | |
| Purchased feed | | \$788 | _____ |
| Breeding fees | | 28 | _____ |
| Veterinary | | 99 | _____ |
| BST | | 28 | _____ |
| Livestock supplies | | 157 | _____ |
| DHIA | | 10 | _____ |
| Milk and livestock mktg | | 134 | _____ |
| Interest | | 182 | _____ |
| Fuel and oil | | 83 | _____ |
| Repairs | | 211 | _____ |
| Custom hire | | 106 | _____ |
| Hired labor | | 531 | _____ |
| Leases | | 44 | _____ |
| Real estate taxes | | 37 | _____ |
| Farm insurance | | 36 | _____ |
| Utilities | | 74 | _____ |
| Dues, prof. fees | | 17 | _____ |
| Miscellaneous | | 57 | _____ |
| Machinery depreciation | | 230 | _____ |
| Building depreciation | | 106 | _____ |
| Expense Items per Crop Acre: | | | |
| Seed | | \$18.43 | _____ |
| Fertilizer | | 28.54 | _____ |
| Crop chemicals | | 16.88 | _____ |
| Crop insurance | | 0.77 | _____ |
| Drying fuel | | 0.20 | _____ |
| Crop miscellaneous | | 2.32 | _____ |
| Land rent | | 31.79 | _____ |