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Staff Paper

1997 Business Analysis Summary for Cash Grain Farms

by

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1997 BUSINESS ANALYSIS SUMMARY FOR CASH GRAIN FARMS

Michigan Data from Telfarm/MicroTel and AgriSolutions

Staff Paper No. 98-21

by

Sherrill B. Nott¹

48 pages

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¹ Co-workers in the Telfarm/MicroTel project were L. Borton, R. Hepp, D. Stein, T. Purdy, S. Harsh, M. Kelsey, R. Betz, G. Schwab, R. Clark, W. Schauer and G. Kole with the assistance of MSU Extension Agents in Michigan. AgriSolutions co-workers included Gary Lenneman and Kelly Tobin.

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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. Cash Grain farms have 50 percent or more of the value of combined cash sales from wheat, corn soybeans, barley, dry beans, rye, sunflowers and other small grains.

This report is a summary of the financial and production records kept by Cash Grain farmers enrolled in the Telfarm/MicroTel record program through Michigan State University Extension, or were accounting clients of AgriSolutions. Farm records were included if a Finan² summary was completed on 1997 data including beginning and ending balance sheets, income and expenses plus crop acres. 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 exists in the data. In statistical terms, the expected standard deviations would be large.

This report has three purposes: 1)to provide statistical information about the financial results on Cash Grain farms during 1997; 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. Following long term trends may be a problem, as Telfarm/MicroTel and the Department of Agricultural Economics in 1995 adopted Finansum³ and a different software package for doing annual analysis. For Cash Grain farm averages for 1995, see Staff Paper No. 96-86, Michigan Farm Database, New Directions for 1995; it contains averages of 48 Cash Grain farms calculated with Finansum. Staff Paper No. 97-27, Business Analysis Summary for Cash Grain Farms, contains averages of 37 Cash Grain farms for 1996. These staff papers are available from the author.

Finansum allows rapid analysis of group averages with some degree of choice over how the results are presented. I chose to show the average of the high or low 25 percent by net

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

³ Finansum provides summarization calculations for data files generated by Finan. It also comes from the Center for Farm Financial Management.

income, but only if the 25 percent meant 6 or more farms. A farm was accepted in the average regardless of whether it was a proprietorship, partnership, limited liability company, or corporation. Finansum will produce a variety of report options; included in this publication is a subset.

The farms included in the averages below are not a random sample. Most of them kept their financial records with Michigan State University's Telfarm/MicroTel accounting project. The averages may be representative of bigger and better managed Cash Grain farms.

This document may be downloaded from the following:

www.msu.edu/user/nott

Table 1.

CROP PRODUCTION AND MARKETING SUMMARY, 1997
Cash Grain Farms, All Sizes, 20 MI Counties
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 25%	Average Of High 25%
Number of Farms	38	10	10
ACREAGE SUMMARY			
Total Acres Owned	495	361	797
Total Crop Acres	1000	475	1800
Crop Acres Owned	424	324	667
Crop Acres Cash Rented	562	143	1133
Crop Acres Share Rented	15	9	-
AVERAGE PRICE RECEIVED (Cash Sales Only)			
Corn per bu.	2.71	2.65	2.63
Soybeans per bu.	7.13	6.60	7.46
Wheat, Winter per bu.	3.68	-	-
Oats per bu.	1.99	-	-
AVERAGE YIELD PER ACRE			
Soybeans (bu.)	41.11	40.25	42.76
Corn (bu.)	118.62	-	123.57
Wheat, Winter (bu.)	58.38	-	-
Corn, Seed (bu.)	209.30	-	-
Beans, Black Turtle (cwt.)	17.00	-	-
Beans, Navy (cwt.)	11.67	-	-
Sugar Beets (ton)	19.27	-	-
Hay, Alfalfa (ton)	2.85	-	-

Table 2.

FARM INCOME STATEMENT, 1997
Cash Grain Farms, All Sizes, 20 MI Counties
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 25%	Average Of High 25%
Number of Farms	38	10	10
CASH FARM INCOME			
Black Turtle Beans	3984	-	12459
Dark Red Kidney Beans	952	-	-
Green Beans	1389	5279	-
Light Red Kidney Beans	2263	-	-
Navy Beans	5277	-	-
Bedding Plants	961	-	-
Corn	104870	34699	227079
Corn Silage	587	-	2231
Seed Corn	23622	64625	-
Cucumbers	3396	12905	-
Alfalfa Hay	478	1029	-
Mixed Hay	2172	218	1364
Oats	114	148	105
Rye	69	261	-
Shrubs	115	-	-
Soybeans	89361	32543	182668
Straw	750	892	1126
Sugar Beets	9595	-	-
Winter Wheat	20480	12080	29616
Beef Calves	1696	-	-
Background Beef	373	1418	-
Finish Beef Calves	921	-	3498
Finish Yrlg Steers	90	342	-
Milk	373	-	1419
Dairy Steers	1684	-	6400
Raised Hogs	5432	-	20642
Finish Feeder Pigs	19	-	-
Cull breeding livestock	2080	25	6763
Deficiency payments	2431	2883	2834
CRP payments	97	-	-
Other government payments	19142	12049	40097
Custom work income	15135	9887	11745
Patronage dividends, cash	407	32	461
Insurance income	4494	2102	2534
Cash from hedging accts	-473	-1698	-100
Other farm income	4697	1528	6962
Gross Cash Farm Income	329031	193246	559903

Table 2. FARM INCOME STATEMENT, 1997 (Continued)
Cash Grain Farms, All Sizes, 20 MI Counties
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 25%	Average Of High 25%
Number of Farms	38	10	10
CASH FARM EXPENSE			
Seed	21786	10695	33393
Fertilizer	44249	25083	71525
Crop chemicals	28088	17448	46442
Crop insurance	2303	1838	1851
Drying fuel	2242	210	5369
Irrigation energy	789	2243	756
Crop marketing	523	173	1328
Crop miscellaneous	1986	546	4862
Feeder livestock purchase	3729	842	13129
Purchased feed	3264	278	10750
Breeding fees	21	-	6
Veterinary	234	19	666
Livestock supplies	176	12	430
Livestock marketing	69	7	152
Interest	24098	24367	30298
Fuel & oil	8835	4361	14672
Repairs	21436	20936	36487
Custom hire	12579	13437	14397
Hired labor	21623	10551	20004
Land rent	42110	14486	81878
Machinery & bldg leases	6769	5755	11052
Real estate taxes	4948	4731	4892
Personal property taxes	8	11	-
Farm insurance	7291	4650	11675
Utilities	5326	3396	11123
Dues & professional fees	1746	2089	1134
Hedging account deposits	289	33	-
Miscellaneous	7341	5749	11141
Total cash expense	273855	173947	439412
Net cash farm income	55176	19299	120492
INVENTORY CHANGES			
Crops and feed	29700	-8864	110716
Market livestock	3754	107	15470
Accounts receivable	-7729	-2492	-25723
Prepaid expenses and supplies	4249	157	15332
Accounts payable	1220	-5344	3509
Total inventory change	31194	-16436	119304
Net operating profit	86371	2863	239796
DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS			
Breeding livestock	-2858	-	-9944
Machinery and equipment	-26002	-23251	-44427
Buildings and improvements	-4177	-4577	-8075
Other farm capital	1617	-771	4959
Total depr. and other capital adj	-31420	-28599	-57487
Net farm income	54951	-25735	182309

Table 3.

INVENTORY CHANGES, 1997
Cash Grain Farms, All Sizes, 20 MI Counties
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 25%	Average Of High 25%
Number of Farms	38	10	10
Net cash farm income	55176	19299	120492
CROPS AND FEED			
Ending inventory	185289	82742	394772
Beginning inventory	155589	91606	284056
Inventory change	29700	-8864	110716
MARKET LIVESTOCK			
Ending inventory	8220	1673	26959
Beginning inventory	4466	1566	11489
Inventory change	3754	107	15470
ACCTS RECEIVABLE & OTHER CURRENT ASSETS			
Ending inventory	16662	3457	31664
Beginning inventory	24391	5949	57387
Inventory change	-7729	-2492	-25723
PREPAID EXPENSES AND SUPPLIES			
Ending inventory	25961	8833	41136
Beginning inventory	21712	8676	25804
Inventory change	4249	157	15332
ACCOUNTS PAYABLE			
Beginning inventory	20799	11824	40343
Ending inventory	19579	17167	36834
Inventory change	1220	-5344	3509
Total inventory change	31194	-16436	119304
Net operating profit	86371	2863	239796

Table 4. DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS, 1997
Cash Grain Farms, All Sizes, 20 MI Counties
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 25%	Average Of High 25%
Number of Farms	38	10	10
Net operating profit	86371	2863	239796
BREEDING LIVESTOCK			
Ending inventory	1948	-	3317
Capital sales	1455	-	5449
Beginning inventory	6041	-	17874
Capital purchases	220	-	835
Depreciation, capital adj.	-2858	-	-9944
MACHINERY AND EQUIPMENT			
Ending inventory	94068	98798	148346
Capital sales	9670	140	6228
Beginning inventory	86708	71445	140097
Capital purchases	43032	50744	58904
Depreciation, capital adj.	-26002	-23251	-44427
BUILDINGS AND IMPROVEMENTS			
Ending inventory	34848	22948	39854
Capital sales	841	-	1316
Beginning inventory	32638	23356	41203
Capital purchases	7228	4169	8043
Depreciation, capital adj.	-4177	-4577	-8075
OTHER CAPITAL ASSETS			
Ending inventory	35375	8546	32600
Capital sales	8686	5677	13084
Beginning inventory	30571	9493	14414
Capital purchases	11873	5501	26311
Depreciation, capital adj.	1617	-771	4959
Total depreciation, capital adj.	-31420	-28599	-57487
Net farm income	54951	-25735	182309

Table 5. PROFITABILITY AND LIQUIDITY ANALYSIS, 1997
Cash Grain Farms, All Sizes, 20 MI Counties
(Farms sorted by Net Farm Income)

	Avg. Of All Farms	Avg. Of Low 25 %	Avg. Of High 25 %	Avg. Of All Farms	Avg. Of Low 25 %	Avg. Of High 25 %
Number of Farms	38	10	10	38	10	10
PROFITABILITY		Cost			Market	
Net farm income	54951	-25735	182309	74889	31259	192159
Labor and management earnings	35661	-41112	146761	30700	-9874	130652
Rate of return on assets	7.6 %	-3.7 %	15.5 %	6.4 %	4.3 %	11.5 %
Rate of return on equity	8.2 %	-18.2 %	23.0 %	6.2 %	1.9 %	14.1 %
Operating profit margin	14.2 %	-9.6 %	25.9 %	20.0 %	21.9 %	27.5 %
Asset turnover rate	53.8 %	37.9 %	60.0 %	32.3 %	19.6 %	41.8 %
Interest on farm net worth	19290	15377	35548	44189	41133	61507
Farm interest expense	23203	26216	27928	23203	26216	27928
Value of operator lbr and mgmt.	29256	17919	48050	29256	17919	48050
Return on farm assets	48897	-17439	162187	68836	39555	172037
Average farm assets	641018	477107	1043813	1069018	923071	1497587
Return on farm equity	25694	-43654	134259	45633	13340	144109
Average farm equity	312004	239581	584701	736488	685546	1025116
Value of farm production	344906	180877	626544	344906	180877	626544
		Average Of All Farms	Average Of Low 25 %	Average Of High 25 %		
Number of Farms	38	10	10			
LIQUIDITY (Cash)						
Net cash farm income	55176	19299	120492			
Net nonfarm income	19783	55020	7736			
Family living and taxes	44837	42994	76323			
Real estate principal payments	6393	2870	11627			
Cash available for interm. debt	23729	28454	40279			
Average intermediate debt	92529	63496	128696			
Years to turnover interm. debt	3.9	2.2	3.2			
Expense as a % of income	83 %	90 %	78 %			
Interest as a % of income	7 %	13 %	5 %			
LIQUIDITY (Accrual)						
Total accrual farm income	354756	181998	660366			
Total accrual farm expense	268386	179134	420570			
Net accrual operating income	86371	2863	239796			
Net nonfarm income	19783	55020	7736			
Family living and taxes	44837	42994	76323			
Real estate principal payments	6393	2870	11627			
Available for intermediate debt	54924	12018	159583			
Average intermediate debt	92529	63496	128696			
Years to turnover interm. debt	1.7	5.3	0.8			
Expense as a % of income	76 %	98 %	64 %			
Interest as a % of income	7 %	14 %	4 %			

Table 6. **BALANCE SHEET AT COST VALUES, 1997**
Cash Grain Farms, All Sizes, 20 MI Counties
(Farms sorted by Net Farm Income)

Number of Farms	Average Of All Farms		Average Of Low 25 %		Average Of High 25 %	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
ASSETS						
Current Farm Assets						
Cash and checking balance	16503	22677	40230	55401	10919	16279
Prepaid expenses & supplies	21712	25961	8676	8833	25804	41136
Growing crops	8552	9225	3439	3036	10357	11688
Accounts receivable	1712	3675	578	422	3593	7149
Hedging accounts	610	105	-	-	-	-
Crops held for sale or feed	155589	182833	91606	82742	284056	385439
Crops under government loan	-	2456	-	-	-	9333
Market livestock held for sale	4466	8220	1566	1673	11489	26959
Other current assets	13518	3657	1933	-	43437	12827
Total current farm assets	222662	258810	148027	152106	389654	510810
Intermediate Farm Assets						
Breeding livestock	6041	1948	-	-	17874	3317
Machinery and equipment	86708	94068	71445	98798	140097	148346
Other intermediate assets	28836	33738	8152	7205	13460	31948
Total intermediate farm assets	121584	129753	79597	106003	171431	183610
Long-Term Farm Assets						
Farm land	231743	246626	186988	232506	375760	373696
Buildings and improvements	32638	34848	23356	22948	41203	39854
Other long-term assets	1735	1637	1341	1341	954	653
Total long-term farm assets	266116	283110	211685	256795	417917	414202
Total Farm Assets	610363	671673	439309	514904	979003	1108622
Total Nonfarm Assets	95468	116619	127453	138234	46837	49788
Total Assets	705831	788292	566762	653138	1025840	1158411
LIABILITIES						
Current Farm Liabilities						
Accrued interest	8254	7360	8152	10000	12244	9874
Accounts payable	12545	12219	3672	7167	28099	26960
Current notes	71304	82840	14804	41861	113092	137113
Government crop loans	-	2456	-	-	-	9333
Principal due on term debt	19834	29484	14472	19471	31631	49632
Total current farm liabilities	111940	134361	41110	78509	185066	232911
Intermediate Farm Liabilities	79909	70458	44594	53387	119751	85326
Long-term Farm Liabilities	125077	136285	110448	147003	145185	149984
Total Farm Liabilities	316925	341103	196152	278898	450002	468222
Total Nonfarm Liabilities	12078	10730	18467	17844	8167	4165
Total Liabilities	329004	351833	214619	296742	458169	472387
Net Worth (farm and nonfarm)	376827	436459	352143	356396	567671	686024
Net Worth Change		59631		4252		118353
RATIO ANALYSIS						
Current Farm Liabilities / Assets	50 %	52 %	28 %	52 %	47 %	46 %
Curr. & Interm Farm Liab / Assets	56 %	53 %	38 %	51 %	54 %	46 %
Long Term Farm Liab. / Assets	47 %	48 %	52 %	57 %	35 %	36 %
Total Liabilities / Assets	47 %	45 %	38 %	45 %	45 %	41 %

Table 7. **BALANCE SHEET AT MARKET VALUES, 1997**
Cash Grain Farms, All Sizes, 20 MI Counties
(Farms sorted by Net Farm Income)

Number of Farms	Average Of All Farms		Average Of Low 25 %		Average Of High 25 %	
	38	10	10	10	Beginning	Ending
ASSETS						
Current Farm Assets						
Cash and checking balance	16503	22677	40230	55401	10919	16279
Prepaid expenses & supplies	21712	25961	8676	8833	25804	41136
Growing crops	8552	9225	3439	3036	10357	11688
Accounts receivable	1712	3675	578	422	3593	7149
Hedging accounts	610	105	-	-	-	-
Crops held for sale or feed	155589	182833	91606	82742	284056	385439
Crops under government loan	-	2456	-	-	-	9333
Market livestock held for sale	4466	8220	1566	1673	11489	26959
Other current assets	13518	3657	1933	-	43437	12827
Total current farm assets	222662	258810	148027	152106	389654	510810
Intermediate Farm Assets						
Breeding livestock	6041	1948	-	-	17874	3317
Machinery and equipment	271368	284092	196439	230754	401984	422719
Other intermediate assets	29125	34039	8152	7234	14560	33064
Total intermediate farm assets	306534	320079	204591	237989	434418	459099
Long-Term Farm Assets						
Farm land	449162	480794	494348	585180	490217	502587
Buildings and improvements	47014	45399	8470	12750	115219	91564
Other long-term assets	3709	3874	1341	1341	954	653
Total long-term farm assets	499884	530067	504158	599271	606390	594803
Total Farm Assets	1029080	1108956	856776	989365	1430462	1564712
Total Nonfarm Assets	118189	138481	152522	159099	46493	47644
Total Assets	1147269	1247438	1009299	1148464	1476955	1612356
LIABILITIES						
Current Farm Liabilities						
Accrued interest	8254	7360	8152	10000	12244	9874
Accounts payable	12545	12219	3672	7167	28099	26960
Current notes	71304	82840	14804	41861	113092	137113
Government crop loans	-	2456	-	-	-	9333
Principal due on term debt	19834	29484	14472	19471	31631	49632
Total current farm liabilities	111940	134361	41110	78509	185066	232911
Intermediate Farm Liabilities	79909	70458	44594	53387	119751	85326
Long-term Farm Liabilities	125077	136285	110448	147003	145185	149984
Total Farm Liabilities	316925	341103	196152	278898	450002	468222
Total Nonfarm Liabilities	12078	10730	18467	17844	8167	4165
Total Deferred Liabilities	4202	2829	-	-	15969	10750
Total Liabilities	333206	354662	214619	296742	474138	483136
Net Worth (farm and nonfarm)	814063	892776	794680	851722	1002816	1129219
Net Worth Change		78712		57042		126403
RATIO ANALYSIS						
Current Farm Liabilities / Assets	50 %	52 %	28 %	52 %	47 %	46 %
Curr. & Interm Farm Liab. / Assets	36 %	35 %	24 %	34 %	37 %	33 %
Long Term Farm Liabilities / Assets	25 %	26 %	22 %	25 %	24 %	25 %
Total Liabilities / Assets	29 %	28 %	21 %	26 %	32 %	30 %

Table 8. STATEMENT OF CASH FLOWS, 1997
Cash Grain Farms, All Sizes, 20 MI Counties
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 25%	Average Of High 25%
Number of Farms	38	10	10
(a) Beginning cash balance (farm & nonfarm)	19501	40254	10919
CASH FROM OPERATING ACTIVITIES			
Gross cash farm income	329031	193246	559903
Net nonfarm income (+)	19783	55020	7736
Total cash farm expense (-)	273855	173947	439412
Apparent family living expense (-)	35899	27042	64945
Income and social security tax (-)	8938	15952	11377
(b) Cash from operations (=)	30122	31325	51905
CASH FROM INVESTING ACTIVITIES			
Sale of breeding livestock	1455	-	5449
Sale of machinery & equipment (+)	9670	140	6228
Sale of farm land (+)	211	800	-
Sale of farm buildings (+)	841	-	1316
Sale of other farm assets (+)	8686	5677	13084
Sale of nonfarm assets (+)	4888	13524	5048
Purchase of breeding livestock (-)	220	-	835
Purchase of machinery & equip. (-)	43032	50744	58904
Purchase of farm land (-)	13117	45583	1113
Purchase of farm buildings (-)	7228	4169	8043
Purchase of other farm assets (-)	11873	5501	26311
Purchase of nonfarm assets (-)	2628	8006	711
(c) Cash from investing activities (=)	-52347	-93862	-64791
CASH FROM FINANCING ACTIVITIES			
Money borrowed	176550	217767	235991
Cash gifts and inheritances (+)	23581	4627	75171
Principal payments (-)	152059	141175	216900
Dividends paid (-)	-	-	-
Gifts given (-)	21922	3450	76016
(d) Cash from financing activities (=)	26151	77768	18245
(e) Net change in cash balance (b+c+d)	3926	15231	5360
Ending cash balance (farm & nonfarm)	23427	55485	16279

Table 9. FINANCIAL GUIDELINES MEASURES, 1997
Cash Grain Farms, All Sizes, 20 MI Counties
(Farms sorted by Net Farm Income)

	Average For All Farms		Average For Low 25 %		Average For High 25 %	
Number of Farms	38		10		10	
LIQUIDITY	Beginning	Ending	Beginning	Ending	Beginning	Ending
Current ratio	1.99	1.93	3.60	1.94	2.11	2.19
Working capital	110722	124449	106917	73597	204588	277898
SOLVENCY (Market)	Beginning	Ending	Beginning	Ending	Beginning	Ending
Farm debt to asset ratio	31 %	31 %	23 %	28 %	33 %	31 %
Farm equity to asset ratio	69 %	69 %	77 %	72 %	67 %	69 %
Farm debt to equity ratio	45 %	45 %	30 %	39 %	48 %	45 %
PROFITABILITY	Cost	Market	Cost	Market	Cost	Market
Rate of return on farm assets	7.6 %	6.4 %	-3.7 %	4.3 %	15.5 %	11.5 %
Rate of return on farm equity	8.2 %	6.2 %	-18.2 %	1.9 %	23.0 %	14.1 %
Operating profit margin	14.2 %	20.0 %	-9.6 %	21.9 %	25.9 %	27.5 %
Net farm income	54951	74889	-25735	31259	182309	192159
REPAYMENT CAPACITY	Cash	Accrual	Cash	Accrual	Cash	Accrual
Term debt coverage ratio	142 %	273 %	156 %	99 %	185 %	693 %
Capital replacement margin	9976	41170	16017	-419	19924	139228
EFFICIENCY						
Asset turnover rate (market)	32.3 %		19.6 %		41.8 %	
Operating expense ratio	69.1 %		84.0 %		59.5 %	
Depreciation expense ratio	8.9 %		15.7 %		8.7 %	
Interest expense ratio	6.5 %		14.4 %		4.2 %	
Net farm income ratio	15.5 %		-14.1 %		27.6 %	

LABOR ANALYSIS

	Average For All Farms		Average For Low 25 %		Average For High 25 %	
Number of Farms	38		10		10	
Total unpaid labor hours	2432		1833		3919	
Total hired labor hours	1949		1385		1585	
Total labor hours per farm	4382		3218		5505	
Value of farm production / hour	78.71		56.21		113.82	
Net farm income / unpaid hour	22.59		-14.04		46.51	

Table 10. Operator Information, Nonfarm Summary
Cash Grain Farms, All Sizes, 20 MI Counties
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 25%	Average Of High 25%
Number of Farms	38	10	10
OPERATOR INFORMATION			
Average number of operators	1.2	1.0	1.7
Average age of operators	52.7	46.8	47.5
Average number of years farming	30.8	26.0	26.8
NONFARM INCOME			
Nonfarm wages & salary	4922	15000	1190
Nonfarm business income	1470	3579	2029
Nonfarm rental income	7728	22783	204
Nonfarm interest income	613	444	447
Nonfarm cash dividends	311	1174	-
Tax refunds	182	270	-
Nontaxable nonfarm income	-	-	-
Gifts and inheritances	23581	4627	75171
Other nonfarm income	4556	11770	3866
Total nonfarm income	43364	59647	82908
Average For All Farms			
Beginning		Ending	
NONFARM ASSETS (Mkt)			
Checking & savings	2998	749	
Stocks & bonds	11299	14215	
Other current assets	1123	1179	
Furniture & appliances	4763	5026	
Nonfarm vehicles	5421	5203	
Cash value of life ins.	8082	8830	
Retirement accounts	14417	20549	
Other intermediate assets	37234	50507	
Nonfarm real estate	21938	21317	
Other long term assets	10913	10906	
Total nonfarm assets	118189	138481	

Table 11.

CROP PRODUCTION AND MARKETING SUMMARY, 1997
1 to 400 Acre Grain Farms, 12 Michigan Counties
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 49%	Average Of High 49%
Number of Farms	13	6	6
ACREAGE SUMMARY			
Total Acres Owned	197	157	243
Total Crop Acres	223	200	267
Crop Acres Owned	136	132	147
Crop Acres Cash Rented	73	53	105
Crop Acres Share Rented	14	15	15
AVERAGE PRICE RECEIVED (Cash Sales Only)			
Corn per bu.	3.32	-	-
Soybeans per bu.	7.30	-	-
AVERAGE YIELD PER ACRE			
Corn (bu.)	105.65	-	-
Soybeans (bu.)	43.11	-	-
Wheat, Winter (bu.)	60.35	-	-
Hay, Alfalfa (ton)	1.62	-	-
Beans, Dark Red Kidney (cwt.)	9.35	-	-
Oats (bu.)	37.70	-	-
Hay, Grass (ton)	2.20	-	-
Beans, Black Turtle (cwt.)	19.20	-	-

Table 12.

FARM INCOME STATEMENT, 1997
1 to 400 Acre Grain Farms, 12 Michigan Counties
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 49%	Average Of High 49%
Number of Farms	13	6	6
CASH FARM INCOME			
Black Turtle Beans	1262	-	2734
Dark Red Kidney Beans	2782	-	6028
Bedding Plants	2808	-	6084
Corn	32234	14077	55325
Seed Corn	4329	9380	-
Alfalfa Hay	1204	1293	274
Oats	153	172	160
Rye	201	435	-
Shrubs	335	-	725
Soybeans	17878	26486	12249
Straw	372	102	700
Spring Wheat	924	-	2002
Winter Wheat	3772	1239	6933
Finish Yrlg Steers	263	570	-
Deficiency payments	962	279	1491
CRP payments	283	-	613
Other government payments	2812	2520	3571
Custom work income	488	727	330
Patronage dividends, cash	26	32	25
Insurance income	1672	2945	79
Cash from hedging accts	52	114	-
Other farm income	541	77	1031
Gross Cash Farm Income	75352	60448	100354

Table 13.

FARM INCOME STATEMENT, 1997 (Continued)
1 to 400 Acre Grain Farms, 12 Michigan Counties
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 49%	Average Of High 49%
Number of Farms	13	6	6
CASH FARM EXPENSE			
Seed	2626	2503	3036
Fertilizer	6854	7846	6490
Crop chemicals	5746	4893	7322
Crop insurance	337	238	491
Drying fuel	418	350	554
Crop marketing	213	155	306
Crop miscellaneous	1092	59	2306
Feeder livestock purchase	111	123	117
Purchased feed	120	162	17
Veterinary	56	10	57
Livestock supplies	9	20	-
Livestock marketing	5	11	-
Interest	4536	3206	6623
Fuel & oil	1952	1558	2571
Repairs	6132	7679	5344
Custom hire	4669	3421	6584
Hired labor	1621	2174	1337
Land rent	5100	2438	8612
Machinery & bldg leases	131	284	-
Real estate taxes	2426	2651	2341
Personal property taxes	25	18	35
Farm insurance	3214	3322	3460
Utilities	2295	800	4008
Dues & professional fees	1023	1042	1166
Miscellaneous	2131	2024	2366
Total cash expense	52841	46989	65144
Net cash farm income	22511	13459	35211
INVENTORY CHANGES			
Crops and feed	-9300	-19078	-2066
Market livestock	-	-195	195
Accounts receivable	94	292	-88
Prepaid expenses and supplies	-1054	1327	-3611
Accounts payable	-790	-851	-861
Total inventory change	-11050	-18504	-6431
Net operating profit	11461	-5045	28780
DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS			
Breeding livestock	23	-	50
Machinery and equipment	-4407	-3636	-5634
Buildings and improvements	-2485	-3833	-1521
Other farm capital	-769	-1246	-420
Total depr. and other capital adj	-7639	-8715	-7525
Net farm income	3823	-13759	21255

Table 14. INVENTORY CHANGES, 1997
1 to 400 Acre Grain Farms, 12 Michigan Counties
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 49%	Average Of High 49%
Number of Farms	13	6	6
Net cash farm income	22511	13459	35211
CROPS AND FEED			
Ending inventory	46028	32547	65351
Beginning inventory	55329	51625	67417
Inventory change	-9300	-19078	-2066
MARKET LIVESTOCK			
Ending inventory	240	325	195
Beginning inventory	240	520	-
Inventory change	-	-195	195
ACCTS RECEIVABLE & OTHER CURRENT ASSETS			
Ending inventory	2525	1478	3993
Beginning inventory	2431	1186	4082
Inventory change	94	292	-88
PREPAID EXPENSES AND SUPPLIES			
Ending inventory	3005	2977	3535
Beginning inventory	4059	1649	7146
Inventory change	-1054	1327	-3611
ACCOUNTS PAYABLE			
Beginning inventory	2972	3504	2936
Ending inventory	3762	4355	3797
Inventory change	-790	-851	-861
Total inventory change	-11050	-18504	-6431
Net operating profit	11461	-5045	28780

Table 15.

DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS, 1997
1 to 400 Acre Grain Farms, 12 Michigan Counties
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 49%	Average Of High 49%
Number of Farms	13	6	6
Net operating profit	11461	-5045	28780
BREEDING LIVESTOCK			
Ending inventory	-	-	-
Capital sales	23	-	50
Beginning inventory	-	-	-
Capital purchases	-	-	-
Depreciation, capital adj.	23	-	50
MACHINERY AND EQUIPMENT			
Ending inventory	16141	21813	12660
Capital sales	1195	150	2184
Beginning inventory	14114	21058	8546
Capital purchases	7628	4541	11932
Depreciation, capital adj.	-4407	-3636	-5634
BUILDINGS AND IMPROVEMENTS			
Ending inventory	6094	6279	6558
Capital sales	-	-	-
Beginning inventory	5710	3896	8079
Capital purchases	2869	6216	-
Depreciation, capital adj.	-2485	-3833	-1521
OTHER CAPITAL ASSETS			
Ending inventory	1829	1331	2512
Capital sales	3826	7981	248
Beginning inventory	2151	1390	3090
Capital purchases	4273	9168	90
Depreciation, capital adj.	-769	-1246	-420
Total depreciation, capital adj.	-7639	-8715	-7525
Net farm income	3823	-13759	21255

Table 16.

PROFITABILITY AND LIQUIDITY ANALYSIS, 1997
1 to 400 Acre Grain Farms, 12 Michigan Counties
(Farms sorted by Net Farm Income)

	Avg. Of All Farms	Avg. Of Low 49 %	Avg. Of High 49 %	Avg. Of All Farms	Avg. Of Low 49 %	Avg. Of High 49 %
Number of Farms	13	6	6	13	6	6
PROFITABILITY		Cost		Market		
Net farm income	3823	-13759	21255	15615	4430	28107
Labor and management earnings	-1954	-20345	15811	-6259	-20606	7665
Rate of return on assets	-3.4 %	-11.1 %	4.9 %	1.5 %	0.0 %	3.5 %
Rate of return on equity	-11.6 %	-19.8 %	1.9 %	0.4 %	-0.8 %	2.4 %
Operating profit margin	-8.1 %	-44.1 %	8.7 %	9.7 %	0.1 %	15.7 %
Asset turnover rate	41.3 %	25.2 %	56.3 %	15.1 %	8.7 %	22.3 %
Interest on farm net worth	5777	6586	5444	21874	25036	20442
Farm interest expense	4934	3558	7132	4934	3558	7132
Value of operator lbr and mgmt.	14122	7967	19801	14122	7967	19801
Return on farm assets	-5365	-18168	8586	6428	21	15438
Average farm assets	159779	163335	174750	435242	470828	440265
Return on farm equity	-10299	-21726	1454	1494	-3537	8306
Average farm equity	89104	109767	75189	364566	417259	340704
Value of farm production	65938	41182	98312	65938	41182	98312
	Average Of All Farms	Average Of Low 49 %	Average Of High 49 %			
Number of Farms	13	6	6			
LIQUIDITY (Cash)						
Net cash farm income	22511	13459	35211			
Net nonfarm income	24449	47713	5260			
Family living and taxes	30591	41401	24517			
Real estate principal payments	1911	1618	2523			
Cash available for interm. debt	14458	18152	13430			
Average intermediate debt	4610	4932	5056			
Years to turnover interm. debt	0.3	0.3	0.4			
Expense as a % of income	70 %	78 %	65 %			
Interest as a % of income	6 %	5 %	7 %			
LIQUIDITY (Accrual)						
Total accrual farm income	66146	41467	98395			
Total accrual farm expense	54684	46512	69615			
Net accrual operating income	11461	-5045	28780			
Net nonfarm income	24449	47713	5260			
Family living and taxes	30591	41401	24517			
Real estate principal payments	1911	1618	2523			
Available for intermediate debt	3408	-351	6999			
Average intermediate debt	4610	4932	5056			
Years to turnover interm. debt	1.4	**	0.7			
Expense as a % of income	83 %	112 %	71 %			
Interest as a % of income	7 %	9 %	7 %			

Table 17. BALANCE SHEET AT COST VALUES, 1997
1 to 400 Acre Grain Farms, 12 Michigan Counties
(Farms sorted by Net Farm Income)

Number of Farms	Average Of All Farms		Average Of Low 49 %		Average Of High 49 %	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
ASSETS						
Current Farm Assets						
Cash and checking balance	4789	787	8497	4417	1878	-2712
Prepaid expenses & supplies	4059	3005	1649	2977	7146	3535
Growing crops	2397	2201	1167	775	4027	3993
Accounts receivable	34	324	19	703	54	-
Hedging accounts	-	-	-	-	-	-
Crops held for sale or feed	55329	46028	51625	32547	67417	65351
Crops under government loan	-	-	-	-	-	-
Market livestock held for sale	240	240	520	325	-	195
Other current assets	-	-	-	-	-	-
Total current farm assets	66848	52586	63477	41744	80523	70363
Intermediate Farm Assets						
Breeding livestock	-	-	-	-	-	-
Machinery and equipment	14114	16141	21058	21813	8546	12660
Other intermediate assets	1373	1166	1390	1331	1405	1075
Total intermediate farm assets	15488	17307	22448	23144	9951	13735
Long-Term Farm Assets						
Farm land	75770	78316	80083	85600	78584	78584
Buildings and improvements	5710	6094	3896	6279	8079	6558
Other long-term assets	778	663	-	-	1685	1437
Total long-term farm assets	82258	85072	83979	91879	88349	86579
Total Farm Assets	164593	154966	169905	156766	178823	170677
Total Nonfarm Assets	91238	111784	139416	162769	58266	79429
Total Assets	255831	266749	309320	319535	237088	250106
LIABILITIES						
Current Farm Liabilities						
Accrued interest	1505	1903	807	1159	2455	2964
Accounts payable	1467	1859	2697	3196	481	833
Current notes	18037	16177	1677	4967	37404	30083
Government crop loans	-	-	-	-	-	-
Principal due on term debt	1465	4297	651	2182	2523	7129
Total current farm liabilities	22475	24237	5832	11503	42863	41009
Intermediate Farm Liabilities	3657	3167	4474	3080	3448	3782
Long-term Farm Liabilities	45799	42016	41772	40475	57460	50560
Total Farm Liabilities	71931	69420	52078	55059	103771	95351
Total Nonfarm Liabilities	14205	13726	30778	29740	-	-
Total Liabilities	86136	83146	82857	84799	103771	95351
Net Worth (farm and nonfarm)	169695	183603	226464	234736	133317	154755
Net Worth Change		13908		8273		21438
RATIO ANALYSIS						
Current Farm Liabilities / Assets	34 %	46 %	9 %	28 %	53 %	58 %
Curr. & Intern Farm Liab / Assets	32 %	39 %	12 %	22 %	51 %	53 %
Long Term Farm Liab. / Assets	56 %	49 %	50 %	44 %	65 %	58 %
Total Liabilities / Assets	34 %	31 %	27 %	27 %	44 %	38 %

Table 18. BALANCE SHEET AT MARKET VALUES, 1997
1 to 400 Acre Grain Farms, 12 Michigan Counties
(Farms sorted by Net Farm Income)

Number of Farms	Average Of All Farms		Average Of Low 49 %		Average Of High 49 %	
	13	6	6	6	6	6
ASSETS						
Current Farm Assets						
Cash and checking balance	4789	787	8497	4417	1878	-2712
Prepaid expenses & supplies	4059	3005	1649	2977	7146	3535
Growing crops	2397	2201	1167	775	4027	3993
Accounts receivable	34	324	19	703	54	-
Hedging accounts	-	-	-	-	-	-
Crops held for sale or feed	55329	46028	51625	32547	67417	65351
Crops under government loan	-	-	-	-	-	-
Market livestock held for sale	240	240	520	325	-	195
Other current assets	-	-	-	-	-	-
Total current farm assets	66848	52586	63477	41744	80523	70363
Intermediate Farm Assets						
Breeding livestock	-	-	-	-	-	-
Machinery and equipment	72805	73918	69961	71428	81117	82061
Other intermediate assets	1373	1166	1390	1331	1405	1075
Total intermediate farm assets	74179	75084	71350	72758	82523	83136
Long-Term Farm Assets						
Farm land	273256	284860	319358	337601	248916	255816
Buildings and improvements	13330	16592	14117	21250	14765	14700
Other long-term assets	6547	7202	-	-	14185	15603
Total long-term farm assets	293133	308654	333475	358851	277865	286119
Total Farm Assets	434159	436324	468303	473353	440911	439618
Total Nonfarm Assets	108943	128653	163243	184052	72799	94696
Total Assets	543102	564977	631546	657404	513710	534314
LIABILITIES						
Current Farm Liabilities						
Accrued interest	1505	1903	807	1159	2455	2964
Accounts payable	1467	1859	2697	3196	481	833
Current notes	18037	16177	1677	4967	37404	30083
Government crop loans	-	-	-	-	-	-
Principal due on term debt	1465	4297	651	2182	2523	7129
Total current farm liabilities	22475	24237	5832	11503	42863	41009
Intermediate Farm Liabilities	3657	3167	4474	3080	3448	3782
Long-term Farm Liabilities	45799	42016	41772	40475	57460	50560
Total Farm Liabilities	71931	69420	52078	55059	103771	95351
Total Nonfarm Liabilities	14205	13726	30778	29740	-	-
Total Deferred Liabilities	-	-	-	-	-	-
Total Liabilities	86136	83146	82857	84799	103771	95351
Net Worth (farm and nonfarm)	456966	481831	548689	572606	409939	438963
Net Worth Change		24865		23917		29023
RATIO ANALYSIS						
Current Farm Liabilities / Assets	34 %	46 %	9 %	28 %	53 %	58 %
Curr. & Interm Farm Liab. / Assets	19 %	21 %	8 %	13 %	28 %	29 %
Long Term Farm Liabilities / Assets	16 %	14 %	13 %	11 %	21 %	18 %
Total Liabilities / Assets	16 %	15 %	13 %	13 %	20 %	18 %

Table 19. STATEMENT OF CASH FLOWS, 1997
1 to 400 Acre Grain Farms, 12 Michigan Counties
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 49%	Average Of High 49%
Number of Farms	13	6	6
(a) Beginning cash balance (farm & nonfarm)	5938	8538	4328
CASH FROM OPERATING ACTIVITIES			
Gross cash farm income	75352	60448	100354
Net nonfarm income	(+)	24449	47713
Total cash farm expense	(-)	52841	46989
Apparent family living expense	(-)	23001	28405
Income and social security tax	(-)	7591	12996
(b) Cash from operations	(=)	16369	19770
CASH FROM INVESTING ACTIVITIES			
Sale of breeding livestock	23	-	50
Sale of machinery & equipment	(+)	1195	150
Sale of farm land	(+)	-	-
Sale of farm buildings	(+)	-	-
Sale of other farm assets	(+)	3826	7981
Sale of nonfarm assets	(+)	36	78
Purchase of breeding livestock	(-)	-	-
Purchase of machinery & equip.	(-)	7628	4541
Purchase of farm land	(-)	2546	5516
Purchase of farm buildings	(-)	2869	6216
Purchase of other farm assets	(-)	4273	9168
Purchase of nonfarm assets	(-)	5001	8924
(c) Cash from investing activities	(=)	-17238	-26155
CASH FROM FINANCING ACTIVITIES			
Money borrowed	30034	24204	40870
Cash gifts and inheritances	(+)	3082	1710
Principal payments	(-)	33958	23427
Dividends paid	(-)	-	-
Gifts given	(-)	2990	83
(d) Cash from financing activities	(=)	-3833	2404
(e) Net change in cash balance (b+c+d)	-4702	-3981	-6207
Ending cash balance (farm & nonfarm)	1236	4557	-1878

Table 20. FINANCIAL GUIDELINES MEASURES, 1997
1 to 400 Acre Grain Farms, 12 Michigan Counties
(Farms sorted by Net Farm Income)

	Average For All Farms		Average For Low 49 %		Average For High 49 %	
Number of Farms	13		6		6	
LIQUIDITY	Beginning	Ending	Beginning	Ending	Beginning	Ending
Current ratio	2.97	2.17	10.88	3.63	1.88	1.72
Working capital	44373	28350	57645	30240	37660	29354
SOLVENCY (Market)	Beginning	Ending	Beginning	Ending	Beginning	Ending
Farm debt to asset ratio	17 %	16 %	11 %	12 %	24 %	22 %
Farm equity to asset ratio	83 %	84 %	89 %	88 %	76 %	78 %
Farm debt to equity ratio	20 %	19 %	13 %	13 %	31 %	28 %
PROFITABILITY	Cost	Market	Cost	Market	Cost	Market
Rate of return on farm assets	-3.4 %	1.5 %	-11.1 %	0.0 %	4.9 %	3.5 %
Rate of return on farm equity	-11.6 %	0.4 %	-19.8 %	-0.8 %	1.9 %	2.4 %
Operating profit margin	-8.1 %	9.7 %	-44.1 %	0.1 %	8.7 %	15.7 %
Net farm income	3823	15615	-13759	4430	21255	28107
REPAYMENT CAPACITY	Cash	Accrual	Cash	Accrual	Cash	Accrual
Term debt coverage ratio	379 %	163 %	414 %	86 %	347 %	229 %
Capital replacement margin	14261	3211	17727	-777	13430	6999
EFFICIENCY						
Asset turnover rate (market)	15.1 %		8.7 %		22.3 %	
Operating expense ratio	75.2 %		103.6 %		63.5 %	
Depreciation expense ratio	11.5 %		21.0 %		7.6 %	
Interest expense ratio	7.5 %		8.6 %		7.2 %	
Net farm income ratio	5.8 %		-33.2 %		21.6 %	

LABOR ANALYSIS

	Average For All Farms		Average For Low 49 %		Average For High 49 %	
Number of Farms	13		6		6	
Total unpaid labor hours	1562		1136		1869	
Total hired labor hours	204		363		78	
Total labor hours per farm	1766		1499		1947	
Value of farm production / hour	37.34		27.47		50.50	
Net farm income / unpaid hour	2.45		-12.11		11.37	

Table 21.

OPERATOR INFORMATION & NONFARM SUMMARY, 1997
1 to 400 Acre Grain Farms, 12 Michigan Counties
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 49%	Average Of High 49%
Number of Farms	13	6	6
OPERATOR INFORMATION			
Average number of operators	1.0	1.0	1.0
Average age of operators	57.3	32.5	65.8
Average number of years farming	34.6	10.0	41.5
NONFARM INCOME			
Nonfarm wages & salary	8061	14957	2509
Nonfarm business income	2753	5965	-
Nonfarm rental income	3613	6375	1453
Nonfarm interest income	53	18	96
Nonfarm cash dividends	17	36	1
Tax refunds	210	450	6
Nontaxable nonfarm income	-	-	-
Gifts and inheritances	3082	1710	4966
Other nonfarm income	9741	19912	1194
Total nonfarm income	27530	49423	10226
 Average For All Farms			
Beginning Ending			
NONFARM ASSETS (Mkt)			
Checking & savings	1149	449	
Stocks & bonds	23979	28738	
Other current assets	199	619	
Furniture & appliances	923	923	
Nonfarm vehicles	2962	2500	
Cash value of life ins.	4541	4141	
Retirement accounts	29877	45135	
Other intermediate assets	15254	17772	
Nonfarm real estate	29650	27697	
Other long term assets	408	678	
Total nonfarm assets	108943	128653	

Table 22.

CROP PRODUCTION AND MARKETING SUMMARY, 1997
400 to 1,000 Acre Grain Farms, 12 Michigan Counties
(Average of all farms reporting)

	Average Of All Farms
Number of Farms	12
ACREAGE SUMMARY	
Total Acres Owned	337
Total Crop Acres	671
Crop Acres Owned	298
Crop Acres Cash Rented	358
Crop Acres Share Rented	14
AVERAGE PRICE RECEIVED (Cash Sales Only)	
Corn per bu.	2.71
Soybeans per bu.	7.26
Wheat, Winter per bu.	3.88
AVERAGE YIELD PER ACRE	
Corn (bu.)	127.01
Soybeans (bu.)	41.57
Wheat, Winter (bu.)	68.66
Sugar Beets (ton)	19.08
Hay, Alfalfa (ton)	3.34
Beans, Navy (cwt.)	14.58
Beans, Black Turtle (cwt.)	18.84
Hay, Grass (ton)	3.00
Beans, Light Red Kidney (cwt.)	20.58

Table 23. FARM INCOME STATEMENT, 1997
400 to 1,000 Acre Grain Farms, 12 Michigan Counties
(Average of all farms reporting)

	Average Of All Farms
Number of Farms	12
CASH FARM INCOME	
Black Turtle Beans	867
Light Red Kidney Beans	4183
Navy Beans	7019
Corn	63352
Seed Corn	20949
Brome Grass Seed	174
Alfalfa Hay	211
Mixed Hay	5560
Oats	107
Soybeans	46678
Straw	1035
Sugar Beets	11128
Winter Wheat	19536
Beef Calves	5370
Background Beef	1182
Cull breeding livestock	952
Deficiency payments	4293
Other government payments	14047
Custom work income	3739
Patronage dividends, cash	492
Insurance income	3612
Other farm income	2937
Gross Cash Farm Income	217421

Table 24.

FARM INCOME STATEMENT, 1997 (Continued)
400 to 1,000 Acre Grain Farms, 12 Michigan Counties
(Average of all farms reporting)

	Average Of All Farms
Number of Farms	12
CASH FARM EXPENSE	
Seed	16233
Fertilizer	30526
Crop chemicals	15661
Crop insurance	949
Drying fuel	1340
Crop marketing	288
Crop miscellaneous	544
Feeder livestock purchase	747
Purchased feed	2326
Breeding fees	61
Veterinary	124
Livestock supplies	190
Livestock marketing	85
Interest	19269
Fuel & oil	5690
Repairs	14290
Custom hire	10844
Hired labor	5291
Land rent	28588
Machinery & bldg leases	3558
Real estate taxes	5627
Farm insurance	4707
Utilities	4140
Dues & professional fees	1397
Hedging account deposits	916
Miscellaneous	8834
Total cash expense	182225
Net cash farm income	35196
INVENTORY CHANGES	
Crops and feed	21869
Market livestock	-1004
Accounts receivable	-276
Prepaid expenses and supplies	4702
Accounts payable	-5840
Total inventory change	19451
Net operating profit	54647
DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS	
Breeding livestock	-789
Machinery and equipment	-21497
Buildings and improvements	-4990
Other farm capital	-2895
Total depr. and other capital adj	-30171
Net farm income	24476

Table 25.

INVENTORY CHANGES, 1997
400 to 1,000 Acre Grain Farms, 12 Michigan Counties
(Average of all farms reporting)

	Average Of All Farms
Number of Farms	12
Net cash farm income	35196
 CROPS AND FEED	
Ending inventory	131499
Beginning inventory	109630
Inventory change	21869
 MARKET LIVESTOCK	
Ending inventory	3305
Beginning inventory	4309
Inventory change	-1004
 ACCTS RECEIVABLE & OTHER CURRENT ASSETS	
Ending inventory	12103
Beginning inventory	12380
Inventory change	-276
 PREPAID EXPENSES AND SUPPLIES	
Ending inventory	14607
Beginning inventory	9905
Inventory change	4702
 ACCOUNTS PAYABLE	
Beginning inventory	12439
Ending inventory	18279
Inventory change	-5840
 Total inventory change	19451
 Net operating profit	54647

Table 26.

DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS, 1997
400 to 1,000 Acre Grain Farms, 12 Michigan Counties
(Average of all farms reporting)

	Average Of All Farms
Number of Farms	12
Net operating profit	54647
BREEDING LIVESTOCK	
Ending inventory	3404
Capital sales	40
Beginning inventory	4233
Capital purchases	-
Depreciation, capital adj.	-789
MACHINERY AND EQUIPMENT	
Ending inventory	72784
Capital sales	2806
Beginning inventory	70126
Capital purchases	26961
Depreciation, capital adj.	-21497
BUILDINGS AND IMPROVEMENTS	
Ending inventory	46250
Capital sales	-
Beginning inventory	47688
Capital purchases	3551
Depreciation, capital adj.	-4990
OTHER CAPITAL ASSETS	
Ending inventory	21097
Capital sales	1469
Beginning inventory	22493
Capital purchases	2968
Depreciation, capital adj.	-2895
Total depreciation, capital adj.	-30171
Net farm income	24476

Table 27.

PROFITABILITY AND LIQUIDITY ANALYSIS, 1997
400 to 1,000 Acre Grain Farms, 12 Michigan Counties
(Average of all farms reporting)

	Average Of All Farms	Average Of All Farms
Number of Farms	12	12
PROFITABILITY	---	--
Net farm income	24476	39944
Labor and management earnings	4179	-5130
Rate of return on assets	3.7 %	3.7 %
Rate of return on equity	0.8 %	2.4 %
Operating profit margin	9.2 %	15.8 %
Asset turnover rate	39.7 %	23.3 %
Interest on farm net worth	20297	45074
Farm interest expense	18971	18971
Value of operator lbr and mgmt.	21906	21906
Return on farm assets	21541	37009
Average farm assets	590126	1004987
Return on farm equity	2570	18038
Average farm equity	336373	751234
Value of farm production	234149	234149
	Average Of All Farms	
Number of Farms	12	
LIQUIDITY (Cash)		
Net cash farm income	35196	
Net nonfarm income	22743	
Family living and taxes	35347	
Real estate principal payments	8257	
Cash available for interm. debt	14335	
Average intermediate debt	50329	
Years to turnover interm. debt	3.5	
Expense as a % of income	84 %	
Interest as a % of income	9 %	
LIQUIDITY (Accrual)		
Total accrual farm income	238010	
Total accrual farm expense	183363	
Net accrual operating income	54647	
Net nonfarm income	22743	
Family living and taxes	35347	
Real estate principal payments	8257	
Available for intermediate debt	33786	
Average intermediate debt	50329	
Years to turnover interm. debt	1.5	
Expense as a % of income	77 %	
Interest as a % of income	8 %	

Table 28. BALANCE SHEET AT COST VALUES, 1997
400 to 1,000 Acre Grain Farms, 12 Michigan Counties
(Average of all farms reporting)

	Average For All Farms
Number of Farms	12
	Beginning
	Ending
ASSETS	
Current Farm Assets	
Cash and checking balance	33153
Prepaid expenses & supplies	9905
Growing crops	6672
Accounts receivable	2167
Hedging accounts	1930
Crops held for sale or feed	109630
Crops under government loan	-
Market livestock held for sale	4309
Other current assets	1610
Total current farm assets	169377
Intermediate Farm Assets	
Breeding livestock	4233
Machinery and equipment	70126
Other intermediate assets	19220
Total intermediate farm assets	93579
Long-Term Farm Assets	
Farm land	260363
Buildings and improvements	47688
Other long-term assets	3273
Total long-term farm assets	311324
Total Farm Assets	574281
Total Nonfarm Assets	80923
Total Assets	655204
LIABILITIES	
Current Farm Liabilities	
Accrued interest	4720
Accounts payable	7719
Current notes	54978
Government crop loans	-
Principal due on term debt	15053
Total current farm liabilities	82478
Intermediate Farm Liabilities	40720
Long-term Farm Liabilities	131705
Total Farm Liabilities	254904
Total Nonfarm Liabilities	-
Total Liabilities	254904
Net Worth (farm and nonfarm)	400300
Net Worth Change	431390
	31090
RATIO ANALYSIS	
Current Farm Liabilities / Assets	49 %
Curr. & Interm Farm Liab / Assets	47 %
Long Term Farm Liab. / Assets	42 %
Total Liabilities / Assets	39 %
	41 %
	42 %
	41 %
	37 %

Table 29. BALANCE SHEET AT MARKET VALUES, 1997
400 to 1,000 Acre Grain Farms, 12 Michigan Counties
(Average of all farms reporting)

Number of Farms	Beginning	12 Ending	Average For All Farms
ASSETS			
Current Farm Assets			
Cash and checking balance	33153	40614	
Prepaid expenses & supplies	9905	14607	
Growing crops	6672	7428	
Accounts receivable	2167	4342	
Hedging accounts	1930	333	
Crops held for sale or feed	109630	131499	
Crops under government loan	-	0	
Market livestock held for sale	4309	3305	
Other current assets	1610	-	
Total current farm assets	169377	202128	
Intermediate Farm Assets			
Breeding livestock	4233	3404	
Machinery and equipment	242541	248454	
Other intermediate assets	19220	18034	
Total intermediate farm assets	265995	269892	
Long-Term Farm Assets			
Farm land	499342	508153	
Buildings and improvements	43421	45307	
Other long-term assets	3273	3087	
Total long-term farm assets	546036	556546	
Total Farm Assets	981408	1028566	
Total Nonfarm Assets	103120	99088	
Total Assets	1084528	1127655	
LIABILITIES			
Current Farm Liabilities			
Accrued interest	4720	4422	
Accounts payable	7719	13857	
Current notes	54978	43893	
Government crop loans	-	-	
Principal due on term debt	15053	19731	
Total current farm liabilities	82478	81912	
Intermediate Farm Liabilities	40720	42840	
Long-term Farm Liabilities	131705	127851	
Total Farm Liabilities	254904	252603	
Total Nonfarm Liabilities	-	-	
Total Deferred Liabilities	-	-	
Total Liabilities	254904	252603	
Net Worth (farm and nonfarm)	829624	875052	
Net Worth Change		45428	
RATIO ANALYSIS			
Current Farm Liabilities / Assets	49 %	41 %	
Curr. & Interim Farm Liab. / Assets	28 %	26 %	
Long Term Farm Liabilities / Assets	24 %	23 %	
Total Liabilities / Assets	24 %	22 %	

Table 30.

STATEMENT OF CASH FLOWS, 1997
400 to 1,000 Acre Grain Farms, 12 Michigan Counties
(Average of all farms reporting)

	Average Of All Farms
Number of Farms	12
(a) Beginning cash balance (farm & nonfarm)	41402
 CASH FROM OPERATING ACTIVITIES	
Gross cash farm income	217421
Net nonfarm income	(+)
Total cash farm expense	(-)
Apparent family living expense	(-)
Income and social security tax	(-)
(b) Cash from operations	(=)
	22593
 CASH FROM INVESTING ACTIVITIES	
Sale of breeding livestock	40
Sale of machinery & equipment	(+)
Sale of farm land	(+)
Sale of farm buildings	(+)
Sale of other farm assets	(+)
Sale of nonfarm assets	(+)
Purchase of breeding livestock	(-)
Purchase of machinery & equip.	(-)
Purchase of farm land	(-)
Purchase of farm buildings	(-)
Purchase of other farm assets	(-)
Purchase of nonfarm assets	(-)
(c) Cash from investing activities	(=)
	-16848
 CASH FROM FINANCING ACTIVITIES	
Money borrowed	91474
Cash gifts and inheritances	(+)
Principal payments	(-)
Dividends paid	(-)
Gifts given	(-)
(d) Cash from financing activities	(=)
	-4647
(e) Net change in cash balance (b+c+d)	1098
Ending cash balance (farm & nonfarm)	42500

Table 31. FINANCIAL GUIDELINES MEASURES, 1997
400 to 1,000 Acre Grain Farms, 12 Michigan Counties
(Average of all farms reporting)

	Average For All Farms	
Number of Farms		12
LIQUIDITY	Beginning	Ending
Current ratio	2.05	2.47
Working capital	86899	120217
SOLVENCY (Market)	Beginning	Ending
Farm debt to asset ratio	26 %	25 %
Farm equity to asset ratio	74 %	75 %
Farm debt to equity ratio	35 %	33 %
PROFITABILITY	Cost	Market
Rate of return on farm assets	3.7 %	3.7 %
Rate of return on farm equity	0.8 %	2.4 %
Operating profit margin	9.2 %	15.8 %
Net farm income	24476	39944
REPAYMENT CAPACITY	Cash	Accrual
Term debt coverage ratio	137 %	231 %
Capital replacement margin	7539	26990
EFFICIENCY		
Asset turnover rate (market)	23.3 %	
Operating expense ratio	69.1 %	
Depreciation expense ratio	12.7 %	
Interest expense ratio	8.0 %	
Net farm income ratio	10.3 %	

LABOR ANALYSIS

	Average For All Farms	
Number of Farms		12
Total unpaid labor hours		2435
Total hired labor hours		480
Total labor hours per farm		2915
Value of farm production / hour		80.31
Net farm income / unpaid hour		10.05

Table 32.

OPERATOR INFORMATION & NONFARM SUMMARY, 1997
400 to 1,000 Acre Grain Farms, 12 Michigan Counties
(Average of all farms reporting)

	Average Of All Farms
Number of Farms	12
OPERATOR INFORMATION	
Average number of operators	1.2
Average age of operators	54.1
Average number of years farming	31.3
NONFARM INCOME	
Nonfarm wages & salary	3325
Nonfarm business income	-19
Nonfarm rental income	15013
Nonfarm interest income	472
Nonfarm cash dividends	-
Tax refunds	328
Nontaxable nonfarm income	-
Gifts and inheritances	5328
Other nonfarm income	3623
Total nonfarm income	28071
	Average For All Farms
	Beginning Ending
NONFARM ASSETS (Mkt)	
Checking & savings	8249 1886
Stocks & bonds	9637 13881
Other current assets	2673 3062
Furniture & appliances	7417 7417
Nonfarm vehicles	10167 9641
Cash value of life ins.	15560 17575
Retirement accounts	5228 5557
Other intermediate assets	25024 22986
Nonfarm real estate	19167 17083
Other long term assets	- -
Total nonfarm assets	103120 99088

Table 33.

CROP PRODUCTION AND MARKETING SUMMARY, 1997
1,000 or more Acres Grain Farms, 9 Michigan Counties
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 49%	Average Of High 49%
Number of Farms	13	6	6
ACREAGE SUMMARY			
Total Acres Owned	939	906	920
Total Crop Acres	2081	2105	2194
Crop Acres Owned	826	863	894
Crop Acres Cash Rented	1239	1209	1299
Crop Acres Share Rented	16	34	-
AVERAGE PRICE RECEIVED (Cash Sales Only)			
Corn per bu.	2.62	-	-
Soybeans per bu.	7.08	-	-
Wheat, Winter per bu.	3.63	-	-
AVERAGE YIELD PER ACRE			
Soybeans (bu.)	40.79	-	-
Corn (bu.)	116.28	-	-
Wheat, Winter (bu.)	54.20	-	-
Corn, Seed (bu.)	209.30	-	-
Beans, Black Turtle (cwt.)	16.64	-	-
Beans, Navy (cwt.)	9.34	-	-
Sugar Beets (ton)	19.40	-	-
Hay, Alfalfa (ton)	3.39	-	-

Table 34. FARM INCOME STATEMENT, 1997
1,000 or more Acres Grain Farms, 9 Michigan Counties
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 49%	Average Of High 49%
Number of Farms	13	6	6
CASH FARM INCOME			
Black Turtle Beans	9584	-	20765
Green Beans	4061	8799	-
Light Red Kidney Beans	2754	5967	-
Navy Beans	8948	19386	-
Corn	215832	174770	272646
Corn Silage	1716	-	3717
Seed Corn	45382	98328	-
Cucumbers	9927	21508	-
Mixed Hay	1217	363	2273
Oats	81	-	-
Soybeans	200243	199799	218496
Straw	866	560	1220
Sugar Beets	17776	38515	-
Winter Wheat	38060	46674	29764
Finish Beef Calves	2691	-	5830
Milk	1092	-	2365
Dairy Steers	4923	3103	7564
Raised Hogs	15879	34404	-
Cull breeding livestock	5202	1341	9931
Deficiency payments	2180	4724	-
Other government payments	40174	25632	55829
Custom work income	40300	71365	14245
Patronage dividends, cash	709	1397	138
Insurance income	8131	13896	2263
Cash from hedging accts	-1436	-2944	-167
Other farm income	9445	12778	4554
Gross Cash Farm Income	685736	780367	651433

Table 35.

FARM INCOME STATEMENT, 1997 (Continued)
1,000 or more Acres Grain Farms, 9 Michigan Counties
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 49%	Average Of High 49%
Number of Farms	13	6	6
CASH FARM EXPENSE			
Seed	46072	55966	39622
Fertilizer	94311	107653	91975
Crop chemicals	61901	72588	56365
Crop insurance	5518	11492	463
Drying fuel	4899	6250	4365
Irrigation energy	2307	4998	-
Crop marketing	1049	159	2114
Crop miscellaneous	4210	1372	7750
Feeder livestock purchase	10099	-	21882
Purchased feed	7274	14626	1133
Breeding fees	4	9	-
Veterinary	512	664	446
Livestock supplies	331	404	312
Livestock marketing	117	73	180
Interest	48116	70942	28704
Fuel & oil	18622	21688	15525
Repairs	43334	48827	41823
Custom hire	22091	25888	17082
Hired labor	56701	97410	22878
Land rent	91602	92373	95286
Machinery & bldg leases	16372	24440	11032
Real estate taxes	6844	7769	6692
Farm insurance	13752	14809	11396
Utilities	9450	5729	14324
Dues & professional fees	2791	4228	1478
Hedging account deposits	-1	-3	-
Miscellaneous	11172	8274	14358
Total cash expense	579452	698630	507185
Net cash farm income	106284	81737	144248
INVENTORY CHANGES			
Crops and feed	75928	-15968	169103
Market livestock	11900	1051	24732
Accounts receivable	-22432	-9724	-44796
Prepaid expenses and supplies	9134	-4415	27073
Accounts payable	9748	13284	4919
Total inventory change	84279	-15771	181032
Net operating profit	190563	65966	325280
DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS			
Breeding livestock	-7649	-826	-15747
Machinery and equipment	-51755	-53013	-62079
Buildings and improvements	-5119	856	-11662
Other farm capital	8168	18588	-863
Total depr. and other capital adj	-56355	-34394	-90352
Net farm income	134208	31572	234929

Table 36.

INVENTORY CHANGES, 1997
1,000 or more Acres Grain Farms, 9 Michigan Counties
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 49%	Average Of High 49%
Number of Farms	13	6	6
Net cash farm income	106284	81737	144248
CROPS AND FEED			
Ending inventory	374202	239149	546038
Beginning inventory	298274	255118	376935
Inventory change	75928	-15968	169103
MARKET LIVESTOCK			
Ending inventory	20738	15907	29024
Beginning inventory	8837	14856	4292
Inventory change	11900	1051	24732
ACCTS RECEIVABLE & OTHER CURRENT ASSETS			
Ending inventory	35007	39699	27816
Beginning inventory	57439	49422	72612
Inventory change	-22432	-9724	-44796
PREPAID EXPENSES AND SUPPLIES			
Ending inventory	59399	75901	51629
Beginning inventory	50264	80316	24556
Inventory change	9134	-4415	27073
ACCOUNTS PAYABLE			
Beginning inventory	46343	57988	33554
Ending inventory	36595	44704	28635
Inventory change	9748	13284	4919
Total inventory change	84279	-15771	181032
Net operating profit	190563	65966	325280

Table 37.

DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS, 1997
1,000 or more Acres Grain Farms, 9 Michigan Counties
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 49%	Average Of High 49%
Number of Farms	13	6	6
Net operating profit	190563	65966	325280
BREEDING LIVESTOCK			
Ending inventory	2551	4978	550
Capital sales	4192	-	9082
Beginning inventory	13749	4936	24854
Capital purchases	642	867	525
Depreciation, capital adj.	-7649	-826	-15747
MACHINERY AND EQUIPMENT			
Ending inventory	191641	220855	189028
Capital sales	24482	46062	1371
Beginning inventory	174608	186253	185945
Capital purchases	93270	133677	66533
Depreciation, capital adj.	-51755	-53013	-62079
BUILDINGS AND IMPROVEMENTS			
Ending inventory	53077	68240	43544
Capital sales	2459	3133	2194
Beginning inventory	45674	51044	44417
Capital purchases	14980	19473	12983
Depreciation, capital adj.	-5119	856	-11662
OTHER CAPITAL ASSETS			
Ending inventory	82100	149450	26058
Capital sales	20209	42395	125
Beginning inventory	66447	140890	1064
Capital purchases	27694	32366	25982
Depreciation, capital adj.	8168	18588	-863
Total depreciation, capital adj.	-56355	-34394	-90352
Net farm income	134208	31572	234929

Table 38.

PROFITABILITY AND LIQUIDITY ANALYSIS, 1997
1,000 or more Acres Grain Farms, 9 Michigan Counties
(Farms sorted by Net Farm Income)

	Avg. Of All Farms	Avg. Of Low 49 %	Avg. Of High 49 %	Avg. Of All Farms	Avg. Of Low 49 %	Avg. Of High 49 %
Number of Farms	13	6	6	13	6	6
PROFITABILITY						
Net farm income	134208	31572	234929	166420	100520	235980
Labor and management earnings	102335	13088	184353	100732	41375	153502
Rate of return on assets	11.1 %	5.4 %	15.2 %	9.2 %	7.0 %	10.8 %
Rate of return on equity	16.4 %	-1.2 %	19.8 %	10.6 %	6.7 %	12.2 %
Operating profit margin	17.8 %	8.8 %	25.2 %	22.2 %	18.2 %	25.3 %
Asset turnover rate	62.1 %	61.4 %	60.5 %	41.2 %	38.3 %	42.5 %
Interest on farm net worth	31873	18483	50575	65688	59146	82478
Farm interest expense	45379	68886	24829	45379	68886	24829
Value of operator lbr and mgmt.	50289	34965	68005	50289	34965	68005
Return on farm assets	129299	65493	191753	161510	134441	192804
Average farm assets	1169233	1205128	1259127	1761901	1932926	1790832
Return on farm equity	83919	-3393	166924	116131	65555	167975
Average farm equity	512409	280227	842925	1094800	985759	1374629
Value of farm production	726111	740275	761711	726111	740275	761711
	Average Of All Farms	Average Of Low 49 %	Average Of High 49 %			
Number of Farms	13	6	6			
LIQUIDITY (Cash)						
Net cash farm income	106284	81737	144248			
Net nonfarm income	12385	25755	554			
Family living and taxes	67845	44452	88172			
Real estate principal payments	9153	6889	12150			
Cash available for interm. debt	41672	56151	44480			
Average intermediate debt	219402	333152	112276			
Years to turnover interm. debt	5.3	5.9	2.5			
Expense as a % of income	85 %	90 %	78 %			
Interest as a % of income	7 %	9 %	4 %			
LIQUIDITY (Accrual)						
Total accrual farm income	751133	755727	800473			
Total accrual farm expense	560570	689761	475192			
Net accrual operating income	190563	65966	325280			
Net nonfarm income	12385	25755	554			
Family living and taxes	67845	44452	88172			
Real estate principal payments	9153	6889	12150			
Available for intermediate debt	125951	40380	225512			
Average intermediate debt	219402	333152	112276			
Years to turnover interm. debt	1.7	8.3	0.5			
Expense as a % of income	75 %	91 %	59 %			
Interest as a % of income	6 %	9 %	3 %			

Table 39.

BALANCE SHEET AT COST VALUES, 1997
1,000 or more Acres Grain Farms, 9 Michigan Counties
(Farms sorted by Net Farm Income)

Number of Farms	Average Of All Farms		Average Of Low 49 %		Average Of High 49 %	
	13	6	6	6	6	6
ASSETS						
Current Farm Assets						
Cash and checking balance	12847	28011	10164	33207	18060	27229
Prepaid expenses & supplies	50264	59399	80316	75901	24556	51629
Growing crops	16442	17907	21940	23007	12433	14126
Accounts receivable	2969	6410	3931	5887	1335	1335
Hedging accounts	-	-	-	-	-	-
Crops held for sale or feed	298274	367023	255118	239149	376935	530484
Crops under government loan	-	7179	-	-	-	15555
Market livestock held for sale	8837	20738	14856	15907	4292	29024
Other current assets	38028	10689	23551	10804	58843	12355
Total current farm assets	427661	517355	409876	403864	496455	681737
Intermediate Farm Assets						
Breeding livestock	13749	2551	4936	4978	24854	550
Machinery and equipment	174608	191641	186253	220855	185945	189028
Other intermediate assets	65175	80827	138133	146692	1064	26058
Total intermediate farm assets	253532	275019	329322	372524	211864	215637
Long-Term Farm Assets						
Farm land	361297	402305	338791	431081	414020	410579
Buildings and improvements	45674	53077	51044	68240	44417	43544
Other long-term assets	1273	1273	2757	2757	-	-
Total long-term farm assets	408244	456654	392593	502079	458437	454124
Total Farm Assets	1089438	1249029	1131790	1278466	1166756	1351498
Total Nonfarm Assets	113126	157082	222014	310621	21274	27722
Total Assets	1202564	1406111	1353805	1589088	1188030	1379220
LIABILITIES						
Current Farm Liabilities						
Accrued interest	18265	15528	31535	29479	8039	4165
Accounts payable	28078	21067	26453	15225	25515	24470
Current notes	139641	185453	185991	223635	109462	156681
Government crop loans	-	7179	-	-	-	15555
Principal due on term debt	42616	63674	61144	82266	27222	50173
Total current farm liabilities	228599	292900	305123	350604	170239	251044
Intermediate Farm Liabilities	192335	163241	267497	269990	119688	61075
Long-term Farm Liabilities	198235	238339	292761	363827	106707	123652
Total Farm Liabilities	619170	694480	865381	984422	396634	435770
Total Nonfarm Liabilities	21101	17638	44373	37941	-	-
Total Liabilities	640271	712118	909754	1022362	396634	435770
Net Worth (farm and nonfarm)	562293	693993	444051	566725	791396	943450
Net Worth Change		131700		122674		152055
RATIO ANALYSIS						
Current Farm Liabilities / Assets	53 %	57 %	74 %	87 %	34 %	37 %
Curr. & Interim Farm Liab / Assets	62 %	58 %	77 %	80 %	41 %	35 %
Long Term Farm Liab. / Assets	49 %	52 %	75 %	72 %	23 %	27 %
Total Liabilities / Assets	53 %	51 %	67 %	64 %	33 %	32 %

Table 40

BALANCE SHEET AT MARKET VALUES, 1997
1,000 or more Acres Grain Farms, 9 Michigan Counties
(Farms sorted by Net Farm Income)

Number of Farms	Average Of All Farms		Average Of Low 49 %		Average Of High 49 %	
	13	6	6	6	6	6
ASSETS						
Current Farm Assets						
Cash and checking balance	12847	28011	10164	33207	18060	27229
Prepaid expenses & supplies	50264	59399	80316	75901	24556	51629
Growing crops	16442	17907	21940	23007	12433	14126
Accounts receivable	2969	6410	3931	5887	1335	1335
Hedging accounts	-	-	-	-	-	-
Crops held for sale or feed	298274	367023	255118	239149	376935	530484
Crops under government loan	-	7179	-	-	-	15555
Market livestock held for sale	8837	20738	14856	15907	4292	29024
Other current assets	38028	10689	23551	10804	58843	12355
Total current farm assets	427661	517355	409876	403864	496455	681737
Intermediate Farm Assets						
Breeding livestock	13749	2551	4936	4978	24854	550
Machinery and equipment	496541	527163	527803	578348	516368	535973
Other intermediate assets	66021	81686	138133	146692	1064	26058
Total intermediate farm assets	576311	611400	670872	730018	542287	562581
Long-Term Farm Assets						
Farm land	578748	651475	690458	827417	532662	550778
Buildings and improvements	84014	74292	55500	72333	126531	88632
Other long-term assets	1273	1273	2757	2757	-	-
Total long-term farm assets	664035	727039	748716	902508	659193	639410
Total Farm Assets	1668007	1855795	1829464	2036389	1697935	1883728
Total Nonfarm Assets	141345	184673	285896	373977	18533	24148
Total Assets	1809352	2040468	2115360	2410366	1716468	1907876
LIABILITIES						
Current Farm Liabilities						
Accrued interest	18265	15528	31535	29479	8039	4165
Accounts payable	28078	21067	26453	15225	25515	24470
Current notes	139641	185453	185991	223635	109462	156681
Government crop loans	-	7179	-	-	-	15555
Principal due on term debt	42616	63674	61144	82266	27222	50173
Total current farm liabilities	228599	292900	305123	350604	170239	251044
Intermediate Farm Liabilities	192335	163241	267497	269990	119688	61075
Long-term Farm Liabilities	198235	238339	292761	363827	106707	123652
Total Farm Liabilities	619170	694480	865381	984422	396634	435770
Total Nonfarm Liabilities	21101	17638	44373	37941	-	-
Total Deferred Liabilities	12284	8269	26616	17916	-	-
Total Liabilities	652555	720387	936369	1040279	396634	435770
Net Worth (farm and nonfarm)	1156797	1320081	1178991	1370087	1319834	1472106
Net Worth Change		163284		191096		152272
RATIO ANALYSIS						
Current Farm Liabilities / Assets	53 %	57 %	74 %	87 %	34 %	37 %
Curr. & Interm Farm Liab. / Assets	42 %	40 %	53 %	55 %	28 %	25 %
Long Term Farm Liabilities / Assets	30 %	33 %	39 %	40 %	16 %	19 %
Total Liabilities / Assets	36 %	35 %	44 %	43 %	23 %	23 %

Table 41

STATEMENT OF CASH FLOWS, 1997
1,000 or more Acres Grain Farms, 9 Michigan Counties
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 49%	Average Of High 49%
Number of Farms	13	6	6
(a) Beginning cash balance (farm & nonfarm)	12847	10164	18060
CASH FROM OPERATING ACTIVITIES			
Gross cash farm income	685736	780367	651433
Net nonfarm income	(+)	12385	554
Total cash farm expense	(-)	579452	698630
Apparent family living expense	(-)	57047	36964
Income and social security tax	(-)	10797	7488
(b) Cash from operations	(=)	50825	63040
CASH FROM INVESTING ACTIVITIES			
Sale of breeding livestock	4192	-	9082
Sale of machinery & equipment	(+)	24482	46062
Sale of farm land	(+)	-	-
Sale of farm buildings	(+)	2459	3133
Sale of other farm assets	(+)	20209	42395
Sale of nonfarm assets	(+)	2251	4710
Purchase of breeding livestock	(-)	642	867
Purchase of machinery & equip.	(-)	93270	133677
Purchase of farm land	(-)	35797	75706
Purchase of farm buildings	(-)	14980	19473
Purchase of other farm assets	(-)	27694	32366
Purchase of nonfarm assets	(-)	1433	1920
(c) Cash from investing activities	(=)	-120224	-167709
CASH FROM FINANCING ACTIVITIES			
Money borrowed	401597	551053	275439
Cash gifts and inheritances	(+)	60930	8397
Principal payments	(-)	318568	422053
Dividends paid	(-)	-	-
Gifts given	(-)	59397	9685
(d) Cash from financing activities	(=)	84562	127712
(e) Net change in cash balance (b+c+d)	15163	23043	9170
Ending cash balance (farm & nonfarm)	28011	33207	27230

Table 42

FINANCIAL GUIDELINES MEASURES, 1997
1,000 or more Acres Grain Farms, 9 Michigan Counties
(Farms sorted by Net Farm Income)

	Average For All Farms		Average For Low 49 %		Average For High 49 %	
Number of Farms	13		6		6	
LIQUIDITY	Beginning	Ending	Beginning	Ending	Beginning	Ending
Current ratio	1.87	1.77	1.34	1.15	2.92	2.72
Working capital	199062	224455	104753	53259	326216	430694
SOLVENCY (Market)	Beginning	Ending	Beginning	Ending	Beginning	Ending
Farm debt to asset ratio	38 %	38 %	49 %	50 %	23 %	23 %
Farm equity to asset ratio	62 %	62 %	51 %	50 %	77 %	77 %
Farm debt to equity ratio	61 %	62 %	95 %	99 %	30 %	30 %
PROFITABILITY	Cost	Market	Cost	Market	Cost	Market
Rate of return on farm assets	11.1 %	9.2 %	5.4 %	7.0 %	15.2 %	10.8 %
Rate of return on farm equity	16.4 %	10.6 %	-1.2 %	6.7 %	19.8 %	12.2 %
Operating profit margin	17.8 %	22.2 %	8.8 %	18.2 %	25.2 %	25.3 %
Net farm income	134208	166420	31572	100520	234929	235980
REPAYMENT CAPACITY	Cash	Accrual	Cash	Accrual	Cash	Accrual
Term debt coverage ratio	117 %	302 %	102 %	82 %	249 %	1169 %
Capital replacement margin	7940	92218	1313	-14458	29407	210439
EFFICIENCY						
Asset turnover rate (market)	41.2 %		38.3 %		42.5 %	
Operating expense ratio	68.6 %		82.2 %		56.3 %	
Depreciation expense ratio	7.5 %		4.6 %		11.3 %	
Interest expense ratio	6.0 %		9.1 %		3.1 %	
Net farm income ratio	17.9 %		4.2 %		29.3 %	

LABOR ANALYSIS

	Average For All Farms		Average For Low 49 %		Average For High 49 %	
Number of Farms	13		6		6	
Total unpaid labor hours	3300		2528		4274	
Total hired labor hours	5052		9300		1472	
Total labor hours per farm	8351		11828		5746	
Value of farm production / hour	86.95		62.59		132.56	
Net farm income / unpaid hour	40.67		12.49		54.96	

Table 43

OPERATOR INFORMATION & NONFARM SUMMARY, 1997
1,000 or more Acres Grain Farms, 9 Michigan Counties
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 49%	Average Of High 49%
Number of Farms	13	6	6
OPERATOR INFORMATION			
Average number of operators	1.5	1.2	2.0
Average age of operators	47.4	50.2	42.7
Average number of years farming	27.1	30.2	22.0
NONFARM INCOME			
Nonfarm wages & salary	3258	7059	-
Nonfarm business income	1561	3382	-
Nonfarm rental income	5119	10788	303
Nonfarm interest income	1305	2551	252
Nonfarm cash dividends	893	1934	-
Tax refunds	19	41	-
Nontaxable nonfarm income	-	-	-
Gifts and inheritances	60930	8397	123619
Other nonfarm income	231	-	-
Total nonfarm income	73315	34152	124173
Average For All Farms			
	Beginning	Ending	
NONFARM ASSETS (Mkt)			
Checking & savings	-	-	
Stocks & bonds	154	-	
Other current assets	615	-	
Furniture & appliances	6154	6923	
Nonfarm vehicles	3500	3808	
Cash value of life ins.	4720	5447	
Retirement accounts	7440	9803	
Other intermediate assets	70485	108645	
Nonfarm real estate	16785	18846	
Other long term assets	31493	31202	
Total nonfarm assets	141345	184673	