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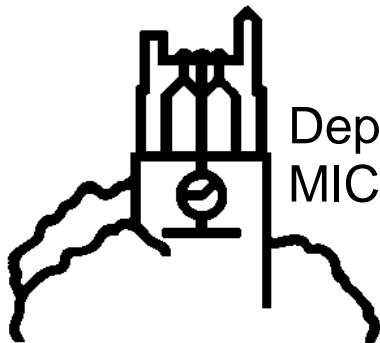
# ***Staff Paper***

## **2001 Business Analysis Summary for Michigan Cash Grain Farms**

Sherrill B. Nott

**Staff Paper #2002-23**

**August 2002**



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# 2001 BUSINESS ANALYSIS SUMMARY FOR MICHIGAN CASH GRAIN FARMS

2001 Michigan Telfarm and AgriSolutions Data  
Staff Paper No. 2002-23, 48 pages

by

Sherrill B. Nott<sup>1</sup>

## Abstract

A panel of 49 cash grain farms in Michigan cropped an average of 1,136 acres and made an average net farm income from the whole farm of \$696 during 2001.

## Introduction

The body of this report is organized as follows:

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## Data Source

The sources of the 49 cash grain farms analyzed in this report were Telfarm/MicroTel at Michigan State University, plus the AgriSolutions offices in East Lansing, Adrian, and Mt. Pleasant.

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 value of combined sales from corn, soybeans, wheat, all varieties of navy beans, oats, 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 in Michigan. Farm records were included if a Finan<sup>2</sup> summary was completed on 2001 data including beginning and ending balance sheets, plus income and expenses. The summary was included if cash discrepancy was less than 10% of gross cash inflow, and if the debt discrepancy was less than \$1,000. 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 49 farms was \$895; the standard deviation of the mean was \$72,015; and the median was \$-1,472. The unweighted mean of acres cropped (owned plus rented) on the 49 farms that reported acreage was 1,293 acres; the standard deviation of the mean was 1,016 acres and the median was 1,000 acres.

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<sup>2</sup> 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.

This report has three purposes: 1)to provide statistical information about the financial results on cash grain 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 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. Staff Paper No. 98-21, 1997 Business Analysis Summary for Cash Grain Farms, contains averages of 38 cash grain farms for 1997. Staff Paper No. 99-35, 1998 Business Analysis Summary for Cash Grain Farms, contains averages of 60 cash grain farms for 1998. Staff Paper No. 2000-29, 1999 Business Analysis Summary for Cash Grain Farms, contains averages of 51 cash grain farms for 1999. Staff Paper No. 2001-31, 2000 Business Analysis Summary for Cash Grain Farms, contains averages of 45 cash grain farms for 2000. These staff papers are available at: <http://www.msu.edu/user/nott>

RankEm<sup>3</sup> allows rapid analysis of group averages with some degree of choice over how the results are presented. I prefer to show the average of the high or low 25 percent of farms by net farm income, but only if the 25 percent means 6 or more farms. The farm was accepted in the average regardless of whether the farm was a proprietorship, partnership, limited liability company, or corporation. RankEm will produce a variety of report options; 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. 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 cash grain farms.

This document may be found and downloaded from the following:

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

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<sup>3</sup> RankEm is provided by the Center for Farm Financial Management to produce statistical summaries from Finan data files.

Table 1.

**Crop Production and Marketing Summary**  
**Michigan Cash Grain Farms, All Sizes, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	49	12	13
ACREAGE SUMMARY			
Total crop acres	1,136	1,388	1,394
Crop acres owned	473	853	383
Crop acres cash rented	626	524	968
Crop acres share rented	36	12	43
AVERAGE PRICE RECEIVED (Cash Sales Only)			
Soybeans per bushel	4.49	-	4.52
Corn per bushel	1.99	-	2.01
Wheat, Winter per bushel	2.43	-	-

Table 2.

**Farm Income Statement**  
**Michigan Cash Grain Farms, All Sizes, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	49	12	13
<b>Cash Farm Income</b>			
Barley	65	264	-
Beans, Black Turtle	747	-	118
Beans, Dark Red Kidney	501	2,046	-
Beans, Green	1,190	-	4,484
Beans, Light Red Kidney	470	-	-
Beans, Navy	2,260	7,497	672
Beans, Pinto	220	897	-
Clover Seed	236	965	-
Cordwood	331	1,350	-
Corn	119,983	160,745	138,886
Corn Silage	1,266	1,400	-
Corn, Seed	17,306	2,329	41,096
Cucumbers	3,093	-	4,141
Hay, Alfalfa	173	142	-
Hay, Mixed	1,222	2,677	786
Haylage, Alfalfa	75	306	-
Oats	1,955	6,732	-
Popcorn	294	-	1,106
Soybeans	73,486	69,864	82,565
Soybeans Seed	817	3,335	-
Speltz	125	-	-
Straw	2,181	7,024	955
Sugar Beets	5,946	19,397	4,508
Sweet Corn	3,573	14,588	-
Wheat, Soft Red Winter	2,326	2,242	1,804
Wheat, Spring	479	-	-
Wheat, Winter	23,344	43,064	29,420
Miscellaneous crop income	74	-	-
Beef Cow-Calf, Beef Calves	1,136	-	2,663
Beef, Background Beef	346	1,002	-
Beef, Finish Beef Calves	639	-	2,408
Dairy, Milk	2,645	-	9,971
Dairy Steers	240	980	-
Hogs, Farrow-Fin, Raised Hogs	3,643	-	-
Hogs, Feeder Pigs, Feeder Pigs	112	-	-
Hogs, Finish Feeder Pigs	418	-	-
Sheep, Market Lambs, Mkt Lambs	147	-	553
Hogs, Weaning to Finish	3,283	13,406	-
Cull breeding livestock	898	1,587	716
Misc. livestock income	13	-	50
Transition payments	11,088	16,863	12,265
CRP payments	1,422	-	-
Other government payments	54,533	57,477	68,599
Custom work income	11,043	13,058	18,293
Patronage dividends, cash	72	15	168
Insurance income	9,366	12,438	14,120
Cash from hedging accts	509	2,079	-
Other farm income	5,634	8,262	5,481
<b>Gross Cash Farm Income</b>	<b>370,924</b>	<b>474,028</b>	<b>445,828</b>

Table 3.

Farm Income Statement, continued  
**Michigan Cash Grain Farms, All Sizes, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	49	12	13
Cash Farm Expense			
Seed	28,824	33,792	37,790
Fertilizer	48,267	60,685	58,272
Crop chemicals	28,361	32,208	40,499
Crop insurance	1,667	1,005	2,242
Drying fuel	1,328	380	2,231
Crop marketing	2,027	3,577	958
Crop miscellaneous	965	1,321	560
Feeder livestock purchase	2,013	5,110	1,773
Purchased feed	2,914	3,700	3,268
Veterinary	261	34	302
Livestock supplies	184	347	81
Livestock marketing	126	-	270
Interest	27,672	40,832	38,392
Fuel & oil	15,014	22,639	17,778
Repairs	24,390	34,147	22,447
Custom hire	8,786	11,979	7,831
Hired labor	16,197	36,015	15,238
Land rent	48,323	63,632	57,331
Machinery & bldg leases	7,976	5,903	13,258
Real estate taxes	8,181	15,286	6,006
Farm insurance	9,911	11,655	10,401
Utilities	6,809	7,168	8,370
Dues & professional fees	4,537	9,706	3,161
Hedging account deposits	81	481	-192
Miscellaneous	10,578	18,078	7,938
Total cash expense	305,393	419,679	356,204
Net cash farm income	65,531	54,349	89,624
Inventory Changes			
Crops and feed	-26,013	-74,317	32,221
Market livestock	87	388	114
Accounts receivable	9,170	13,095	16,771
Prepaid expenses and supplies	4,146	-4,088	13,184
Accounts payable	-4,940	-4,844	-10,875
Total inventory change	-17,551	-69,766	51,415
Net operating profit	47,981	-15,418	141,040
Depreciation and Other Capital Adjustments			
Breeding livestock	-2,309	-3,032	-5,476
Machinery and equipment	-35,539	-41,642	-42,342
Buildings and improvements	-8,369	-13,521	-6,792
Other farm capital	-1,067	-8,724	1,651
Total depr. and other capital adj	-47,285	-66,919	-52,959
<b>Net farm income</b>	<b>\$ 696</b>	<b>\$-82,337</b>	<b>\$88,081</b>



Table 4.

**Inventory Changes**  
**Michigan Cash Grain Farms, All Sizes, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	49	12	13
Net cash farm income	65,531	54,349	89,624
<b>Crops and Feed</b>			
Ending inventory	159,550	189,082	231,949
Beginning inventory	185,564	263,399	199,728
Inventory change	-26,013	-74,317	32,221
<b>Market Livestock</b>			
Ending inventory	6,104	13,007	2,262
Beginning inventory	6,017	12,619	2,148
Inventory change	87	388	114
<b>Accts Receivable &amp; Other Current Assets</b>			
Ending inventory	51,475	118,730	51,615
Beginning inventory	42,305	105,635	34,844
Inventory change	9,170	13,095	16,771
<b>Prepaid Expenses and Supplies</b>			
Ending inventory	33,240	27,668	46,393
Beginning inventory	29,095	31,756	33,210
Inventory change	4,146	-4,088	13,184
<b>Accounts Payable &amp; Accrued Expenses</b>			
Beginning inventory	26,093	49,905	19,510
Ending inventory	31,033	54,749	30,385
Inventory change	-4,940	-4,844	-10,875
Total inventory change	-17,551	-69,766	51,415
Net operating profit	47,981	-15,418	141,040

Table 5.

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

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	49	12	13
Net operating profit	47,981	-15,418	141,040
<b>Breeding Livestock</b>			
Ending inventory	5,370	1,125	14,965
Capital sales	172	93	562
Beginning inventory	6,252	4,250	15,272
Capital purchases	1,600	-	5,731
Depreciation, capital adjust.	-2,309	-3,032	-5,476
<b>Machinery and Equipment</b>			
Ending inventory	131,336	164,593	161,123
Capital sales	3,877	3,131	10,165
Beginning inventory	132,255	185,335	152,069
Capital purchases	38,498	24,030	61,561
Depreciation, capital adjust.	-35,539	-41,642	-42,342
<b>Buildings and Improvements</b>			
Ending inventory	56,738	88,319	61,696
Capital sales	45	-	171
Beginning inventory	52,029	70,936	59,736
Capital purchases	13,124	30,905	8,923
Depreciation, capital adjust.	-8,369	-13,521	-6,792
<b>Other Capital Assets</b>			
Ending inventory	18,268	6,947	24,894
Capital sales	9,150	19,172	7,213
Beginning inventory	17,484	4,217	21,093
Capital purchases	11,001	30,626	9,363
Depreciation, capital adjust.	-1,067	-8,724	1,651
Total depreciation, capital adj.	-47,285	-66,919	-52,959
Net farm income	696	-82,337	88,081

Table 6.

**Profitability Measures**  
**Michigan Cash Grain Farms, All Sizes, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	49	12	13
Profitability (assets valued at cost)			
Net farm income	696	-82,337	88,081
Labor and management earnings	-20,341	-107,473	64,240
Rate of return on assets	-1.3 %	-7.0 %	7.9 %
Rate of return on equity	-11.3 %	-31.2 %	10.3 %
Operating profit margin	-3.1 %	-19.4 %	16.1 %
Asset turnover rate	43.5 %	36.2 %	49.4 %
Interest on farm net worth	21,036	25,136	23,841
Farm interest expense	27,590	44,125	37,118
Value of operator lbr and mgmt.	38,954	39,501	47,446
Return on farm assets	-10,669	-77,712	77,753
Average farm assets	798,392	1,108,395	980,846
Return on farm equity	-38,258	-121,838	40,635
Average farm equity	337,777	390,226	393,603
Value of farm production	346,932	401,351	484,419
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	49	12	13
Profitability (assets valued at market)			
Net farm income	55,691	1,468	172,143
Labor and management earnings	-1,915	-71,686	113,219
Rate of return on assets	3.1 %	0.3 %	10.3 %
Rate of return on equity	1.7 %	-3.1 %	12.7 %
Operating profit margin	12.8 %	1.5 %	33.4 %
Asset turnover rate	24.4 %	20.7 %	30.9 %
Interest on farm net worth	57,606	73,155	58,924
Farm interest expense	27,590	44,125	37,118
Value of operator lbr and mgmt.	38,954	39,501	47,446
Return on farm assets	44,326	6,093	161,815
Average farm assets	1,420,710	1,937,412	1,569,312
Return on farm equity	16,737	-38,032	124,697
Average farm equity	960,094	1,219,242	982,069
Value of farm production	346,932	401,351	484,419

Table 7.

**Liquidity Measures**  
**Michigan Cash Grain Farms, All Sizes, 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	65,531	54,349	89,624
Net nonfarm income	22,310	40,746	12,321
Family living and taxes	40,738	38,756	47,924
Real estate principal payments	10,545	11,617	15,340
Cash available for interm. debt	36,558	44,721	38,682
Average intermediate debt	118,905	163,976	145,716
Years to turnover interm. debt	3.3	3.7	3.8
Expense as a % of income	82 %	89 %	80 %
Interest as a % of income	7 %	9 %	9 %
Liquidity (accrual)			
Total accrual farm income	354,168	413,194	494,935
Total accrual operating expense	306,187	428,611	353,896
Net accrual operating income	47,981	-15,418	141,040
Net nonfarm income	22,310	40,746	12,321
Family living and taxes	40,738	38,756	47,924
Real estate principal payments	10,545	11,617	15,340
Available for intermediate debt	19,008	-25,045	90,097
Average intermediate debt	118,905	163,976	145,716
Years to turnover interm. debt	6.3	**	1.6
Expense as a % of income	86 %	104 %	72 %
Interest as a % of income	8 %	11 %	7 %

\*\* Income insufficient to meet debt servicing requirements

Table 8.

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

Number of farms	Avg. Of All Farms		Low 25%		High 25%	
	49		12		13	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	15,117	20,579	9,236	32,350	30,927	31,743
Prepaid expenses & supplies	29,095	33,240	31,756	27,668	33,210	46,393
Growing crops	14,219	9,706	21,793	13,415	14,016	6,755
Accounts receivable	16,671	28,382	39,861	52,011	18,792	43,640
Hedging accounts	670	517	350	858	1,810	1,143
Crops held for sale or feed	184,156	158,264	257,654	183,831	199,728	231,949
Crops under government loan	1,407	1,286	5,746	5,252	0	0
Market livestock held for sale	6,017	6,104	12,619	13,007	2,148	2,262
Other current assets	10,745	12,871	43,631	52,446	227	77
<b>Total current farm assets</b>	<b>278,096</b>	<b>270,948</b>	<b>422,646</b>	<b>380,837</b>	<b>300,855</b>	<b>363,962</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	6,252	5,370	4,250	1,125	15,272	14,965
Machinery and equipment	132,255	131,336	185,335	164,593	152,069	161,123
Other intermediate assets	15,104	16,407	882	4,519	18,918	22,759
<b>Total intermediate farm assets</b>	<b>153,611</b>	<b>153,113</b>	<b>190,467</b>	<b>170,237</b>	<b>186,259</b>	<b>198,847</b>
<b>Long Term Farm Assets</b>						
Farm land	296,779	331,229	385,013	502,572	393,298	392,728
Buildings and improvements	52,029	56,738	70,936	88,319	59,736	61,696
Other long-term assets	2,380	1,861	3,335	2,427	2,176	2,135
<b>Total long-term farm assets</b>	<b>351,187</b>	<b>389,828</b>	<b>459,284</b>	<b>593,319</b>	<b>455,209</b>	<b>456,560</b>
<b>Total Farm Assets</b>	<b>782,895</b>	<b>813,890</b>	<b>1,072,397</b>	<b>1,144,393</b>	<b>942,324</b>	<b>1,019,369</b>
<b>Total Nonfarm Assets</b>	<b>95,683</b>	<b>106,830</b>	<b>110,137</b>	<b>136,737</b>	<b>44,741</b>	<b>47,119</b>
<b>Total Assets</b>	<b>878,578</b>	<b>920,720</b>	<b>1,182,535</b>	<b>1,281,131</b>	<b>987,065</b>	<b>1,066,487</b>
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	6,095	6,012	4,538	7,831	8,532	7,258
Accounts payable	19,998	25,020	45,367	46,918	10,978	23,127
Current notes	123,684	135,635	178,271	209,299	144,303	163,971
Government crop loans	1,407	1,255	5,746	5,127	0	0
Principal due on term debt	36,722	36,498	47,292	39,533	47,506	61,973
<b>Total current farm liabilities</b>	<b>187,906</b>	<b>204,422</b>	<b>281,214</b>	<b>308,707</b>	<b>211,319</b>	<b>256,330</b>
<b>Total intermediate farm liabs</b>	<b>95,092</b>	<b>90,742</b>	<b>135,897</b>	<b>125,481</b>	<b>113,059</b>	<b>106,739</b>
<b>Total long term farm liabilities</b>	<b>158,122</b>	<b>184,946</b>	<b>241,659</b>	<b>343,380</b>	<b>247,447</b>	<b>239,593</b>
<b>Total farm liabilities</b>	<b>441,121</b>	<b>480,110</b>	<b>658,770</b>	<b>777,569</b>	<b>571,824</b>	<b>602,662</b>
<b>Total nonfarm liabilities</b>	<b>8,000</b>	<b>13,485</b>	<b>9,316</b>	<b>8,303</b>	<b>5,320</b>	<b>4,726</b>
<b>Total liabilities</b>	<b>449,121</b>	<b>493,595</b>	<b>668,087</b>	<b>785,872</b>	<b>577,145</b>	<b>607,387</b>
<b>Net worth (farm and nonfarm)</b>	<b>429,457</b>	<b>427,125</b>	<b>514,448</b>	<b>495,259</b>	<b>409,920</b>	<b>459,100</b>
<b>Net worth change</b>		<b>-2,332</b>		<b>-19,190</b>		<b>49,179</b>
<b>Ratio Analysis</b>						
Current farm liabilities / assets	68 %	75 %	67 %	81 %	70 %	70 %
Curr. & interm farm liab. / assets	66 %	70 %	68 %	79 %	67 %	65 %
Long term farm liab. / assets	45 %	47 %	53 %	58 %	54 %	52 %
Total debt to asset ratio	51 %	54 %	56 %	61 %	58 %	57 %

Table 9.

**Balance Sheet at Market Values**  
**Michigan Cash Grain Farms, All Sizes, 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
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	15,117	20,579	9,236	32,350	30,927	31,743
Prepaid expenses & supplies	29,095	33,240	31,756	27,668	33,210	46,393
Growing crops	14,219	9,706	21,793	13,415	14,016	6,755
Accounts receivable	16,671	28,382	39,861	52,011	18,792	43,640
Hedging accounts	670	517	350	858	1,810	1,143
Crops held for sale or feed	184,156	158,264	257,654	183,831	199,728	231,949
Crops under government loan	1,407	1,286	5,746	5,252	0	0
Market livestock held for sale	6,017	6,104	12,619	13,007	2,148	2,262
Other current assets	10,745	12,871	43,631	52,446	227	77
<b>Total current farm assets</b>	<b>278,096</b>	<b>270,948</b>	<b>422,646</b>	<b>380,837</b>	<b>300,855</b>	<b>363,962</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	6,252	5,370	4,250	1,125	15,272	14,965
Machinery and equipment	353,629	370,004	440,630	471,127	403,096	433,669
Other intermediate assets	15,139	15,525	1,022	594	18,918	23,059
<b>Total intermediate farm assets</b>	<b>375,019</b>	<b>390,899</b>	<b>445,901</b>	<b>472,847</b>	<b>437,286</b>	<b>471,693</b>
<b>Long Term Farm Assets</b>						
Farm land	651,982	718,626	861,424	999,230	693,881	751,261
Buildings and improvements	70,237	81,370	126,204	159,971	54,561	60,815
Other long-term assets	2,380	1,861	3,335	2,427	2,176	2,135
<b>Total long-term farm assets</b>	<b>724,599</b>	<b>801,857</b>	<b>990,963</b>	<b>1,161,628</b>	<b>750,618</b>	<b>814,211</b>
<b>Total Farm Assets</b>	<b>1,377,715</b>	<b>1,463,705</b>	<b>1,859,511</b>	<b>2,015,312</b>	<b>1,488,759</b>	<b>1,649,866</b>
<b>Total Nonfarm Assets</b>	<b>214,412</b>	<b>252,577</b>	<b>229,200</b>	<b>246,727</b>	<b>82,136</b>	<b>143,486</b>
<b>Total Assets</b>	<b>1,592,127</b>	<b>1,716,282</b>	<b>2,088,711</b>	<b>2,262,039</b>	<b>1,570,895</b>	<b>1,793,351</b>
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	6,095	6,012	4,538	7,831	8,532	7,258
Accounts payable	19,998	25,020	45,367	46,918	10,978	23,127
Current notes	123,684	135,635	178,271	209,299	144,303	163,971
Government crop loans	1,407	1,255	5,746	5,127	0	0
Principal due on term debt	36,722	36,498	47,292	39,533	47,506	61,973
<b>Total current farm liabilities</b>	<b>187,906</b>	<b>204,422</b>	<b>281,214</b>	<b>308,707</b>	<b>211,319</b>	<b>256,330</b>
<b>Total intermediate farm liabs</b>	<b>95,092</b>	<b>90,742</b>	<b>135,897</b>	<b>125,481</b>	<b>113,059</b>	<b>106,739</b>
<b>Total long term farm liabilities</b>	<b>158,122</b>	<b>184,946</b>	<b>241,659</b>	<b>343,380</b>	<b>247,447</b>	<b>239,593</b>
<b>Total farm liabilities</b>	<b>441,121</b>	<b>480,110</b>	<b>658,770</b>	<b>777,569</b>	<b>571,824</b>	<b>602,662</b>
<b>Total nonfarm liabilities</b>	<b>8,000</b>	<b>13,485</b>	<b>9,316</b>	<b>8,303</b>	<b>5,320</b>	<b>4,726</b>
<b>Total liabs excluding deferreds</b>	<b>449,121</b>	<b>493,595</b>	<b>668,087</b>	<b>785,872</b>	<b>577,145</b>	<b>607,387</b>
<b>Total deferred liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total liabilities</b>	<b>449,121</b>	<b>493,595</b>	<b>668,087</b>	<b>785,872</b>	<b>577,145</b>	<b>607,387</b>
Retained earnings	429,457	427,125	514,448	495,259	409,920	459,100
Market valuation equity	713,549	795,562	906,176	980,908	583,830	726,864
<b>Net worth (farm and nonfarm)</b>	<b>1,143,006</b>	<b>1,222,687</b>	<b>1,420,625</b>	<b>1,476,167</b>	<b>993,750</b>	<b>1,185,964</b>
<b>Net worth excluding deferreds</b>	<b>1,143,006</b>	<b>1,222,687</b>	<b>1,420,625</b>	<b>1,476,167</b>	<b>993,750</b>	<b>1,185,964</b>
<b>Net worth change</b>		<b>79,680</b>		<b>55,543</b>		<b>192,214</b>
<b>Ratio Analysis</b>						
Current farm liabilities / assets	68 %	75 %	67 %	81 %	70 %	70 %
Curr. & interm farm liab. / assets	43 %	45 %	48 %	51 %	44 %	43 %
Long term farm liab. / assets	22 %	23 %	24 %	30 %	33 %	29 %
Total debt to asset ratio	28 %	29 %	32 %	35 %	37 %	34 %
Debt to assets excl deferreds	28 %	29 %	32 %	35 %	37 %	34 %

Table 10.

Statement Of Cash Flows  
**Michigan Cash Grain Farms, All Sizes, 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)	16,091	11,105	30,927
<b>Cash From Operating Activities</b>			
Gross cash farm income	370,924	474,028	445,828
Net nonfarm income	22,310	40,746	12,321
Total cash farm expense	-305,393	-419,679	-356,204
Apparent family living expense	-33,802	-30,625	-45,238
Income and social security tax	-6,936	-8,131	-2,686
Cash from operations	47,103	56,339	54,021
<b>Cash From Investing Activities</b>			
Sale of breeding livestock	172	93	562
Sale of machinery & equipment	3,877	3,131	10,165
Sale of farm land	10,795	36,333	-
Sale of farm buildings	45	-	171
Sale of other farm assets	9,150	19,172	7,213
Sale of nonfarm assets	579	1,118	-
Purchase of breeding livestock	-1,600	-	-5,731
Purchase of machinery & equip.	-38,498	-24,030	-61,561
Purchase of farm land	-36,987	-130,913	-
Purchase of farm buildings	-13,124	-30,905	-8,923
Purchase of other farm assets	-11,001	-30,626	-9,363
Purchase of nonfarm assets	-8,757	-9,898	-3,163
Cash from investing activities	-85,348	-166,525	-70,629
<b>Cash From Financing Activities</b>			
Money borrowed	177,388	227,866	159,531
Cash transfers in	6,329	20,189	2,192
Principal payments	-137,657	-112,772	-140,166
Dividends paid	-	-	-
Gifts given	-1,689	-799	-4,134
Cash from financing activities	44,371	134,484	17,424
Net change in cash balance	6,126	24,298	816
Ending cash (farm & nonfarm)	22,217	35,402	31,743

Table 11.

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

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	49	12	13
Liquidity			
Current ratio	1.33	1.23	1.42
Working capital	66,526	72,130	107,632
Solvency (market)			
Farm debt to asset ratio	33 %	39 %	37 %
Farm equity to asset ratio	67 %	61 %	63 %
Farm debt to equity ratio	49 %	63 %	58 %
Profitability (cost)			
Rate of return on farm assets	-1.3 %	-7.0 %	7.9 %
Rate of return on farm equity	-11.3 %	-31.2 %	10.3 %
Operating profit margin	-3.1 %	-19.4 %	16.1 %
Net farm income	696	-82,337	88,081
Repayment Capacity			
Term debt coverage ratio	56 %	-9 %	142 %
Capital replacement margin	-19,939	-61,155	22,209
Efficiency			
Asset turnover rate (cost)	43.5 %	36.2 %	49.4 %
Operating expense ratio	78.7 %	93.1 %	64.0 %
Depreciation expense ratio	13.4 %	16.2 %	10.7 %
Interest expense ratio	7.8 %	10.7 %	7.5 %
Net farm income ratio	0.2 %	-19.9 %	17.8 %



Table 12.

**Operator and Labor Information**  
**Michigan Cash Grain Farms, All Sizes, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	49	12	13
<b>Operator Information</b>			
Average number of operators	1.3	1.0	1.5
<b>Results Per Operator</b>			
Working capital	51,661	72,130	69,961
Total assets (market)	1,332,770	2,262,039	1,165,678
Total liabilities	383,299	785,872	394,802
Net worth (market)	949,471	1,476,167	770,876
Net worth excl deferred liabs	949,471	1,476,167	770,876
Gross farm income	275,027	413,194	321,708
Total farm expense	274,487	495,530	264,455
Net farm income	540	-82,337	57,253
Net nonfarm income	17,325	40,746	8,008
Family living withdrawals	31,635	38,756	31,150
Total acres owned	357.3	516.3	311.3
Total crop acres	882.2	1,388.1	906.0
Crop acres owned	367.7	852.7	249.2
Crop acres cash rented	486.2	523.6	629.0
Crop acres share rented	28.3	11.8	27.8
<b>Labor Analysis</b>			
Number of farms	49	12	13
Total unpaid labor hours	2,988	2,558	3,580
Total hired labor hours	1,439	3,046	1,588
Total labor hours per farm	4,427	5,605	5,168
Unpaid hours per operator	2,320	2,558	2,327
Value of farm production / hour	78.37	71.61	93.73
Net farm income / unpaid hour	0.23	-32.18	24.61
<b>Partnerships</b>			
Number of farms	13	-	5
Number of operators	1.9	-	-

Table 13.

**Financial Summary**  
**Michigan Cash Grain Farms, All Sizes, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	49	12	13
<b>Income Statement</b>			
Gross cash farm income	370,924	474,028	445,828
Total cash farm expense	305,393	419,679	356,204
Net cash farm income	65,531	54,349	89,624
Inventory change	-17,551	-69,766	51,415
Depreciation and capital adjust	-47,285	-66,919	-52,959
Net farm income	696	-82,337	88,081
<b>Profitability (cost)</b>			
Labor and management earnings	-20,341	-107,473	64,240
Rate of return on assets	-1.3 %	-7.0 %	7.9 %
Rate of return on equity	-11.3 %	-31.2 %	10.3 %
Operating profit margin	-3.1 %	-19.4 %	16.1 %
Asset turnover rate	43.5 %	36.2 %	49.4 %
<b>Profitability (market)</b>			
Labor and management earnings	-1,915	-71,686	113,219
Rate of return on assets	3.1 %	0.3 %	10.3 %
Rate of return on equity	1.7 %	-3.1 %	12.7 %
Operating profit margin	12.8 %	1.5 %	33.4 %
Asset turnover rate	24.4 %	20.7 %	30.9 %
<b>Liquidity</b>			
Term debt coverage ratio	55.7 %	-9.2 %	142.2 %
Expense as a percent of income	86.5 %	103.7 %	71.5 %
Interest as a percent of income	7.8 %	10.7 %	7.5 %
<b>Solvency (cost)</b>			
Number of farms	49	12	13
Ending farm assets	813,890	1,144,393	1,019,369
Ending farm liabilities	480,110	777,569	602,662
Ending total assets	920,720	1,281,131	1,066,487
Ending total liabilities	493,595	785,872	607,387
Ending net worth	427,125	495,259	459,100
Net worth change	-2,332	-19,190	49,179
Ending farm debt to asset ratio	59 %	68 %	59 %
Beg total debt to asset ratio	51 %	56 %	58 %
End total debt to asset ratio	54 %	61 %	57 %
<b>Solvency (market)</b>			
Number of farms	49	12	13
Ending farm assets	1,463,705	2,015,312	1,649,866
Ending farm liabilities	480,110	777,569	602,662
Ending total assets	1,716,282	2,262,039	1,793,351
Ending total liabilities	493,595	785,872	607,387
Ending net worth	1,222,687	1,476,167	1,185,964
Net worth change	79,680	55,543	192,214
Ending farm debt to asset ratio	33 %	39 %	37 %
Beg total debt to asset ratio	28 %	32 %	37 %
End total debt to asset ratio	29 %	35 %	34 %
<b>Nonfarm Information</b>			
Net nonfarm income	22,310	40,746	12,321

Table 14.

**Crop Production and Marketing Summary**  
**Michigan Cash Grain Farms, 1 - 799.9 Acres, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	15	7	8
ACREAGE SUMMARY			
Total acres owned	337	390	290
Total crop acres	550	626	483
Crop acres owned	254	324	192
Crop acres cash rented	296	301	291
AVERAGE PRICE RECEIVED (Cash Sales Only)			
Corn per bushel	2.01	2.01	-
Soybeans per bushel	4.71	-	-
Wheat, Winter per bushel	2.55	-	-

Table 15.

**Farm Income Statement**  
**Michigan Cash Grain Farms, 1 - 799.9 Acres, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	15	7	8
<b>Cash Farm Income</b>			
Beans, Navy	2,738	5,867	-
Beans, Pinto	718	1,538	-
Corn	51,738	59,839	44,650
Corn Silage	3,016	-	5,656
Corn, Seed	848	-	1,591
Hay, Mixed	1,061	1,488	687
Oats	952	2,041	-
Soybeans	28,895	24,811	32,467
Soybeans Seed	2,668	5,717	-
Speltz	407	872	-
Straw	267	573	-
Sugar Beets	3,298	7,066	-
Wheat, Soft Red Winter	1,794	3,844	-
Wheat, Winter	10,362	12,771	8,255
Beef Cow-Calf, Beef Calves	1,402	3,004	-
Dairy Steers	784	1,680	-
Other farm income	38,863	45,335	33,199
<b>Gross Cash Farm Income</b>	<b>149,811</b>	<b>176,447</b>	<b>126,505</b>

Table 16.

Farm Income Statement, continued  
**Michigan Cash Grain Farms, 1 - 799.9 Acres, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	15	7	8
Cash Farm Expense			
Seed	13,055	15,089	11,276
Fertilizer	19,400	30,007	10,119
Crop chemicals	10,234	10,617	9,899
Crop insurance	802	699	893
Drying fuel	270	578	-
Crop marketing	1,935	3,559	513
Crop miscellaneous	953	611	1,253
Feeder livestock purchase	272	582	-
Purchased feed	433	927	-
Veterinary	293	627	-
Interest	6,287	9,100	3,826
Fuel & oil	6,531	7,651	5,550
Repairs	11,900	11,386	12,349
Custom hire	7,200	9,075	5,559
Hired labor	4,551	5,869	3,398
Land rent	18,757	20,755	17,008
Machinery & bldg leases	2,044	1,708	2,338
Real estate taxes	6,777	7,292	6,327
Farm insurance	6,394	7,330	5,575
Utilities	3,200	3,446	2,984
Dues & professional fees	1,744	2,767	850
Hedging account deposits	190	407	-
Miscellaneous	4,642	5,924	3,520
Total cash expense	127,862	156,006	103,236
Net cash farm income	21,949	20,441	23,268
Inventory Changes			
Crops and feed	-16,520	-28,541	-6,001
Market livestock	563	1,207	-
Accounts receivable	5,920	13,589	-790
Prepaid expenses and supplies	-460	-1,331	303
Accounts payable	966	2,172	-88
Total inventory change	-9,529	-12,903	-6,577
Net operating profit	12,420	7,538	16,691
Depreciation and Other Capital Adjustments			
Breeding livestock	-2,819	-6,041	-
Machinery and equipment	-14,909	-19,819	-10,613
Buildings and improvements	-1,240	-1,150	-1,318
Other farm capital	-6,697	-14,234	-103
Total depr. and other capital adj	-25,665	-41,245	-12,033
<b>Net farm income</b>	<b>\$-13,246</b>	<b>\$-33,707</b>	<b>\$4,658</b>

Table 17.

**Liquidity Measures**  
**Michigan Cash Grain Farms, 1 - 799.9 Acres, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	15	7	8
Liquidity (cash)			
Net cash farm income	21,949	20,441	23,268
Net nonfarm income	15,827	14,813	16,714
Family living and taxes	31,292	29,980	32,440
Real estate principal payments	5,771	8,865	3,065
Cash available for interm. debt	712	-3,590	4,477
Average intermediate debt	44,200	73,143	18,876
Years to turnover interm. debt	62.1	**	4.2
Expense as a % of income	85 %	88 %	82 %
Interest as a % of income	4 %	5 %	3 %
Liquidity (accrual)			
Total accrual farm income	139,775	162,702	119,713
Total accrual operating expense	127,355	155,164	103,022
Net accrual operating income	12,420	7,538	16,691
Net nonfarm income	15,827	14,813	16,714
Family living and taxes	31,292	29,980	32,440
Real estate principal payments	5,771	8,865	3,065
Available for intermediate debt	-8,817	-16,494	-2,100
Average intermediate debt	44,200	73,143	18,876
Years to turnover interm. debt	**	**	**
Expense as a % of income	91 %	95 %	86 %
Interest as a % of income	5 %	6 %	3 %

\*\* Income insufficient to meet debt servicing requirements

Table 18.

**Balance Sheet at Cost Values**  
**Michigan Cash Grain Farms, 1 - 799.9 Acres, 2000**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms		Low 50%		High 50%	
	15		7		8	
Number of farms						
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	10,469	15,325	8,839	25,281	11,896	6,614
Prepaid expenses & supplies	10,180	9,720	15,193	13,862	5,794	6,096
Growing crops	13,613	10,801	8,442	7,038	18,137	14,094
Accounts receivable	5,404	6,801	7,524	6,801	3,548	6,801
Hedging accounts	13	13	29	29	0	0
Crops held for sale or feed	81,016	64,497	114,818	86,277	51,440	45,439
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	2,233	2,796	4,785	5,992	0	0
Other current assets	14,198	21,532	30,425	46,141	0	0
<b>Total current farm assets</b>	<b>137,126</b>	<b>131,486</b>	<b>190,054</b>	<b>191,420</b>	<b>90,814</b>	<b>79,044</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	5,110	2,217	10,950	4,750	0	0
Machinery and equipment	40,084	36,238	49,576	38,637	31,778	34,140
Other intermediate assets	17,657	18,646	37,694	39,153	125	703
<b>Total intermediate farm assets</b>	<b>62,851</b>	<b>57,101</b>	<b>98,219</b>	<b>82,539</b>	<b>31,903</b>	<b>34,843</b>
<b>Long Term Farm Assets</b>						
Farm land	136,761	136,677	119,963	119,785	151,458	151,458
Buildings and improvements	28,651	27,578	35,106	34,312	23,003	21,685
Other long-term assets	1,747	1,209	1,523	875	1,942	1,501
<b>Total long-term farm assets</b>	<b>167,158</b>	<b>165,464</b>	<b>156,592</b>	<b>154,972</b>	<b>176,403</b>	<b>174,645</b>
<b>Total Farm Assets</b>	<b>367,135</b>	<b>354,052</b>	<b>444,866</b>	<b>428,932</b>	<b>299,121</b>	<b>288,531</b>
<b>Total Nonfarm Assets</b>	<b>124,301</b>	<b>131,885</b>	<b>113,698</b>	<b>120,515</b>	<b>133,579</b>	<b>141,834</b>
<b>Total Assets</b>	<b>491,437</b>	<b>485,937</b>	<b>558,564</b>	<b>549,447</b>	<b>432,700</b>	<b>430,366</b>
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	1,071	1,194	1,768	2,097	461	405
Accounts payable	5,568	4,478	2,571	71	8,190	8,334
Current notes	34,270	33,526	38,472	37,622	30,594	29,942
Government crop loans	0	0	0	0	0	0
Principal due on term debt	13,613	11,928	20,024	18,790	8,003	5,924
<b>Total current farm liabilities</b>	<b>54,522</b>	<b>51,127</b>	<b>62,836</b>	<b>58,579</b>	<b>47,247</b>	<b>44,605</b>
<b>Total intermediate farm liabs</b>	<b>33,438</b>	<b>37,602</b>	<b>58,961</b>	<b>62,289</b>	<b>11,105</b>	<b>16,001</b>
<b>Total long term farm liabilities</b>	<b>32,740</b>	<b>27,478</b>	<b>56,500</b>	<b>41,461</b>	<b>11,950</b>	<b>15,243</b>
<b>Total farm liabilities</b>	<b>120,700</b>	<b>116,207</b>	<b>178,297</b>	<b>162,330</b>	<b>70,303</b>	<b>75,849</b>
<b>Total nonfarm liabilities</b>	<b>10,203</b>	<b>9,779</b>	<b>13,234</b>	<b>12,435</b>	<b>7,551</b>	<b>7,455</b>
<b>Total liabilities</b>	<b>130,903</b>	<b>125,986</b>	<b>191,531</b>	<b>174,765</b>	<b>77,854</b>	<b>83,304</b>
<b>Net worth (farm and nonfarm)</b>	<b>360,533</b>	<b>359,951</b>	<b>367,033</b>	<b>374,682</b>	<b>354,846</b>	<b>347,061</b>
<b>Net worth change</b>		<b>-582</b>		<b>7,649</b>		<b>-7,785</b>
<b>Ratio Analysis</b>						
Current farm liabilities / assets	40 %	39 %	33 %	31 %	52 %	56 %
Curr. & interm farm liab. / assets	44 %	47 %	42 %	44 %	48 %	53 %
Long term farm liab. / assets	20 %	17 %	36 %	27 %	7 %	9 %
Total debt to asset ratio	27 %	26 %	34 %	32 %	18 %	19 %

Table 19.

**Balance Sheet at Market Values**  
**Michigan Cash Grain Farms, 1 - 799.9 Acres, 2001**  
**(Farms Sorted By Net Farm Income)**

Number of farms	Avg. Of All Farms 15		Low 50% 7		High 50% 8	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	10,469	15,325	8,839	25,281	11,896	6,614
Prepaid expenses & supplies	10,180	9,720	15,193	13,862	5,794	6,096
Growing crops	13,613	10,801	8,442	7,038	18,137	14,094
Accounts receivable	5,404	6,801	7,524	6,801	3,548	6,801
Hedging accounts	13	13	29	29	0	0
Crops held for sale or feed	81,016	64,497	114,818	86,277	51,440	45,439
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	2,233	2,796	4,785	5,992	0	0
Other current assets	14,198	21,532	30,425	46,141	0	0
<b>Total current farm assets</b>	<b>137,126</b>	<b>131,486</b>	<b>190,054</b>	<b>191,420</b>	<b>90,814</b>	<b>79,044</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	5,110	2,217	10,950	4,750	0	0
Machinery and equipment	159,879	151,793	189,790	184,151	133,707	123,480
Other intermediate assets	17,769	18,485	37,933	38,807	125	703
<b>Total intermediate farm assets</b>	<b>182,758</b>	<b>172,495</b>	<b>238,673</b>	<b>227,708</b>	<b>133,832</b>	<b>124,183</b>
<b>Long Term Farm Assets</b>						
Farm land	435,843	449,774	494,179	497,379	384,800	408,120
Buildings and improvements	51,016	52,369	102,869	105,769	5,644	5,644
Other long-term assets	1,747	1,209	1,523	875	1,942	1,501
<b>Total long-term farm assets</b>	<b>488,606</b>	<b>503,353</b>	<b>598,571</b>	<b>604,023</b>	<b>392,386</b>	<b>415,266</b>
<b>Total Farm Assets</b>	<b>808,490</b>	<b>807,333</b>	<b>1,027,298</b>	<b>1,023,152</b>	<b>617,033</b>	<b>618,492</b>
<b>Total Nonfarm Assets</b>	<b>356,370</b>	<b>366,742</b>	<b>555,261</b>	<b>555,160</b>	<b>182,341</b>	<b>201,875</b>
<b>Total Assets</b>	<b>1,164,860</b>	<b>1,174,075</b>	<b>1,582,559</b>	<b>1,578,312</b>	<b>799,374</b>	<b>820,368</b>
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	1,071	1,194	1,768	2,097	461	405
Accounts payable	5,568	4,478	2,571	71	8,190	8,334
Current notes	34,270	33,526	38,472	37,622	30,594	29,942
Government crop loans	0	0	0	0	0	0
Principal due on term debt	13,613	11,928	20,024	18,790	8,003	5,924
<b>Total current farm liabilities</b>	<b>54,522</b>	<b>51,127</b>	<b>62,836</b>	<b>58,579</b>	<b>47,247</b>	<b>44,605</b>
<b>Total intermediate farm liabs</b>	<b>33,438</b>	<b>37,602</b>	<b>58,961</b>	<b>62,289</b>	<b>11,105</b>	<b>16,001</b>
<b>Total long term farm liabilities</b>	<b>32,740</b>	<b>27,478</b>	<b>56,500</b>	<b>41,461</b>	<b>11,950</b>	<b>15,243</b>
<b>Total farm liabilities</b>	<b>120,700</b>	<b>116,207</b>	<b>178,297</b>	<b>162,330</b>	<b>70,303</b>	<b>75,849</b>
<b>Total nonfarm liabilities</b>	<b>10,203</b>	<b>9,779</b>	<b>13,234</b>	<b>12,435</b>	<b>7,551</b>	<b>7,455</b>
<b>Total liabs excluding deferreds</b>	<b>130,903</b>	<b>125,986</b>	<b>191,531</b>	<b>174,765</b>	<b>77,854</b>	<b>83,304</b>
<b>Total deferred liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total liabilities</b>	<b>130,903</b>	<b>125,986</b>	<b>191,531</b>	<b>174,765</b>	<b>77,854</b>	<b>83,304</b>
Retained earnings	360,533	359,951	367,033	374,682	354,846	347,061
Market valuation equity	673,424	688,138	1,023,996	1,028,865	366,674	390,002
<b>Net worth (farm and nonfarm)</b>	<b>1,033,957</b>	<b>1,048,089</b>	<b>1,391,028</b>	<b>1,403,547</b>	<b>721,520</b>	<b>737,063</b>
<b>Net worth excluding deferreds</b>	<b>1,033,957</b>	<b>1,048,089</b>	<b>1,391,028</b>	<b>1,403,547</b>	<b>721,520</b>	<b>737,063</b>
<b>Net worth change</b>		<b>14,132</b>		<b>12,518</b>		<b>15,544</b>
<b>Ratio Analysis</b>						
Current farm liabilities / assets	40 %	39 %	33 %	31 %	52 %	56 %
Curr. & interm farm liab. / assets	27 %	29 %	28 %	29 %	26 %	30 %
Long term farm liab. / assets	7 %	5 %	9 %	7 %	3 %	4 %
Total debt to asset ratio	11 %	11 %	12 %	11 %	10 %	10 %
Debt to assets excl deferreds	11 %	11 %	12 %	11 %	10 %	10 %



Table 20.

Statement Of Cash Flows  
**Michigan Cash Grain Farms, 1 - 799.9 Acres, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	15	7	8
Beginning cash (farm & nonfarm)	12,139	12,399	11,912
<b>Cash From Operating Activities</b>			
Gross cash farm income	149,811	176,447	126,505
Net nonfarm income	15,827	14,813	16,714
Total cash farm expense	-127,862	-156,006	-103,236
Apparent family living expense	-26,336	-24,215	-28,192
Income and social security tax	-4,956	-5,765	-4,248
Cash from operations	6,484	5,274	7,542
<b>Cash From Investing Activities</b>			
Sale of breeding livestock	74	159	-
Sale of machinery & equipment	1,425	1,536	1,328
Sale of farm land	30,733	65,857	-
Sale of farm buildings	-	-	-
Sale of other farm assets	15,886	33,601	386
Sale of nonfarm assets	998	2,138	-
Purchase of breeding livestock	-	-	-
Purchase of machinery & equip.	-12,488	-10,416	-14,302
Purchase of farm land	-10,683	-22,893	-
Purchase of farm buildings	-167	-357	-
Purchase of other farm assets	-23,035	-48,646	-625
Purchase of nonfarm assets	-3,648	-1,500	-5,527
Cash from investing activities	-905	19,479	-18,741
<b>Cash From Financing Activities</b>			
Money borrowed	43,554	48,655	39,091
Cash gifts and inheritances	5,906	9,485	2,775
Principal payments	-47,517	-63,250	-33,751
Dividends paid	-	-	-
Gifts given	-1,727	-1,171	-2,213
Cash from financing activities	216	-6,281	5,902
Net change in cash balance	5,795	18,472	-5,297
Ending cash (farm & nonfarm)	17,934	30,871	6,614

Table 21.

Financial Standards Measures  
**Michigan Cash Grain Farms, 1 - 799.9 Acres, 2000**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	15	7	8
Liquidity			
Current ratio	2.57	3.27	1.77
Working capital	80,360	132,841	34,439
Solvency (market)			
Farm debt to asset ratio	14 %	16 %	12 %
Farm equity to asset ratio	86 %	84 %	88 %
Farm debt to equity ratio	17 %	19 %	14 %
Profitability (cost)			
Rate of return on farm assets	-8.1 %	-11.4 %	-3.8 %
Rate of return on farm equity	-14.7 %	-22.2 %	-6.8 %
Operating profit margin	-21.5 %	-32.1 %	-9.4 %
Net farm income	-13,246	-33,707	4,658
Repayment Capacity			
Term debt coverage ratio	11 %	-2 %	37 %
Capital replacement margin	-17,047	-28,389	-7,123
Efficiency			
Asset turnover rate (cost)	37.8 %	35.5 %	40.7 %
Operating expense ratio	86.5 %	89.6 %	82.9 %
Depreciation expense ratio	18.4 %	25.3 %	10.1 %
Interest expense ratio	4.6 %	5.8 %	3.1 %
Net farm income ratio	-9.5 %	-20.7 %	3.9 %

Table 22.

**Operator and Labor Information**  
**Michigan Cash Grain Farms, 1 - 799.9 Acres, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	15	7	8
Operator Information			
Average number of operators	1.2	1.1	1.3
Results Per Operator			
Working capital	66,966	116,236	27,551
Total assets (market)	978,396	1,381,023	656,294
Total liabilities	104,988	152,919	66,643
Net worth (market)	873,407	1,228,103	589,651
Net worth excl deferred liabs	873,407	1,228,103	589,651
Gross farm income	116,479	142,365	95,771
Total farm expense	127,517	171,858	92,044
Net farm income	-11,038	-29,493	3,726
Net nonfarm income	13,189	12,961	13,371
Family living withdrawals	26,077	26,232	25,952
Total acres owned	280.8	341.6	232.1
Total crop acres	458.2	547.4	386.8
Crop acres owned	211.6	283.6	154.0
Crop acres cash rented	246.6	263.8	232.8
Labor Analysis			
Number of farms	15	7	8
Total unpaid labor hours	2,034	2,051	2,020
Total hired labor hours	252	242	260
Total labor hours per farm	2,286	2,293	2,280
Unpaid hours per operator	1,695	1,795	1,616
Value of farm production / hour	59.59	67.66	52.50
Net farm income / unpaid hour	-6.51	-16.44	2.31

Table 23.

**Financial Summary**  
**Michigan Cash Grain Farms, 1 - 799.9 Acres, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	15	7	8
<b>Income Statement</b>			
Gross cash farm income	149,811	176,447	126,505
Total cash farm expense	127,862	156,006	103,236
Net cash farm income	21,949	20,441	23,268
Inventory change	-9,529	-12,903	-6,577
Depreciation and capital adjust	-25,665	-41,245	-12,033
Net farm income	-13,246	-33,707	4,658
<b>Profitability (cost)</b>			
Labor and management earnings	-28,413	-50,502	-9,085
Rate of return on assets	-8.1 %	-11.4 %	-3.8 %
Rate of return on equity	-14.7 %	-22.2 %	-6.8 %
Operating profit margin	-21.5 %	-32.1 %	-9.4 %
Asset turnover rate	37.8 %	35.5 %	40.7 %
<b>Profitability (market)</b>			
Labor and management earnings	-42,686	-73,214	-15,974
Rate of return on assets	-2.1 %	-3.7 %	0.1 %
Rate of return on equity	-3.4 %	-5.6 %	-0.5 %
Operating profit margin	-12.7 %	-24.5 %	0.7 %
Asset turnover rate	16.9 %	15.1 %	19.4 %
<b>Liquidity</b>			
Term debt coverage ratio	10.6 %	-1.9 %	37.4 %
Expense as a percent of income	91.1 %	95.4 %	86.1 %
Interest as a percent of income	4.6 %	5.8 %	3.1 %
<b>Solvency (cost)</b>			
Number of farms	15	7	8
Ending farm assets	354,052	428,932	288,531
Ending farm liabilities	116,207	162,330	75,849
Ending total assets	485,937	549,447	430,366
Ending total liabilities	125,986	174,765	83,304
Ending net worth	359,951	374,682	347,061
Net worth change	-582	7,649	-7,785
Ending farm debt to asset ratio	33 %	38 %	26 %
Beg total debt to asset ratio	27 %	34 %	18 %
End total debt to asset ratio	26 %	32 %	19 %
<b>Solvency (market)</b>			
Number of farms	15	7	8
Ending farm assets	807,333	1,023,152	618,492
Ending farm liabilities	116,207	162,330	75,849
Ending total assets	1,174,075	1,578,312	820,368
Ending total liabilities	125,986	174,765	83,304
Ending net worth	1,048,089	1,403,547	737,063
Net worth change	14,132	12,518	15,544
Ending farm debt to asset ratio	14 %	16 %	12 %
Beg total debt to asset ratio	11 %	12 %	10 %
End total debt to asset ratio	11 %	11 %	10 %
<b>Nonfarm Information</b>			
Net nonfarm income	15,827	14,813	16,714

Table 24.

**Crop Production and Marketing Summary**  
**Michigan Cash Grain Farms, 800 - 1,199.9 Acres, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	14	7	7
ACREAGE SUMMARY			
Total acres owned	419	411	428
Total crop acres	1,027	949	1,106
Crop acres owned	372	361	382
Crop acres cash rented	565	486	645
Crop acres share rented	91	102	79
AVERAGE PRICE RECEIVED (Cash Sales Only)			
Soybeans per bushel	4.44	-	4.48
Corn per bushel	1.99	-	-

Table 25.

**Farm Income Statement**  
**Michigan Cash Grain Farms, 800 - 1,199.9 Acres, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	14	7	7
Cash Farm Income			
Beans, Black Turtle	109	-	218
Beans, Green	4,164	-	8,328
Beans, Navy	624	-	1,248
Corn	101,177	76,786	125,568
Corn, Seed	30,511	39,009	22,014
Cucumbers	10,824	13,956	7,691
Hay, Alfalfa	485	969	-
Hay, Mixed	1,586	1,712	1,460
Popcorn	1,027	-	2,055
Soybeans	69,809	59,796	79,822
Straw	970	215	1,724
Sugar Beets	4,186	-	8,372
Wheat, Soft Red Winter	1,675	-	3,351
Wheat, Spring	1,676	3,352	-
Wheat, Winter	13,115	8,906	17,323
Other crops	260	519	-
Beef Cow-Calf, Beef Calves	2,473	-	4,945
Beef, Background Beef	354	707	-
Beef, Finish Beef Calves	2,236	-	4,472
Hogs, Farrow-Fin, Raised Hogs	12,751	25,501	-
Hogs, Feeder Pigs, Feeder Pigs	392	784	-
Hogs, Finish Feeder Pigs	1,462	2,924	-
Sheep, Market Lambs, Mkt Lambs	513	-	1,026
Other farm income	76,216	73,792	78,639
<b>Gross Cash Farm Income</b>	<b>338,594</b>	<b>308,929</b>	<b>368,258</b>

Table 26.

Farm Income Statement, continued  
**Michigan Cash Grain Farms, 800 - 1,199.9 Acres, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	14	7	7
Cash Farm Expense			
Seed	24,691	23,512	25,870
Fertilizer	45,267	43,563	46,971
Crop chemicals	28,104	22,970	33,238
Crop insurance	3,214	2,844	3,585
Drying fuel	1,761	1,899	1,624
Crop marketing	2,510	1,078	3,943
Crop miscellaneous	650	1,133	166
Feeder livestock purchase	2,666	2,039	3,292
Purchased feed	4,647	7,030	2,264
Breeding fees	53	-	106
Veterinary	402	586	217
Livestock supplies	306	463	150
Livestock marketing	235	308	162
Interest	26,321	23,424	29,219
Fuel & oil	13,284	12,414	14,154
Repairs	23,041	27,026	19,056
Custom hire	10,591	9,228	11,954
Hired labor	6,114	7,011	5,217
Land rent	37,661	31,695	43,628
Machinery & bldg leases	5,967	1,747	10,186
Real estate taxes	4,742	5,825	3,659
Farm insurance	7,003	8,087	5,920
Utilities	6,956	7,637	6,276
Dues & professional fees	1,903	2,316	1,491
Miscellaneous	5,685	5,378	5,991
Total cash expense	263,775	249,209	278,342
Net cash farm income	74,818	59,721	89,916
Inventory Changes			
Crops and feed	-13,710	-25,049	-2,371
Market livestock	-101	-413	212
Accounts receivable	2,601	6,189	-986
Prepaid expenses and supplies	11,608	13,383	9,834
Accounts payable	-10,063	-6,412	-13,714
Total inventory change	-9,664	-12,302	-7,025
Net operating profit	65,155	47,419	82,891
Depreciation and Other Capital Adjustments			
Breeding livestock	66	46	85
Machinery and equipment	-39,355	-53,873	-24,837
Buildings and improvements	-5,579	-4,993	-6,166
Other farm capital	1,963	69	3,857
Total depr. and other capital adj	-42,906	-58,751	-27,061
<b>Net farm income</b>	<b>\$22,249</b>	<b>\$-11,332</b>	<b>\$55,830</b>

Table 27.

**Liquidity Measures**  
**Michigan Cash Grain Farms, 800 - 1,199.9 Acres, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	14	7	7
Liquidity (cash)			
Net cash farm income	74,818	59,721	89,916
Net nonfarm income	26,671	36,711	16,630
Family living and taxes	38,474	35,301	41,648
Real estate principal payments	10,512	8,042	12,983
Cash available for interm. debt	52,502	53,089	51,916
Average intermediate debt	107,606	89,292	125,921
Years to turnover interm. debt	2.0	1.7	2.4
Expense as a % of income	78 %	81 %	76 %
Interest as a % of income	8 %	8 %	8 %
Liquidity (accrual)			
Total accrual farm income	327,384	289,657	365,112
Total accrual operating expense	262,230	242,238	282,221
Net accrual operating income	65,155	47,419	82,891
Net nonfarm income	26,671	36,711	16,630
Family living and taxes	38,474	35,301	41,648
Real estate principal payments	10,512	8,042	12,983
Available for intermediate debt	42,839	40,787	44,891
Average intermediate debt	107,606	89,292	125,921
Years to turnover interm. debt	2.5	2.2	2.8
Expense as a % of income	80 %	84 %	77 %
Interest as a % of income	7 %	7 %	7 %



Table 28.

**Balance Sheet at Cost Values**  
**Michigan Cash Grain Farms, 800 - 1,199.9 Acres, 2001**  
(Farms Sorted By Net Farm Income)

Number of farms	Avg. Of All Farms		Low 50%		High 50%	
	14		7		7	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	18,242	15,179	9,239	4,917	27,244	25,442
Prepaid expenses & supplies	20,378	31,986	12,455	25,838	28,300	38,135
Growing crops	4,343	4,212	4,009	4,733	4,677	3,691
Accounts receivable	9,731	13,111	6,124	11,589	13,338	14,633
Hedging accounts	1,330	682	0	0	2,660	1,364
Crops held for sale or feed	168,999	155,289	133,168	108,119	204,830	202,459
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	9,113	9,013	14,239	13,825	3,988	4,200
Other current assets	0	0	0	0	0	0
<b>Total current farm assets</b>	<b>232,135</b>	<b>229,472</b>	<b>179,234</b>	<b>169,021</b>	<b>285,037</b>	<b>289,923</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	5,617	5,575	4,329	4,929	6,906	6,221
Machinery and equipment	126,711	133,463	168,429	170,719	84,993	96,208
Other intermediate assets	7,135	6,976	10,503	9,438	3,767	4,514
<b>Total intermediate farm assets</b>	<b>139,463</b>	<b>146,015</b>	<b>183,260</b>	<b>185,085</b>	<b>95,666</b>	<b>106,944</b>
<b>Long Term Farm Assets</b>						
Farm land	276,622	277,236	254,291	254,291	298,953	300,182
Buildings and improvements	39,281	36,656	29,499	30,443	49,063	42,869
Other long-term assets	2,757	1,937	4,638	2,996	877	877
<b>Total long-term farm assets</b>	<b>318,660</b>	<b>315,829</b>	<b>288,428</b>	<b>287,730</b>	<b>348,893</b>	<b>343,928</b>
<b>Total Farm Assets</b>	<b>690,259</b>	<b>691,316</b>	<b>650,922</b>	<b>641,837</b>	<b>729,596</b>	<b>740,795</b>
<b>Total Nonfarm Assets</b>	<b>104,623</b>	<b>100,874</b>	<b>185,152</b>	<b>177,653</b>	<b>24,094</b>	<b>24,094</b>
<b>Total Assets</b>	<b>794,882</b>	<b>792,189</b>	<b>836,074</b>	<b>819,490</b>	<b>753,690</b>	<b>764,889</b>
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	9,224	6,455	10,238	7,194	8,210	5,715
Accounts payable	11,509	24,341	12,794	22,250	10,224	26,432
Current notes	85,939	88,415	67,040	73,694	104,837	103,136
Government crop loans	0	0	0	0	0	0
Principal due on term debt	39,002	41,756	29,504	31,383	48,500	52,129
<b>Total current farm liabilities</b>	<b>145,673</b>	<b>160,966</b>	<b>119,576</b>	<b>134,521</b>	<b>171,771</b>	<b>187,412</b>
<b>Total intermediate farm liabs</b>	<b>84,006</b>	<b>74,079</b>	<b>74,478</b>	<b>60,984</b>	<b>93,534</b>	<b>87,174</b>
<b>Total long term farm liabilities</b>	<b>182,911</b>	<b>172,690</b>	<b>141,665</b>	<b>143,966</b>	<b>224,157</b>	<b>201,415</b>
<b>Total farm liabilities</b>	<b>412,590</b>	<b>407,736</b>	<b>335,719</b>	<b>339,471</b>	<b>489,462</b>	<b>476,000</b>
<b>Total nonfarm liabilities</b>	<b>6,294</b>	<b>5,565</b>	<b>10,945</b>	<b>10,917</b>	<b>1,643</b>	<b>214</b>
<b>Total liabilities</b>	<b>418,884</b>	<b>413,301</b>	<b>346,664</b>	<b>350,388</b>	<b>491,105</b>	<b>476,215</b>
<b>Net worth (farm and nonfarm)</b>	<b>375,998</b>	<b>378,888</b>	<b>489,410</b>	<b>469,102</b>	<b>262,585</b>	<b>288,674</b>
<b>Net worth change</b>		<b>2,890</b>		<b>-20,308</b>		<b>26,089</b>
<b>Ratio Analysis</b>						
Current farm liabilities / assets	63 %	70 %	67 %	80 %	60 %	65 %
Curr. & interm farm liab. / assets	62 %	63 %	54 %	55 %	70 %	69 %
Long term farm liab. / assets	57 %	55 %	49 %	50 %	64 %	59 %
Total debt to asset ratio	53 %	52 %	41 %	43 %	65 %	62 %

Table 29.

**Balance Sheet at Market Values**  
**Michigan Cash Grain Farms, 800 - 1,199.9 Acres, 2001**  
**(Farms Sorted By Net Farm Income)**

Number of farms	Avg. Of All Farms		Low 50%		High 50%	
	14		7		7	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	18,242	15,179	9,239	4,917	27,244	25,442
Prepaid expenses & supplies	20,378	31,986	12,455	25,838	28,300	38,135
Growing crops	4,343	4,212	4,009	4,733	4,677	3,691
Accounts receivable	9,731	13,111	6,124	11,589	13,338	14,633
Hedging accounts	1,330	682	0	0	2,660	1,364
Crops held for sale or feed	168,999	155,289	133,168	108,119	204,830	202,459
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	9,113	9,013	14,239	13,825	3,988	4,200
Other current assets	0	0	0	0	0	0
<b>Total current farm assets</b>	<b>232,135</b>	<b>229,472</b>	<b>179,234</b>	<b>169,021</b>	<b>285,037</b>	<b>289,923</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	5,617	5,575	4,329	4,929	6,906	6,221
Machinery and equipment	332,068	352,027	393,142	418,388	270,993	285,667
Other intermediate assets	7,135	7,255	10,503	9,438	3,767	5,071
<b>Total intermediate farm assets</b>	<b>344,820</b>	<b>364,857</b>	<b>407,973</b>	<b>432,755</b>	<b>281,666</b>	<b>296,960</b>
<b>Long Term Farm Assets</b>						
Farm land	634,122	652,541	711,411	727,228	556,834	577,854
Buildings and improvements	48,501	47,730	45,080	45,539	51,921	49,921
Other long-term assets	2,757	1,937	4,638	2,996	877	877
<b>Total long-term farm assets</b>	<b>685,380</b>	<b>702,208</b>	<b>761,128</b>	<b>775,763</b>	<b>609,632</b>	<b>628,653</b>
<b>Total Farm Assets</b>	<b>1,262,335</b>	<b>1,296,537</b>	<b>1,348,336</b>	<b>1,377,539</b>	<b>1,176,335</b>	<b>1,215,535</b>
<b>Total Nonfarm Assets</b>	<b>162,869</b>	<b>183,620</b>	<b>239,577</b>	<b>260,630</b>	<b>86,160</b>	<b>106,609</b>
<b>Total Assets</b>	<b>1,425,204</b>	<b>1,480,157</b>	<b>1,587,913</b>	<b>1,638,169</b>	<b>1,262,495</b>	<b>1,322,145</b>
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	9,224	6,455	10,238	7,194	8,210	5,715
Accounts payable	11,509	24,341	12,794	22,250	10,224	26,432
Current notes	85,939	88,415	67,040	73,694	104,837	103,136
Government crop loans	0	0	0	0	0	0
Principal due on term debt	39,002	41,756	29,504	31,383	48,500	52,129
<b>Total current farm liabilities</b>	<b>145,673</b>	<b>160,966</b>	<b>119,576</b>	<b>134,521</b>	<b>171,771</b>	<b>187,412</b>
<b>Total intermediate farm liabs</b>	<b>84,006</b>	<b>74,079</b>	<b>74,478</b>	<b>60,984</b>	<b>93,534</b>	<b>87,174</b>
<b>Total long term farm liabilities</b>	<b>182,911</b>	<b>172,690</b>	<b>141,665</b>	<b>143,966</b>	<b>224,157</b>	<b>201,415</b>
<b>Total farm liabilities</b>	<b>412,590</b>	<b>407,736</b>	<b>335,719</b>	<b>339,471</b>	<b>489,462</b>	<b>476,000</b>
<b>Total nonfarm liabilities</b>	<b>6,294</b>	<b>5,565</b>	<b>10,945</b>	<b>10,917</b>	<b>1,643</b>	<b>214</b>
<b>Total liabs excluding deferreds</b>	<b>418,884</b>	<b>413,301</b>	<b>346,664</b>	<b>350,388</b>	<b>491,105</b>	<b>476,215</b>
<b>Total deferred liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total liabilities</b>	<b>418,884</b>	<b>413,301</b>	<b>346,664</b>	<b>350,388</b>	<b>491,105</b>	<b>476,215</b>
Retained earnings	375,998	378,888	489,410	469,102	262,585	288,674
Market valuation equity	630,322	687,967	751,839	818,679	508,804	557,256
<b>Net worth (farm and nonfarm)</b>	<b>1,006,320</b>	<b>1,066,856</b>	<b>1,241,249</b>	<b>1,287,781</b>	<b>771,390</b>	<b>845,930</b>
<b>Net worth excluding deferreds</b>	<b>1,006,320</b>	<b>1,066,856</b>	<b>1,241,249</b>	<b>1,287,781</b>	<b>771,390</b>	<b>845,930</b>
<b>Net worth change</b>		<b>60,536</b>		<b>46,532</b>		<b>74,540</b>
<b>Ratio Analysis</b>						
Current farm liabilities / assets	63 %	70 %	67 %	80 %	60 %	65 %
Curr. & interm farm liab. / assets	40 %	40 %	33 %	32 %	47 %	47 %
Long term farm liab. / assets	27 %	25 %	19 %	19 %	37 %	32 %
Total debt to asset ratio	29 %	28 %	22 %	21 %	39 %	36 %
Debt to assets excl deferreds	29 %	28 %	22 %	21 %	39 %	36 %

Table 30.

Statement Of Cash Flows  
**Michigan Cash Grain Farms, 800 - 1,199.9 Acres, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	14	7	7
Beginning cash (farm & nonfarm)	19,834	12,425	27,244
<b>Cash From Operating Activities</b>			
Gross cash farm income	338,594	308,929	368,258
Net nonfarm income	26,671	36,711	16,630
Total cash farm expense	-263,775	-249,209	-278,342
Apparent family living expense	-31,192	-23,278	-39,107
Income and social security tax	-7,282	-12,023	-2,541
Cash from operations	63,015	61,130	64,899
<b>Cash From Investing Activities</b>			
Sale of breeding livestock	522	-	1,044
Sale of machinery & equipment	2,447	1,022	3,871
Sale of farm land	-	-	-
Sale of farm buildings	159	-	318
Sale of other farm assets	5,237	7,364	3,110
Sale of nonfarm assets	-	-	-
Purchase of breeding livestock	-414	-554	-275
Purchase of machinery & equip.	-48,554	-57,184	-39,923
Purchase of farm land	-1,171	-	-2,343
Purchase of farm buildings	-3,113	-5,936	-290
Purchase of other farm assets	-2,295	-4,590	-
Purchase of nonfarm assets	-	-	-
Cash from investing activities	-47,183	-59,878	-34,487
<b>Cash From Financing Activities</b>			
Money borrowed	171,794	153,382	190,205
Cash transfers in	2,036	-	4,071
Principal payments	-187,445	-156,077	-218,813
Dividends paid	-	-	-
Gifts given	-3,963	-248	-7,677
Cash from financing activities	-17,578	-2,943	-32,214
Net change in cash balance	-1,746	-1,691	-1,802
Ending cash (farm & nonfarm)	18,088	10,734	25,442

Table 31.

**Financial Standards Measures**  
**Michigan Cash Grain Farms, 800 - 1,199.9 Acres, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	14	7	7
Liquidity			
Current ratio	1.43	1.26	1.55
Working capital	68,506	34,501	102,511
Solvency (market)			
Farm debt to asset ratio	31 %	25 %	39 %
Farm equity to asset ratio	69 %	75 %	61 %
Farm debt to equity ratio	46 %	33 %	64 %
Profitability (cost)			
Rate of return on farm assets	1.1 %	-4.2 %	5.7 %
Rate of return on farm equity	-5.8 %	-15.4 %	6.1 %
Operating profit margin	2.3 %	-9.7 %	11.7 %
Net farm income	22,249	-11,332	55,830
Repayment Capacity			
Term debt coverage ratio	123 %	138 %	113 %
Capital replacement margin	13,383	17,731	9,036
Efficiency			
Asset turnover rate (cost)	46.3 %	43.4 %	48.9 %
Operating expense ratio	72.9 %	76.6 %	70.0 %
Depreciation expense ratio	13.1 %	20.3 %	7.4 %
Interest expense ratio	7.2 %	7.0 %	7.3 %
Net farm income ratio	6.8 %	-3.9 %	15.3 %

Table 32.

**Operator and Labor Information**  
**Michigan Cash Grain Farms, 800 - 1,199.9 Acres, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	14	7	7
Operator Information			
Average number of operators	1.4	1.0	1.7
Results Per Operator			
Working capital	50,214	34,015	59,798
Total assets (market)	1,084,932	1,615,096	771,251
Total liabilities	302,943	345,453	277,792
Net worth (market)	781,989	1,269,644	493,459
Net worth excl deferred liabs	781,989	1,269,644	493,459
Gross farm income	239,968	285,577	212,982
Total farm expense	223,660	296,750	180,415
Net farm income	16,308	-11,172	32,567
Net nonfarm income	19,549	36,194	9,701
Family living withdrawals	28,201	34,804	24,295
Total acres owned	307.3	405.1	249.5
Total crop acres	753.0	935.4	645.1
Crop acres owned	272.3	356.0	222.9
Crop acres cash rented	414.2	478.9	376.0
Crop acres share rented	66.4	100.6	46.3
Labor Analysis			
Number of farms	14	7	7
Total unpaid labor hours	3,341	3,047	3,635
Total hired labor hours	630	656	603
Total labor hours per farm	3,971	3,703	4,238
Unpaid hours per operator	2,449	3,004	2,120
Value of farm production / hour	80.63	75.78	84.87
Net farm income / unpaid hour	6.66	-3.72	15.36

Table 33.

**Financial Summary**  
**Michigan Cash Grain Farms, 800 - 1,199.9 Acres, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	14	7	7
<b>Income Statement</b>			
Gross cash farm income	338,594	308,929	368,258
Total cash farm expense	263,775	249,209	278,342
Net cash farm income	74,818	59,721	89,916
Inventory change	-9,664	-12,302	-7,025
Depreciation and capital adjust	-42,906	-58,751	-27,061
Net farm income	22,249	-11,332	55,830
<b>Profitability (cost)</b>			
Labor and management earnings	4,978	-30,725	40,682
Rate of return on assets	1.1 %	-4.2 %	5.7 %
Rate of return on equity	-5.8 %	-15.4 %	6.1 %
Operating profit margin	2.3 %	-9.7 %	11.7 %
Asset turnover rate	46.3 %	43.4 %	48.9 %
<b>Profitability (market)</b>			
Labor and management earnings	3,238	-34,564	41,040
Rate of return on assets	3.2 %	0.8 %	5.9 %
Rate of return on equity	2.0 %	-0.9 %	6.1 %
Operating profit margin	12.7 %	3.9 %	19.5 %
Asset turnover rate	25.0 %	20.6 %	30.1 %
<b>Liquidity</b>			
Term debt coverage ratio	123.3 %	137.8 %	113.3 %
Expense as a percent of income	80.1 %	83.6 %	77.3 %
Interest as a percent of income	7.2 %	7.0 %	7.3 %
<b>Solvency (cost)</b>			
Number of farms	14	7	7
Ending farm assets	691,316	641,837	740,795
Ending farm liabilities	407,736	339,471	476,000
Ending total assets	792,189	819,490	764,889
Ending total liabilities	413,301	350,388	476,215
Ending net worth	378,888	469,102	288,674
Net worth change	2,890	-20,308	26,089
Ending farm debt to asset ratio	59 %	53 %	64 %
Beg total debt to asset ratio	53 %	41 %	65 %
End total debt to asset ratio	52 %	43 %	62 %
<b>Solvency (market)</b>			
Number of farms	14	7	7
Ending farm assets	1,296,537	1,377,539	1,215,535
Ending farm liabilities	407,736	339,471	476,000
Ending total assets	1,480,157	1,638,169	1,322,145
Ending total liabilities	413,301	350,388	476,215
Ending net worth	1,066,856	1,287,781	845,930
Net worth change	60,536	46,532	74,540
Ending farm debt to asset ratio	31 %	25 %	39 %
Beg total debt to asset ratio	29 %	22 %	39 %
End total debt to asset ratio	28 %	21 %	36 %
<b>Nonfarm Information</b>			
Net nonfarm income	26,671	36,711	16,630

Table 34.

**Crop Production and Marketing Summary**  
**Michigan Cash Grain Farms, 1,200 Acres or More, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	14	7	7
ACREAGE SUMMARY			
Total acres owned	653	793	513
Total crop acres	2,360	2,560	2,159
Crop acres owned	1,014	1,573	454
Crop acres cash rented	1,309	987	1,631
Crop acres share rented	37	-	74
AVERAGE PRICE RECEIVED (Cash Sales Only)			
Soybeans per bushel	4.47	-	-

Table 35.

**Farm Income Statement**  
**Michigan Cash Grain Farms, 1,200 Acres or More, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	14	7	7
Cash Farm Income			
Barley	226	452	-
Beans, Black Turtle	2,505	5,011	-
Beans, Light Red Kidney	1,646	3,292	-
Beans, Navy	1,398	2,797	-
Clover Seed	827	1,654	-
Cordwood	1,157	2,314	-
Corn	217,968	257,197	178,738
Corn Silage	1,200	2,400	-
Corn, Seed	29,150	3,992	54,308
Hay, Alfalfa	121	243	-
Hay, Mixed	1,530	3,061	-
Haylage, Alfalfa	262	524	-
Oats	4,750	9,499	-
Soybeans	144,607	147,703	141,510
Straw	5,990	11,931	49
Sweet Corn	12,504	25,008	-
Wheat, Soft Red Winter	4,545	9,091	-
Wheat, Winter	50,194	66,348	34,040
Beef, Background Beef	859	1,717	-
Hogs, Weaning to Finish	11,491	22,982	-
Other farm income	194,674	195,259	194,089
<b>Gross Cash Farm Income</b>	<b>\$687,605</b>	<b>\$772,475</b>	<b>\$602,734</b>



Table 36.

Farm Income Statement, continued  
**Michigan Cash Grain Farms, 1,200 Acres or More, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	14	7	7
Cash Farm Expense			
Seed	54,295	48,449	60,141
Fertilizer	91,678	96,530	86,826
Crop chemicals	52,994	45,229	60,759
Crop insurance	1,740	1,751	1,729
Drying fuel	2,596	1,280	3,912
Crop marketing	1,841	3,310	373
Crop miscellaneous	1,372	2,692	52
Feeder livestock purchase	4,089	8,178	-
Purchased feed	3,169	6,263	75
Livestock supplies	310	585	34
Interest	46,190	45,038	47,342
Fuel & oil	26,625	32,049	21,202
Repairs	43,942	54,362	33,522
Custom hire	12,295	20,999	3,591
Hired labor	39,100	57,593	20,608
Land rent	96,801	102,922	90,681
Machinery & bldg leases	19,761	20,403	19,120
Real estate taxes	14,062	19,896	8,228
Farm insurance	17,764	20,258	15,270
Utilities	11,235	9,975	12,494
Dues & professional fees	10,587	15,948	5,226
Hedging account deposits	258	517	-
Miscellaneous	23,225	27,565	18,885
Total cash expense	575,931	641,792	510,070
Net cash farm income	111,674	130,683	92,665
Inventory Changes			
Crops and feed	-43,003	-136,944	50,938
Market livestock	-198	-396	-
Accounts receivable	5,234	-3,111	13,580
Prepaid expenses and supplies	7,655	1,637	13,672
Accounts payable	-11,359	-13,426	-9,292
Total inventory change	-41,671	-152,240	68,898
Net operating profit	70,002	-21,558	161,562
Depreciation and Other Capital Adjustments			
Breeding livestock	-	-	-
Machinery and equipment	-56,509	-51,175	-61,843
Buildings and improvements	-18,136	-25,380	-10,892
Other farm capital	1,872	3,745	-
Total depr. and other capital adj	-72,773	-72,810	-72,736
<b>Net farm income</b>	<b>\$-2,770</b>	<b>\$-94,367</b>	<b>\$88,827</b>

Table 37.

**Liquidity Measures**  
**Michigan Cash Grain Farms, 1,200 Acres or More, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	14	7	7
Liquidity (cash)			
Net cash farm income	111,674	130,683	92,665
Net nonfarm income	22,389	38,083	6,696
Family living and taxes	61,483	66,478	56,487
Real estate principal payments	19,724	18,649	20,799
Cash available for interm. debt	52,856	83,638	22,074
Average intermediate debt	213,260	223,688	202,833
Years to turnover interm. debt	4.0	2.7	9.2
Expense as a % of income	84 %	83 %	85 %
Interest as a % of income	7 %	6 %	8 %
Liquidity (accrual)			
Total accrual farm income	649,638	632,024	667,252
Total accrual operating expense	579,636	653,581	505,690
Net accrual operating income	70,002	-21,558	161,562
Net nonfarm income	22,389	38,083	6,696
Family living and taxes	61,483	66,478	56,487
Real estate principal payments	19,724	18,649	20,799
Available for intermediate debt	11,185	-68,602	90,972
Average intermediate debt	213,260	223,688	202,833
Years to turnover interm. debt	19.1	**	2.2
Expense as a % of income	89 %	103 %	76 %
Interest as a % of income	8 %	8 %	7 %

\*\* Income insufficient to meet debt servicing requirements

Table 38.

**Balance Sheet at Cost Values**  
**Michigan Cash Grain Farms, 1,200 Acres or More, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms		Low 50%		High 50%	
	14		7		7	
Number of farms	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	19,392	17,767	22,065	10,595	16,719	24,940
Prepaid expenses & supplies	49,396	57,051	70,479	72,116	28,313	41,986
Growing crops	27,772	14,434	31,529	19,502	24,015	9,366
Accounts receivable	30,313	49,211	38,185	47,532	22,440	50,890
Hedging accounts	999	1,115	1,297	1,471	701	758
Crops held for sale or feed	335,250	292,671	456,966	320,869	213,534	264,472
Crops under government loan	4,925	4,501	9,850	9,003	0	0
Market livestock held for sale	9,552	9,354	19,104	18,708	0	0
Other current assets	22,396	21,954	44,371	43,766	421	143
<b>Total current farm assets</b>	<b>499,995</b>	<b>468,059</b>	<b>693,846</b>	<b>543,562</b>	<b>306,144</b>	<b>392,555</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	0	0	0	0	0	0
Machinery and equipment	254,718	250,470	283,900	268,714	225,536	232,226
Other intermediate assets	26,118	30,327	10,604	13,193	41,632	47,460
<b>Total intermediate farm assets</b>	<b>280,836</b>	<b>280,797</b>	<b>294,504</b>	<b>281,908</b>	<b>267,168</b>	<b>279,687</b>
<b>Long Term Farm Assets</b>						
Farm land	462,698	582,749	480,975	682,505	444,422	482,993
Buildings and improvements	87,043	108,521	98,329	130,251	75,758	86,791
Other long-term assets	913	462	1,329	429	496	496
<b>Total long-term farm assets</b>	<b>550,654</b>	<b>691,732</b>	<b>580,633</b>	<b>813,184</b>	<b>520,676</b>	<b>570,281</b>
<b>Total Farm Assets</b>	<b>1,331,486</b>	<b>1,440,588</b>	<b>1,568,984</b>	<b>1,638,654</b>	<b>1,093,987</b>	<b>1,242,522</b>
<b>Total Nonfarm Assets</b>	<b>76,755</b>	<b>112,696</b>	<b>80,148</b>	<b>119,411</b>	<b>73,362</b>	<b>105,981</b>
<b>Total Assets</b>	<b>1,408,241</b>	<b>1,553,284</b>	<b>1,649,132</b>	<b>1,758,065</b>	<b>1,167,349</b>	<b>1,348,503</b>
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	10,709	13,290	9,219	13,592	12,200	12,988
Accounts payable	46,675	55,454	89,336	98,390	4,014	12,518
Current notes	272,153	315,073	255,319	309,468	288,987	320,678
Government crop loans	4,925	4,394	9,850	8,788	0	0
Principal due on term debt	73,382	60,631	73,276	49,125	73,488	72,137
<b>Total current farm liabilities</b>	<b>407,845</b>	<b>448,842</b>	<b>437,000</b>	<b>479,363</b>	<b>378,689</b>	<b>418,321</b>
<b>Total intermediate farm liabs</b>	<b>175,401</b>	<b>156,007</b>	<b>193,427</b>	<b>163,401</b>	<b>157,376</b>	<b>148,614</b>
<b>Total long term farm liabilities</b>	<b>213,141</b>	<b>338,640</b>	<b>247,498</b>	<b>438,200</b>	<b>178,783</b>	<b>239,080</b>
<b>Total farm liabilities</b>	<b>796,386</b>	<b>943,489</b>	<b>877,925</b>	<b>1,080,963</b>	<b>714,848</b>	<b>806,015</b>
<b>Total nonfarm liabilities</b>	<b>9,988</b>	<b>30,677</b>	<b>11,738</b>	<b>10,766</b>	<b>8,238</b>	<b>50,588</b>
<b>Total liabilities</b>	<b>806,374</b>	<b>974,166</b>	<b>889,663</b>	<b>1,091,729</b>	<b>723,086</b>	<b>856,603</b>
<b>Net worth (farm and nonfarm)</b>	<b>601,866</b>	<b>579,118</b>	<b>759,469</b>	<b>666,336</b>	<b>444,264</b>	<b>491,900</b>
<b>Net worth change</b>	<b>-22,748</b>		<b>-93,133</b>		<b>47,636</b>	
<b>Ratio Analysis</b>						
Current farm liabilities / assets	82 %	96 %	63 %	88 %	124 %	107 %
Curr. & interm farm liab. / assets	75 %	81 %	64 %	78 %	94 %	84 %
Long term farm liab. / assets	39 %	49 %	43 %	54 %	34 %	42 %
Total debt to asset ratio	57 %	63 %	54 %	62 %	62 %	64 %

Table 39.

**Balance Sheet at Market Values**  
**Michigan Cash Grain Farms, 1,200 Acres or More, 2001**  
**(Farms Sorted By Net Farm Income)**

Number of farms	Avg. Of All Farms 14		Low 50% 7		High 50% 7	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	19,392	17,767	22,065	10,595	16,719	24,940
Prepaid expenses & supplies	49,396	57,051	70,479	72,116	28,313	41,986
Growing crops	27,772	14,434	31,529	19,502	24,015	9,366
Accounts receivable	30,313	49,211	38,185	47,532	22,440	50,890
Hedging accounts	999	1,115	1,297	1,471	701	758
Crops held for sale or feed	335,250	292,671	456,966	320,869	213,534	264,472
Crops under government loan	4,925	4,501	9,850	9,003	0	0
Market livestock held for sale	9,552	9,354	19,104	18,708	0	0
Other current assets	22,396	21,954	44,371	43,766	421	143
<b>Total current farm assets</b>	<b>499,995</b>	<b>468,059</b>	<b>693,846</b>	<b>543,562</b>	<b>306,144</b>	<b>392,555</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	0	0	0	0	0	0
Machinery and equipment	592,379	648,538	635,952	713,466	548,806	583,610
Other intermediate assets	26,118	27,135	10,604	6,810	41,632	47,460
<b>Total intermediate farm assets</b>	<b>618,497</b>	<b>675,673</b>	<b>646,556</b>	<b>720,276</b>	<b>590,438</b>	<b>631,070</b>
<b>Long Term Farm Assets</b>						
Farm land	906,053	1,077,327	1,025,541	1,226,428	786,564	928,226
Buildings and improvements	121,155	157,713	180,116	234,188	62,194	81,238
Other long-term assets	913	462	1,329	429	496	496
<b>Total long-term farm assets</b>	<b>1,028,120</b>	<b>1,235,503</b>	<b>1,206,986</b>	<b>1,461,044</b>	<b>849,255</b>	<b>1,009,961</b>
<b>Total Farm Assets</b>	<b>2,146,612</b>	<b>2,379,234</b>	<b>2,547,388</b>	<b>2,724,882</b>	<b>1,745,837</b>	<b>2,033,586</b>
<b>Total Nonfarm Assets</b>	<b>157,066</b>	<b>237,369</b>	<b>210,387</b>	<b>246,365</b>	<b>103,744</b>	<b>228,373</b>
<b>Total Assets</b>	<b>2,303,678</b>	<b>2,616,603</b>	<b>2,757,776</b>	<b>2,971,247</b>	<b>1,849,581</b>	<b>2,261,959</b>
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	10,709	13,290	9,219	13,592	12,200	12,988
Accounts payable	46,675	55,454	89,336	98,390	4,014	12,518
Current notes	272,153	315,073	255,319	309,468	288,987	320,678
Government crop loans	4,925	4,394	9,850	8,788	0	0
Principal due on term debt	73,382	60,631	73,276	49,125	73,488	72,137
<b>Total current farm liabilities</b>	<b>407,845</b>	<b>448,842</b>	<b>437,000</b>	<b>479,363</b>	<b>378,689</b>	<b>418,321</b>
<b>Total intermediate farm liabs</b>	<b>175,401</b>	<b>156,007</b>	<b>193,427</b>	<b>163,401</b>	<b>157,376</b>	<b>148,614</b>
<b>Total long term farm liabilities</b>	<b>213,141</b>	<b>338,640</b>	<b>247,498</b>	<b>438,200</b>	<b>178,783</b>	<b>239,080</b>
<b>Total farm liabilities</b>	<b>796,386</b>	<b>943,489</b>	<b>877,925</b>	<b>1,080,963</b>	<b>714,848</b>	<b>806,015</b>
<b>Total nonfarm liabilities</b>	<b>9,988</b>	<b>30,677</b>	<b>11,738</b>	<b>10,766</b>	<b>8,238</b>	<b>50,588</b>
<b>Total liabs excluding deferreds</b>	<b>806,374</b>	<b>974,166</b>	<b>889,663</b>	<b>1,091,729</b>	<b>723,086</b>	<b>856,603</b>
<b>Total deferred liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total liabilities</b>	<b>806,374</b>	<b>974,166</b>	<b>889,663</b>	<b>1,091,729</b>	<b>723,086</b>	<b>856,603</b>
<b>Retained earnings</b>	<b>601,866</b>	<b>579,118</b>	<b>759,469</b>	<b>666,336</b>	<b>444,264</b>	<b>491,900</b>
<b>Market valuation equity</b>	<b>895,438</b>	<b>1,063,319</b>	<b>1,108,644</b>	<b>1,213,182</b>	<b>682,232</b>	<b>913,456</b>
<b>Net worth (farm and nonfarm)</b>	<b>1,497,304</b>	<b>1,642,437</b>	<b>1,868,113</b>	<b>1,879,518</b>	<b>1,126,495</b>	<b>1,405,356</b>
<b>Net worth excluding deferreds</b>	<b>1,497,304</b>	<b>1,642,437</b>	<b>1,868,113</b>	<b>1,879,518</b>	<b>1,126,495</b>	<b>1,405,356</b>
<b>Net worth change</b>	<b>145,133</b>	<b>145,133</b>	<b>11,405</b>	<b>11,405</b>	<b>278,861</b>	<b>278,861</b>
<b>Ratio Analysis</b>						
Current farm liabilities / assets	82 %	96 %	63 %	88 %	124 %	107 %
Curr. & interm farm liab. / assets	52 %	53 %	47 %	51 %	60 %	55 %
Long term farm liab. / assets	21 %	27 %	21 %	30 %	21 %	24 %
Total debt to asset ratio	35 %	37 %	32 %	37 %	39 %	38 %
Debt to assets excl deferreds	35 %	37 %	32 %	37 %	39 %	38 %

Table 40.

Statement Of Cash Flows  
**Michigan Cash Grain Farms, 1,200 Acres or More, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	14	7	7
Beginning cash (farm & nonfarm)	19,392	22,065	16,719
<b>Cash From Operating Activities</b>			
Gross cash farm income	687,605	772,475	602,734
Net nonfarm income	22,389	38,083	6,696
Total cash farm expense	-575,931	-641,792	-510,070
Apparent family living expense	-51,680	-52,057	-51,303
Income and social security tax	-9,803	-14,421	-5,184
Cash from operations	72,580	102,287	42,874
<b>Cash From Investing Activities</b>			
Sale of breeding livestock	-	-	-
Sale of machinery & equipment	8,539	2,786	14,293
Sale of farm land	4,854	-	9,709
Sale of farm buildings	-	-	-
Sale of other farm assets	9,642	8,440	10,845
Sale of nonfarm assets	958	1,916	-
Purchase of breeding livestock	-	-	-
Purchase of machinery & equip.	-60,801	-38,775	-82,826
Purchase of farm land	-116,838	-201,530	-32,146
Purchase of farm buildings	-39,614	-57,301	-21,926
Purchase of other farm assets	-11,528	-6,383	-16,673
Purchase of nonfarm assets	-26,742	-15,468	-38,016
Cash from investing activities	-231,529	-306,316	-156,742
<b>Cash From Financing Activities</b>			
Money borrowed	383,063	388,526	377,600
Cash transfers in	283	546	20
Principal payments	-225,923	-196,315	-255,531
Dividends paid	-	-	-
Gifts given	-99	-198	0
Cash from financing activities	157,324	192,558	122,089
Net change in cash balance	-1,625	-11,470	8,221
Ending cash (farm & nonfarm)	17,767	10,595	24,940

Table 41.

Financial Standards Measures  
**Michigan Cash Grain Farms, 1,200 Acres or More, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	14	7	7
Liquidity			
Current ratio	1.04	1.13	0.94
Working capital	19,217	64,200	-25,766
Solvency (market)			
Farm debt to asset ratio	40 %	40 %	40 %
Farm equity to asset ratio	60 %	60 %	60 %
Farm debt to equity ratio	66 %	66 %	66 %
Profitability (cost)			
Rate of return on farm assets	-0.9 %	-6.6 %	6.8 %
Rate of return on farm equity	-11.9 %	-24.8 %	7.8 %
Operating profit margin	-2.0 %	-17.1 %	12.0 %
Net farm income	-2,770	-94,367	88,827
Repayment Capacity			
Term debt coverage ratio	17 %	-48 %	94 %
Capital replacement margin	-64,174	-123,903	-4,445
Efficiency			
Asset turnover rate (cost)	46.3 %	38.5 %	57.1 %
Operating expense ratio	81.7 %	95.6 %	68.6 %
Depreciation expense ratio	11.2 %	11.5 %	10.9 %
Interest expense ratio	7.5 %	7.8 %	7.2 %
Net farm income ratio	-0.4 %	-14.9 %	13.3 %

Table 42.

**Operator and Labor Information**  
**Michigan Cash Grain Farms, 1,200 Acres or More, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	14	7	7
<b>Operator Information</b>			
Average number of operators	1.4	1.6	1.1
<b>Results Per Operator</b>			
Working capital	14,160	40,854	-22,546
Total assets (market)	1,928,023	1,890,793	1,979,214
Total liabilities	717,806	694,736	749,528
Net worth (market)	1,210,217	1,196,057	1,229,686
Net worth excl deferred liabs	1,210,217	1,196,057	1,229,686
Gross farm income	478,681	402,197	583,846
Total farm expense	480,722	462,249	506,122
Net farm income	-2,041	-60,052	77,723
Net nonfarm income	16,497	24,234	5,859
Family living withdrawals	45,303	42,304	49,426
Total acres owned	481.1	504.5	448.9
Total crop acres	1,738.7	1,629.1	1,889.3
Crop acres owned	746.9	1,000.9	397.7
Crop acres cash rented	964.7	628.2	1,427.3
Crop acres share rented	27.1	-	64.4
<b>Labor Analysis</b>			
Number of farms	14	7	7
Total unpaid labor hours	3,638	3,837	3,438
Total hired labor hours	3,453	5,013	1,893
Total labor hours per farm	7,090	8,850	5,330
Unpaid hours per operator	2,680	2,442	3,008
Value of farm production / hour	90.60	69.78	125.16
Net farm income / unpaid hour	-0.76	-24.59	25.84

Table 43.

**Financial Summary**  
**Michigan Cash Grain Farms, 1,200 Acres or More, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	14	7	7
<b>Income Statement</b>			
Gross cash farm income	687,605	772,475	602,734
Total cash farm expense	575,931	641,792	510,070
Net cash farm income	111,674	130,683	92,665
Inventory change	-41,671	-152,240	68,898
Depreciation and capital adjust	-72,773	-72,810	-72,736
Net farm income	-2,770	-94,367	88,827
<b>Profitability (cost)</b>			
Labor and management earnings	-35,225	-133,584	63,133
Rate of return on assets	-0.9 %	-6.6 %	6.8 %
Rate of return on equity	-11.9 %	-24.8 %	7.8 %
Operating profit margin	-2.0 %	-17.1 %	12.0 %
Asset turnover rate	46.3 %	38.5 %	57.1 %
<b>Profitability (market)</b>			
Labor and management earnings	37,170	-85,945	160,285
Rate of return on assets	4.9 %	0.1 %	11.6 %
Rate of return on equity	4.4 %	-2.9 %	15.1 %
Operating profit margin	17.2 %	0.3 %	32.9 %
Asset turnover rate	28.4 %	23.4 %	35.3 %
<b>Liquidity</b>			
Term debt coverage ratio	17.0 %	-47.6 %	93.7 %
Expense as a percent of income	89.2 %	103.4 %	75.8 %
Interest as a percent of income	7.5 %	7.8 %	7.2 %
<b>Solvency (cost)</b>			
Number of farms	14	7	7
Ending farm assets	1,440,588	1,638,654	1,242,522
Ending farm liabilities	943,489	1,080,963	806,015
Ending total assets	1,553,284	1,758,065	1,348,503
Ending total liabilities	974,166	1,091,729	856,603
Ending net worth	579,118	666,336	491,900
Net worth change	-22,748	-93,133	47,636
Ending farm debt to asset ratio	65 %	66 %	65 %
Beg total debt to asset ratio	57 %	54 %	62 %
End total debt to asset ratio	63 %	62 %	64 %
<b>Solvency (market)</b>			
Number of farms	14	7	7
Ending farm assets	2,379,234	2,724,882	2,033,586
Ending farm liabilities	943,489	1,080,963	806,015
Ending total assets	2,616,603	2,971,247	2,261,959
Ending total liabilities	974,166	1,091,729	856,603
Ending net worth	1,642,437	1,879,518	1,405,356
Net worth change	145,133	11,405	278,861
Ending farm debt to asset ratio	40 %	40 %	40 %
Beg total debt to asset ratio	35 %	32 %	39 %
End total debt to asset ratio	37 %	37 %	38 %
<b>Nonfarm Information</b>			
Net nonfarm income	22,389	38,083	6,696



## Per Unit Income and Expense

Table 44 gives the per acre of cash income, cash expense and depreciation for 38 of the 49 cash grain farms. Eleven of the 49 did not report individual crop yields. The 38 had an average of 1,308 crop acres. These included owned acres plus land cash and share rented which were cropped.

Table 44. **Average Income and Expense Items, Michigan, 2001**  
Cash Grain Farms, Per Acre

		Your Farm
Total Crop Acres	1,308.0	
<b>Income Items per Acre</b>		
Corn	\$106	_____
Soybeans	58	_____
Government	53	_____
Custom work	10	_____
Wheat	22	_____
All Other Income	40	_____
<b>Expense Items per Acre</b>		
Seed	\$22.67	_____
Fertilizer	38.58	_____
Crop chemicals	22.70	_____
Crop insurance	0.98	_____
Drying fuel	1.22	_____
Crop marketing	1.62	_____
Crop miscellaneous	0.70	_____
Livestock cost items	3.95	_____
Interest	19.34	_____
Fuel and oil	11.98	_____
Repairs	20.09	_____
Custom hire	7.08	_____
Hired labor	12.66	_____
Land rent	36.73	_____
Leases	5.87	_____
Real estate taxes	6.99	_____
Farm insurance	8.31	_____
Utilities	5.31	_____
Dues, prof. fees	3.53	_____
Miscellaneous	8.91	_____
Machine depreciation	28.31	_____
Buildings depreciation	5.29	_____