



**AgEcon** SEARCH  
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

*The World's Largest Open Access Agricultural & Applied Economics Digital Library*

**This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.**

**Help ensure our sustainability.**

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

[aesearch@umn.edu](mailto:aesearch@umn.edu)

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

# ***Staff Paper***

## **1997 Business Analysis Summary for Swine Farms**

by  
**Sherrill B. Nott**  
nott@pilot.msu.edu

**Staff Paper #98-23**

**August 1998**

**Copyright:** 1998 by Sherrill B. Nott. All rights reserved. Readers may make verbatim copies of this document for non-commercial purposes by any means, provided that this copyright notice appears on all such copies.



Department of Agricultural Economics  
MICHIGAN STATE UNIVERSITY  
East Lansing, Michigan 48824

MSU is an Affirmative Action/Equal Opportunity Institution

# 1997 BUSINESS ANALYSIS SUMMARY FOR SWINE FARMS

## Michigan Data from Telfarm/MicroTel and AgriSolutions Staff Paper No. 98-23

by

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

36 pages

### Introduction

- I. This report is organized as follows:
  - A. List and sequence of Tables
  - B. Data Source
- II. List and sequence of Tables
  - A. Averages of 20 Farrow to Finish Swine Farms, All Sizes
    - 1. Livestock Production Summary, 1997..... Page 4
    - 2. Farm Income Statement..... Page 5
    - 3. Farm Income Statement, continued..... Page 6
    - 4. Inventory Changes..... Page 7
    - 5. Depreciation, Capital Adjustments..... Page 8
    - 6. Profitability & Liquidity Analysis..... Page 9
    - 7. Balance Sheet at Cost Values..... Page 10
    - 8. Balance Sheet at Market Values..... Page 11
    - 9. Statement of Cash Flows, 1997..... Page 12
    - 10. Financial Guidelines Measures, 1997..... Page 13
    - 11. Operator Information and Nonfarm Summary, 1997..... Page 14
  - B. Averages of 9 Farrow to Finish Swine Farms, 140 to 240 Sows
    - 12. Livestock Production Summary, 1997..... Page 15
    - 13. Farm Income Statement, 1997..... Page 16
    - 14. Farm Income Statement, 1997, continued..... Page 17
    - 15. Inventory Changes, 1997..... Page 18
    - 16. Depreciation and Other Capital Adjustments, 1997..... Page 19
    - 17. Profitability and Liquidity Analysis, 1997..... Page 20
    - 18. Balance Sheet at Cost Value, 1997..... Page 21
    - 19. Balance Sheet at Market Value, 1997..... Page 22
    - 20. Statement of Cash Flows, 1997..... Page 23
    - 21. Financial Guidelines Measures, 1997..... Page 24
    - 22. Operator Information & NonFarm Summary, 1997..... Page 25
  - C. Averages of 10 Farrow to Finish Swine Farms, 375 to 2,500 Sows
    - 23. Livestock Production Summary, 1997..... Page 26
    - 24. Farm Income Statement, 1997..... Page 27
    - 25. Farm Income Statement, 1997, continued..... Page 28
    - 26. Inventory Changes, 1997..... Page 29
    - 27. Depreciation and Other Capital Adjustments, 1997..... Page 30
    - 28. Profitability And Liquidity Analysis, 1997..... Page 31
    - 29. Balance Sheet at Cost Values, 1997..... Page 32
    - 30. Balance Sheet at Market Values, 1997..... Page 33
    - 31. Statement of Cash Flows, 1997..... Page 34

---

<sup>1</sup>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.

32.	Financial Guidelines Measures, 1997.....	Page 35
33.	Operator Information & NonFarm Summary, 1997.....	Page 36

## 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. Swine farms have 50 percent or more of value of combined sales from fat hogs, feeder pigs and cull breeding hogs..

This report is a summary of the financial and production records kept by swine 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 Finan<sup>2</sup> summary was completed on 1997 data including beginning and ending balance sheets, income and expenses plus crop acres and yields. 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. 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 swine 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 Finansum,<sup>3</sup> a different software package than had been previously used for doing annual analysis. For weine farm averages for 1995, see Staff Paper No. 96-86, Michigan Farm Database, New Directions for 1995; it contains averages of 19 swine farms calculated with Finansum. Staff Paper No. 97-30, Business Analysis Summary for Swine Farms, contains averages of 17 swine farms for 1996. These staff papers are available from me.

Finansum allows rapid analysis of group averages with some degree of choice over how the results are presented. We chose to show the average of the high or low 25 percent by net income, but only if the 25 percent meant 6 or more farms. In order to get at least 6 farms, we increased the percentage to 34 for the swine farms. The farm was accepted in the average regardless of whether the farm was a proprietorship, partnership, limited liability company, or corporation. Finansum will produce a variety of report options; a subset is included in this publication.

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 or with AgriSolutions. The averages may be representative of bigger and better managed swine farms.

This document may be found and downloaded from the following:

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

---

<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.

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

**Table 1.**

**Livestock Production Summary, 1997**  
**Farrow to Finish, 12 Michigan Counties**  
**(Farms sorted by Net Farm Income)**

	Average Of All Farms	Average Of Low 34%	Average Of High 34%
Hogs, Farrow To Finish			
Number of farms	19	6	7
Average number of sows	565.5	354.2	700.6
Litters farrowed	984	563	1468
Litters per sow	1.74	1.59	2.10
Litters per crate	15.78	16.17	14.18
Pigs born per litter	10.00	9.74	10.41
Pigs weaned per litter	8.89	8.60	9.22
Pigs weaned per sow	14.76	13.55	17.78
Number sold per litter	6.65	7.65	7.12
Avg wgt/Raised Hog sold	254	236	265
Avg price / cwt	57.64	57.20	55.17

CROP PRODUCTION AND MARKETING SUMMARY, 1997

Number of Farms	20	7	7
ACREAGE SUMMARY			
Total Acres Owned	453	117	666
Total Crop Acres	543	150	1008
Crop Acres Owned	276	39	392
Crop Acres Cash Rented	234	73	563
Crop Acres Share Rented	32	39	53
Total Pasture Acres	-	-	-
AVERAGE PRICE RECEIVED (Cash Sales Only)			
Soybeans per bu.	6.59	-	6.56
Wheat, Winter per bu.	3.38	-	-
AVERAGE YIELD PER ACRE			
Corn (bu.)	115.16	-	-
Soybeans (bu.)	45.54	-	-
Wheat, Winter (bu.)	64.55	-	-
Hay, Grass (ton)	1.27	-	-
Hay, Alfalfa (ton)	3.28	-	-
Straw (ton)	0.91	-	-

**Table 2.**

**FARM INCOME STATEMENT, 1997**  
**Farrow to Finish, 12 Michigan Counties**  
**(Farms sorted by Net Farm Income)**

	Average Of All Farms	Average Of Low 34%	Average Of High 34%
Number of Farms	20	7	7
<b>CASH FARM INCOME</b>			
Corn	4329	1736	10631
Mixed Hay	57	9	-
Soybeans	40528	7019	104138
Straw	165	-	202
Sweet Corn	328	-	-
Timber	95	271	-
Winter Wheat	6171	1116	14680
Beef Calves	1255	-	3587
Finish Beef Calves	404	-	-
Raised Hogs	933628	505386	1591059
Feeder Pigs	8126	18239	611
Finish Feeder Pigs	43	122	-
Mkt Lambs	55	157	-
Cull breeding livestock	48524	9938	50986
Deficiency payments	2813	807	7231
Other government payments	8670	2811	15068
Custom work income	2929	4268	1790
Patronage dividends, cash	101	12	181
Insurance income	2604	17	5822
Cash from hedging accts	-416	-	-108
Other farm income	39014	3311	101370
<b>Gross Cash Farm Income</b>	<b>1099423</b>	<b>555219</b>	<b>1907248</b>

Table 3.

**FARM INCOME STATEMENT, 1997 (Continued)**  
**Farrow to Finish, 12 Michigan Counties**  
**(Farms sorted by Net Farm Income)**

	Average Of All Farms	Average Of Low 34%	Average Of High 34%
Number of Farms	20	7	7
<b>CASH FARM EXPENSE</b>			
Seed	13057	3557	25484
Fertilizer	18570	10259	34819
Crop chemicals	17495	5054	26072
Crop insurance	1854	168	2406
Drying fuel	4775	252	8687
Crop marketing	72	61	144
Crop miscellaneous	311	433	391
Feeder livestock purchase	6027	12074	4007
Purchased feed	428372	294615	722518
Breeding fees	8375	1713	11707
Veterinary	23942	14218	35064
Livestock supplies	6369	6082	10864
Livestock leases	334	866	88
Livestock marketing	5149	3328	5402
Interest	59438	34420	88356
Fuel & oil	10575	7601	16405
Repairs	30973	14539	47391
Custom hire	59419	18629	118810
Hired labor	88260	28629	179780
Land rent	19043	6272	46517
Machinery & bldg leases	10331	17848	10920
Real estate taxes	6309	2936	11245
Personal property taxes	125	358	-
Farm insurance	8630	6029	12828
Utilities	25291	14110	37725
Dues & professional fees	3863	3724	4098
Hedging account deposits	100	-	-
Miscellaneous	88205	8593	106428
Total cash expense	945263	516371	1568156
Net cash farm income	154161	38848	339092
<b>INVENTORY CHANGES</b>			
Crops and feed	32642	-634	79569
Market livestock	-3057	-16274	-4792
Accounts receivable	4334	36	12408
Prepaid expenses and supplies	-3346	3108	-6596
Accounts payable	884	-5566	9660
Total inventory change	31457	-19329	90249
Net operating profit	185618	19519	429341
<b>DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS</b>			
Breeding livestock	-22546	-26651	-27403
Machinery and equipment	-30380	-22938	-49317
Buildings and improvements	-37821	-10827	-71847
Other farm capital	3088	5635	4074
Total depr. and other capital adj	-87660	-54781	-144493
Net farm income	97959	-35262	284848

**Table 4.**

**INVENTORY CHANGES, 1997**  
**Farrow to Finish, 12 Michigan Counties**  
**(Farms sorted by Net Farm Income)**

	Average Of All Farms	Average Of Low 34%	Average Of High 34%
Number of Farms	20	7	7
Net cash farm income	154161	38848	339092
<b>CROPS AND FEED</b>			
Ending inventory	108268	30224	196782
Beginning inventory	75626	30857	117213
Inventory change	32642	-634	79569
<b>MARKET LIVESTOCK</b>			
Ending inventory	241690	150422	353264
Beginning inventory	244746	166696	358056
Inventory change	-3057	-16274	-4792
<b>ACCTS RECEIVABLE &amp; OTHER CURRENT ASSETS</b>			
Ending inventory	7569	1069	17943
Beginning inventory	3236	1033	5535
Inventory change	4334	36	12408
<b>PREPAID EXPENSES AND SUPPLIES</b>			
Ending inventory	28681	19961	51933
Beginning inventory	32028	16852	58529
Inventory change	-3346	3108	-6596
<b>ACCOUNTS PAYABLE</b>			
Beginning inventory	37344	31260	49832
Ending inventory	36460	36827	40173
Inventory change	884	-5566	9660
Total inventory change	31457	-19329	90249
Net operating profit	185618	19519	429341



**Table 5. DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS, 1997**  
**Farrow to Finish, 12 Michigan Counties**  
**Farms sorted by Net Farm Income)**

	Average Of All Farms	Average Of Low 34%	Average Of High 34%
Number of Farms	20	7	7
Net operating profit	185618	19519	429341
BREEDING LIVESTOCK			
Ending inventory	133725	61386	224840
Capital sales	5088	6445	3067
Beginning inventory	121972	64946	183224
Capital purchases	39388	29536	72086
Depreciation, capital adj.	-22546	-26651	-27403
MACHINERY AND EQUIPMENT			
Ending inventory	117879	74126	184631
Capital sales	5618	5943	8965
Beginning inventory	108309	58448	175769
Capital purchases	45568	44559	67144
Depreciation, capital adj.	-30380	-22938	-49317
BUILDINGS AND IMPROVEMENTS			
Ending inventory	240015	81354	443302
Capital sales	4005	-	-
Beginning inventory	265634	85008	493077
Capital purchases	16206	7173	22072
Depreciation, capital adj.	-37821	-10827	-71847
OTHER CAPITAL ASSETS			
Ending inventory	82236	22988	203033
Capital sales	55873	6919	147280
Beginning inventory	32887	23321	60526
Capital purchases	102134	951	285714
Depreciation, capital adj.	3088	5635	4074
Total depreciation, capital adj.	-87660	-54781	-144493
Net farm income	97959	-35262	284848

Table 6.

**PROFITABILITY AND LIQUIDITY ANALYSIS, 1997****Farrow to Finish, 12 Michigan Counties****(Farms sorted by Net Farm Income)**

	Avg. Of All Farms	Avg. Of Low 34 %	Avg. Of High 34 %	Avg. Of All Farms	Avg. Of Low 34 %	Avg. Of High 34 %
Number of Farms	20	7	7	20	7	7
<b>PROFITABILITY</b>	----- Cost -----			----- Market -----		
Net farm income	97959	-35262	284848	201618	11916	490196
Labor and management earnings	71173	-43066	236633	145693	-11167	402498
Rate of return on assets	9.9 %	-5.7 %	17.6 %	13.0 %	2.1 %	20.9 %
Rate of return on equity	13.4 %	-105.4 %	29.4 %	17.3 %	-5.0 %	30.2 %
Operating profit margin	17.4 %	-14.5 %	26.1 %	32.7 %	8.5 %	42.6 %
Asset turnover rate	57.3 %	39.3 %	67.4 %	39.7 %	24.9 %	49.1 %
Interest on farm net worth	26786	7804	48215	55925	23083	87699
Farm interest expense	60837	35575	86885	60837	35575	86885
Value of operator lbr and mgmt.	41328	30044	48224	41328	30044	48224
Return on farm assets	117467	-29731	323509	221126	17447	528857
Average farm assets	1180705	521967	1839331	1701756	822740	2528999
Return on farm equity	56630	-65305	236624	160289	-18128	441972
Average farm equity	421505	61970	803586	924388	362744	1461645
Value of farm production	676398	205009	1240505	676398	205009	1240505
				Average Of All Farms	Average Of Low 34 %	Average Of High 34 %
Number of Farms				20	7	7
<b>LIQUIDITY (Cash)</b>						
Net cash farm income		154161	38848	339092		
Net nonfarm income		5143	6933	3498		
Family living and taxes		47107	35174	71052		
Real estate principal payments		22366	12066	23855		
Cash available for interm. debt		89830	-1459	247683		
Average intermediate debt		161629	135827	234538		
Years to turnover interm. debt		1.8	**	0.9		
Expense as a % of income		86 %	93 %	82 %		
Interest as a % of income		5 %	6 %	5 %		
<b>LIQUIDITY (Accrual)</b>						
Total accrual farm income		1133343	538348	1994433		
Total accrual farm expense		947725	518830	1565093		
Net accrual operating income		185618	19519	429341		
Net nonfarm income		5143	6933	3498		
Family living and taxes		47107	35174	71052		
Real estate principal payments		22366	12066	23855		
Available for intermediate debt		121287	-20788	337932		
Average intermediate debt		161629	135827	234538		
Years to turnover interm. debt		1.3	**	0.7		
Expense as a % of income		84 %	96 %	78 %		
Interest as a % of income		5 %	7 %	4 %		

\*\* Income insufficient to meet debt servicing requirements

Table 7.

**BALANCE SHEET AT COST VALUES, 1997**  
**Farrow to Finish, 12 Michigan Counties**  
**(Farms sorted by Net Farm Income)**

Number of Farms	Average Of All Farms		Average Of Low 34 %		Average Of High 34 %	
	20		7		7	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>ASSETS</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	20055	29262	18712	18040	25972	50404
Prepaid expenses & supplies	32028	28681	16852	19961	58529	51933
Growing crops	1973	2466	504	855	4061	3996
Accounts receivable	747	2375	529	214	-	6158
Hedging accounts	10	12	-	-	29	29
Crops held for sale or feed	75626	108268	30857	30224	117213	196782
Crops under government loan	-	-	-	-	-	-
Market livestock held for sale	244746	241690	166696	150422	358056	353264
Other current assets	506	2716	-	-	1445	7761
<b>Total current farm assets</b>	<b>375690</b>	<b>415470</b>	<b>234150</b>	<b>219715</b>	<b>565304</b>	<b>670326</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	121972	133725	64946	61386	183224	224840
Machinery and equipment	108309	117879	58448	74126	175769	184631
Other intermediate assets	24566	66623	8671	8364	51401	173050
<b>Total intermediate farm assets</b>	<b>254847</b>	<b>318228</b>	<b>132065</b>	<b>143876</b>	<b>410395</b>	<b>582521</b>
<b>Long-Term Farm Assets</b>						
Farm land	224209	243384	50317	68174	234921	239709
Buildings and improvements	265634	240015	85008	81354	493077	443302
Other long-term assets	8321	15612	14650	14624	9125	29983
<b>Total long-term farm assets</b>	<b>498164</b>	<b>499012</b>	<b>149975</b>	<b>164152</b>	<b>737123</b>	<b>712994</b>
<b>Total Farm Assets</b>	<b>1128701</b>	<b>1232709</b>	<b>516190</b>	<b>527743</b>	<b>1712822</b>	<b>1965841</b>
Total Nonfarm Assets	32062	41795	32043	32151	58726	86548
<b>Total Assets</b>	<b>1160763</b>	<b>1274504</b>	<b>548233</b>	<b>559894</b>	<b>1771548</b>	<b>2052389</b>
<b>LIABILITIES</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	8773	10173	6129	7283	9320	7849
Accounts payable	28571	26287	25131	29544	40512	32324
Current notes	243891	173893	62411	113999	423351	190022
Government crop loans	-	-	-	-	-	-
Principal due on term debt	56439	51303	39942	45682	81363	59485
<b>Total current farm liabilities</b>	<b>338135</b>	<b>262975</b>	<b>134044</b>	<b>196939</b>	<b>554546</b>	<b>292129</b>
<b>Intermediate Farm Liabilities</b>						
Intermediate Farm Liabilities	135815	127783	103513	109606	223063	167037
<b>Long-term Farm Liabilities</b>						
Long-term Farm Liabilities	260824	392868	187645	188246	236695	598019
<b>Total Farm Liabilities</b>	<b>734774</b>	<b>783625</b>	<b>425202</b>	<b>494791</b>	<b>1014304</b>	<b>1057185</b>
Total Nonfarm Liabilities	2079	12156	3747	6758	2193	27973
<b>Total Liabilities</b>	<b>736853</b>	<b>795781</b>	<b>428948</b>	<b>501549</b>	<b>1016497</b>	<b>1085159</b>
Net Worth (farm and nonfarm)	423910	478723	119285	58345	755050	967230
Net Worth Change		54813		-60939		212180
<b>RATIO ANALYSIS</b>						
Current Farm Liabilities / Assets	90 %	63 %	57 %	90 %	98 %	44 %
Curr. & Interm Farm Liab / Assets	75 %	53 %	65 %	84 %	80 %	37 %
Long Term Farm Liab. / Assets	52 %	79 %	125 %	115 %	32 %	84 %
Total Liabilities / Assets	63 %	62 %	78 %	90 %	57 %	53 %

**Table 8.**

**BALANCE SHEET AT MARKET VALUES, 1997**  
**Farrow to Finish, 12 Michigan Counties**  
**(Farms sorted by Net Farm Income)**

Number of Farms	Average Of All Farms		Average Of Low 34 %		Average Of High 34 %	
	20		7		7	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>ASSETS</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	20055	29262	18712	18040	25972	50404
Prepaid expenses & supplies	32028	28681	16852	19961	58529	51933
Growing crops	1973	2466	504	855	4061	3996
Accounts receivable	747	2375	529	214	-	6158
Hedging accounts	10	12	-	-	29	29
Crops held for sale or feed	75626	108268	30857	30224	117213	196782
Crops under government loan	-	-	-	-	-	-
Market livestock held for sale	244746	241690	166696	150422	358056	353264
Other current assets	506	2716	-	-	1445	7761
<b>Total current farm assets</b>	<b>375690</b>	<b>415470</b>	<b>234150</b>	<b>219715</b>	<b>565304</b>	<b>670326</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	121158	139738	65929	80893	179916	222512
Machinery and equipment	253780	275721	139873	167478	397456	416378
Other intermediate assets	25430	65505	11140	5168	51401	173050
<b>Total intermediate farm assets</b>	<b>400369</b>	<b>480964</b>	<b>216942</b>	<b>253538</b>	<b>628773</b>	<b>811941</b>
<b>Long-Term Farm Assets</b>						
Farm land	498065	547065	151577	185371	521167	588089
Buildings and improvements	316799	345609	171770	172786	585533	659403
Other long-term assets	8147	15336	18936	20695	4341	23121
<b>Total long-term farm assets</b>	<b>823010</b>	<b>908010</b>	<b>342283</b>	<b>378853</b>	<b>1111041</b>	<b>1270613</b>
<b>Total Farm Assets</b>	<b>1599068</b>	<b>1804443</b>	<b>793375</b>	<b>852106</b>	<b>2305118</b>	<b>2752880</b>
<b>Total Nonfarm Assets</b>	<b>36928</b>	<b>43161</b>	<b>32043</b>	<b>32723</b>	<b>72629</b>	<b>89879</b>
<b>Total Assets</b>	<b>1635996</b>	<b>1847604</b>	<b>825418</b>	<b>884828</b>	<b>2377747</b>	<b>2842759</b>
<b>LIABILITIES</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	8773	10173	6129	7283	9320	7849
Accounts payable	28571	26287	25131	29544	40512	32324
Current notes	243891	173893	62411	113999	423351	190022
Government crop loans	-	-	-	-	-	-
Principal due on term debt	56439	51303	39942	45682	81363	59485
<b>Total current farm liabilities</b>	<b>338135</b>	<b>262975</b>	<b>134044</b>	<b>196939</b>	<b>554546</b>	<b>292129</b>
<b>Intermediate Farm Liabilities</b>	<b>135815</b>	<b>127783</b>	<b>103513</b>	<b>109606</b>	<b>223063</b>	<b>167037</b>
<b>Long-term Farm Liabilities</b>	<b>260824</b>	<b>392868</b>	<b>187645</b>	<b>188246</b>	<b>236695</b>	<b>598019</b>
<b>Total Farm Liabilities</b>	<b>734774</b>	<b>783625</b>	<b>425202</b>	<b>494791</b>	<b>1014304</b>	<b>1057185</b>
<b>Total Nonfarm Liabilities</b>	<b>2079</b>	<b>12156</b>	<b>3747</b>	<b>6758</b>	<b>2193</b>	<b>27973</b>
<b>Total Deferred Liabilities</b>	<b>20351</b>	<b>16860</b>	<b>-</b>	<b>-</b>	<b>39874</b>	<b>25843</b>
<b>Total Liabilities</b>	<b>757204</b>	<b>812641</b>	<b>428948</b>	<b>501549</b>	<b>1056371</b>	<b>1111001</b>
<b>Net Worth (farm and nonfarm)</b>	<b>878792</b>	<b>1034962</b>	<b>396470</b>	<b>383280</b>	<b>1321375</b>	<b>1731757</b>
<b>Net Worth Change</b>		<b>156170</b>		<b>-13190</b>		<b>410382</b>
<b>RATIO ANALYSIS</b>						
Current Farm Liabilities / Assets	90 %	63 %	57 %	90 %	98 %	44 %
Curr. & Interm Farm Liab. / Assets	61 %	44 %	53 %	65 %	65 %	31 %
Long Term Farm Liabilities / Assets	32 %	43 %	55 %	50 %	21 %	47 %
Total Liabilities / Assets	46 %	44 %	52 %	57 %	44 %	39 %

Table 9

**STATEMENT OF CASH FLOWS, 1997**  
**Farrow to Finish, 12 Michigan Counties**  
**(Farms sorted by Net Farm Income)**

	Average Of All Farms	Average Of Low 34%	Average Of High 34%
Number of Farms	20	7	7
(a) Beginning cash balance (farm & nonfarm)	20655	20426	25972
CASH FROM OPERATING ACTIVITIES			
Gross cash farm income	1099423	555219	1907248
Net nonfarm income (+)	5143	6933	3498
Total cash farm expense (-)	945263	516371	1568156
Apparent family living expense (-)	45960	34801	70132
Income and social security tax (-)	1147	373	920
(b) Cash from operations (=)	112196	10607	271538
CASH FROM INVESTING ACTIVITIES			
Sale of breeding livestock	5088	6445	3067
Sale of machinery & equipment (+)	5618	5943	8965
Sale of farm land (+)	1097	-	3107
Sale of farm buildings (+)	4005	-	-
Sale of other farm assets (+)	55873	6919	147280
Sale of nonfarm assets (+)	15	-	-
Purchase of breeding livestock (-)	39388	29536	72086
Purchase of machinery & equip. (-)	45568	44559	67144
Purchase of farm land (-)	20715	17929	8764
Purchase of farm buildings (-)	16206	7173	22072
Purchase of other farm assets (-)	102134	951	285714
Purchase of nonfarm assets (-)	669	-	966
(c) Cash from investing activities (=)	-154841	-80840	-299633
CASH FROM FINANCING ACTIVITIES			
Money borrowed	594066	187346	1348473
Cash gifts and inheritances (+)	545	818	87
Principal payments (-)	543279	120216	1295938
Dividends paid (-)	-	-	-
Gifts given (-)	81	101	95
(d) Cash from financing activities (=)	51252	67846	52527
(e) Net change in cash balance (b+c+d)	8607	-2387	24432
Ending cash balance (farm & nonfarm)	29262	18040	50404

**Table 10.**

**FINANCIAL GUIDELINES MEASURES, 1997**  
**Farrow to Finish, 12 Michigan Counties**  
**(Farms sorted by Net Farm Income)**

	Average For All Farms		Average For Low 34 %		Average For High 34 %	
Number of Farms	20		7		7	
<b>LIQUIDITY</b>	Beginning	Ending	Beginning	Ending	Beginning	Ending
Current ratio	1.11	1.58	1.75	1.12	1.02	2.29
Working capital	37554	152495	100106	22776	10758	378196
<b>SOLVENCY (Market)</b>	Beginning	Ending	Beginning	Ending	Beginning	Ending
Farm debt to asset ratio	47 %	44 %	54 %	58 %	46 %	40 %
Farm equity to asset ratio	53 %	56 %	46 %	42 %	54 %	60 %
Farm debt to equity ratio	89 %	80 %	115 %	138 %	84 %	66 %
<b>PROFITABILITY</b>	Cost	Market	Cost	Market	Cost	Market
Rate of return on farm assets	9.9 %	13.0 %	-5.7 %	2.1 %	17.6 %	20.9 %
Rate of return on farm equity	13.4 %	17.3 %	-105.4 %	-5.0 %	29.4 %	30.2 %
Operating profit margin	17.4 %	32.7 %	-14.5 %	8.5 %	26.1 %	42.6 %
Net farm income	97959	201618	-35262	11916	284848	490196
<b>REPAYMENT CAPACITY</b>	Cash	Accrual	Cash	Accrual	Cash	Accrual
Term debt coverage ratio	171 %	212 %	51 %	20 %	292 %	382 %
Capital replacement margin	55467	86925	-30163	-49492	190175	280423
<b>EFFICIENCY</b>						
Asset turnover rate (market)	39.7 %		24.9 %		49.1 %	
Operating expense ratio	78.3 %		89.8 %		74.1 %	
Depreciation expense ratio	7.7 %		10.2 %		7.2 %	
Interest expense ratio	5.4 %		6.6 %		4.4 %	
Net farm income ratio	8.6 %		-6.6 %		14.3 %	
<b>LABOR ANALYSIS</b>						
	Average For All Farms		Average For Low 34 %		Average For High 34 %	
Number of Farms	19		7		7	
Total unpaid labor hours	3483		3503		3743	
Total hired labor hours	6076		3003		11633	
Total labor hours per farm	9559		6506		15376	
Value of farm production / hour	66.62		31.51		80.68	
Net farm income / unpaid hour	28.69		-10.07		76.10	

**Table 11. OPERATOR INFORMATION & NONFARM SUMMARY, 1997**  
**Farrow to Finish, 12 Michigan Counties**  
**(Farms sorted by Net Farm Income)**

	Average Of All Farms	Average Of Low 34%	Average Of High 34%
Number of Farms	20	7	7
OPERATOR INFORMATION			
Average number of operators	1.5	1.1	1.7
Average age of operators	46.8	41.4	52.2
Average number of years farming	24.1	17.4	29.4
NONFARM INCOME			
Nonfarm wages & salary	1764	3688	-
Nonfarm business income	-459	-	-1311
Nonfarm rental income	1744	3087	-
Nonfarm interest income	813	157	2153
Nonfarm cash dividends	-	-	-
Tax refunds	310	-	-
Nontaxable nonfarm income	-	-	-
Gifts and inheritances	545	818	87
Other nonfarm income	970	-	2656
Total nonfarm income	5688	7751	3585
NONFARM ASSETS (Mkt)			
	Average For All Farms		
	Beginning	Ending	
Checking & savings	600	-	
Stocks & bonds	2153	1965	
Other current assets	1200	978	
Furniture & appliances	4850	5650	
Nonfarm vehicles	950	2025	
Cash value of life ins.	5187	6572	
Retirement accounts	5134	8367	
Other intermediate assets	79	79	
Nonfarm real estate	16775	17525	
Other long term assets	-	-	
Total nonfarm assets	36928	43161	

**Table 12**

**Livestock Production Summary, 1997**  
**140 to 240 Sows, 7 Michigan Counties**  
**(Average of all farms reporting)**

	Average Of All Farms
Hogs, Farrow To Finish	
Number of farms	8
Average number of sows	170.1
Litters farrowed	197
Litters per sow	1.16
Litters per crate	12.05
Pigs born per litter	10.38
Pigs weaned per litter	8.93
Pigs weaned per sow	10.16
Number sold per litter	11.14
Avg wgt/Raised Hog sold	227
Avg price / cwt	57.24
	Average Of All Farms
Number of Farms	9
ACREAGE SUMMARY	
Total Acres Owned	336
Total Crop Acres	402
Crop Acres Owned	243
Crop Acres Cash Rented	130
Crop Acres Share Rented	30
AVERAGE PRICE RECEIVED (Cash Sales Only)	
AVERAGE YIELD PER ACRE	
Corn (bu.)	101.00
Wheat, Winter (bu.)	66.05
Soybeans (bu.)	50.52
Hay, Alfalfa (ton)	1.62



**Table 13.**

**FARM INCOME STATEMENT, 1997**  
**140 to 240 Sows, 7 Michigan Counties**  
**(Average of all farms reporting)**

	Average Of All Farms
Number of Farms	9
<b>CASH FARM INCOME</b>	
Corn	5707
Alfalfa Hay	21
Soybeans	28031
Straw	211
Sweet Corn	729
Timber	211
Winter Wheat	9849
Beef Calves	86
Finish Beef Calves	898
Raised Hogs	259723
Feeder Pigs	17736
Finish Feeder Pigs	95
Lamb Finishing	78
Mkt Lambs	122
Wool	7
Cull breeding livestock	7832
Deficiency payments	3142
Other government payments	7451
Custom work income	3713
Patronage dividends, cash	88
Insurance income	2577
Cash from hedging accts	-397
Other farm income	3484
<b>Gross Cash Farm Income</b>	<b>351395</b>

Table 14.

**FARM INCOME STATEMENT, 1997 (Continued)**  
**140 to 240 Sows, 7 Michigan Counties**  
**(Average of all farms reporting)**

	Average Of All Farms
Number of Farms	9
CASH FARM EXPENSE	
Seed	8900
Fertilizer	23027
Crop chemicals	9117
Crop insurance	1252
Drying fuel	2020
Crop miscellaneous	233
Feeder livestock purchase	1218
Purchased feed	102562
Breeding fees	1909
Veterinary	6768
Livestock supplies	2972
Livestock leases	742
Livestock marketing	3403
Interest	19448
Fuel & oil	7798
Repairs	14679
Custom hire	1477
Hired labor	16343
Land rent	8407
Machinery & bldg leases	1116
Real estate taxes	3009
Personal property taxes	279
Farm insurance	4856
Utilities	10704
Dues & professional fees	2333
Miscellaneous	32208
Total cash expense	286782
Net cash farm income	64614
INVENTORY CHANGES	
Crops and feed	17982
Market livestock	-8848
Accounts receivable	-529
Prepaid expenses and supplies	4217
Accounts payable	982
Total inventory change	13804
Net operating profit	78418
DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS	
Breeding livestock	-16870
Machinery and equipment	-11151
Buildings and improvements	-8179
Other farm capital	2684
Total depr. and other capital adj	-33516
Net farm income	44901

**Table 15.**

**INVENTORY CHANGES, 1997**  
**140 to 240 Sows, 7 Michigan Counties**  
**(Average of all farms reporting)**

	Average Of All Farms
Number of Farms	9
Net cash farm income	64614
<b>CROPS AND FEED</b>	
Ending inventory	73975
Beginning inventory	55993
Inventory change	17982
<b>MARKET LIVESTOCK</b>	
Ending inventory	61381
Beginning inventory	70229
Inventory change	-8848
<b>ACCTS RECEIVABLE &amp; OTHER CURRENT ASSETS</b>	
Ending inventory	2818
Beginning inventory	3347
Inventory change	-529
<b>PREPAID EXPENSES AND SUPPLIES</b>	
Ending inventory	25686
Beginning inventory	21468
Inventory change	4217
<b>ACCOUNTS PAYABLE</b>	
Beginning inventory	10244
Ending inventory	9262
Inventory change	982
Total inventory change	13804
Net operating profit	78418

**Table 16.**

**DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS, 1997**  
**140 to 240 Sows, 7 Michigan Counties**  
**(Average of all farms reporting)**

	Average Of All Farms
Number of Farms	9
Net operating profit	78418
<b>BREEDING LIVESTOCK</b>	
Ending inventory	27303
Capital sales	3163
Beginning inventory	35678
Capital purchases	11659
Depreciation, capital adj.	-16870
<b>MACHINERY AND EQUIPMENT</b>	
Ending inventory	70672
Capital sales	4199
Beginning inventory	55506
Capital purchases	30517
Depreciation, capital adj.	-11151
<b>BUILDINGS AND IMPROVEMENTS</b>	
Ending inventory	56830
Capital sales	-
Beginning inventory	55737
Capital purchases	9272
Depreciation, capital adj.	-8179
<b>OTHER CAPITAL ASSETS</b>	
Ending inventory	23224
Capital sales	16357
Beginning inventory	22148
Capital purchases	14749
Depreciation, capital adj.	2684
Total depreciation, capital adj.	-33516
Net farm income	44901

Table 17.

**PROFITABILITY AND LIQUIDITY ANALYSIS, 1997****140 to 240 Sows, 7 Michigan Counties****(Average of all farms reporting)**

	Average Of All Farms	Average Of All Farms
Number of Farms	9	9
PROFITABILITY	--- Cost ---	-- Market --
Net farm income	44901	67493
Labor and management earnings	31132	34455
Rate of return on assets	5.7 %	6.0 %
Rate of return on equity	3.4 %	5.5 %
Operating profit margin	11.3 %	20.8 %
Asset turnover rate	50.1 %	29.1 %
Interest on farm net worth	13769	33039
Farm interest expense	20241	20241
Value of operator lbr and mgmt.	37993	37993
Return on farm assets	27148	49741
Average farm assets	477648	822780
Return on farm equity	6908	29500
Average farm equity	204207	533550
Value of farm production	239350	239350
	Average Of All Farms	
Number of Farms	9	
LIQUIDITY (Cash)		
Net cash farm income	64614	
Net nonfarm income	6848	
Family living and taxes	41955	
Real estate principal payments	7419	
Cash available for interm. debt	22088	
Average intermediate debt	74810	
Years to turnover interm. debt	3.4	
Expense as a % of income	82 %	
Interest as a % of income	6 %	
LIQUIDITY (Accrual)		
Total accrual farm income	360000	
Total accrual farm expense	281583	
Net accrual operating income	78418	
Net nonfarm income	6848	
Family living and taxes	41955	
Real estate principal payments	7419	
Available for intermediate debt	35891	
Average intermediate debt	74810	
Years to turnover interm. debt	2.1	
Expense as a % of income	78 %	
Interest as a % of income	6 %	

Table 18.

**BALANCE SHEET AT COST VALUES, 1997**  
**140 to 240 Sows, 7 Michigan Counties**  
**(Average of all farms reporting)**

	Average For All Farms	
Number of Farms	9	
	Beginning	Ending
<b>ASSETS</b>		
Current Farm Assets		
Cash and checking balance	8395	6908
Prepaid expenses & supplies	21468	25686
Growing crops	2698	2624
Accounts receivable	411	167
Hedging accounts	23	27
Crops held for sale or feed	55993	73975
Crops under government loan	-	-
Market livestock held for sale	70229	61381
Other current assets	216	-
Total current farm assets	159433	170767
Intermediate Farm Assets		
Breeding livestock	35678	27303
Machinery and equipment	55506	70672
Other intermediate assets	14235	14635
Total intermediate farm assets	105418	112611
Long-Term Farm Assets		
Farm land	126248	151749
Buildings and improvements	55737	56830
Other long-term assets	7914	8588
Total long-term farm assets	189899	217168
Total Farm Assets	454749	500546
Total Nonfarm Assets	25128	25890
Total Assets	479877	526435
<b>LIABILITIES</b>		
Current Farm Liabilities		
Accrued interest	1941	2734
Accounts payable	8303	6528
Current notes	50957	56244
Government crop loans	-	-
Principal due on term debt	19091	26535
Total current farm liabilities	80292	92041
Intermediate Farm Liabilities	55698	64174
Long-term Farm Liabilities	118341	136335
Total Farm Liabilities	254331	292550
Total Nonfarm Liabilities	-	-
Total Liabilities	254331	292550
Net Worth (farm and nonfarm)	225547	233885
Net Worth Change		8338
<b>RATIO ANALYSIS</b>		
Current Farm Liabilities / Assets	50 %	54 %
Curr. & Inter Farm Liab / Assets	51 %	55 %
Long Term Farm Liab. / Assets	62 %	63 %
Total Liabilities / Assets	53 %	56 %

Table 19.

**BALANCE SHEET AT MARKET VALUES, 1997**  
**140 to 240 Sows, 7 Michigan Counties**  
**(Average of all farms reporting)**

	Average For All Farms	
Number of Farms	9	
	Beginning	Ending
<b>ASSETS</b>		
Current Farm Assets		
Cash and checking balance	8395	6908
Prepaid expenses & supplies	21468	25686
Growing crops	2698	2624
Accounts receivable	411	167
Hedging accounts	23	27
Crops held for sale or feed	55993	73975
Crops under government loan	-	-
Market livestock held for sale	70229	61381
Other current assets	216	-
Total current farm assets	159433	170767
Intermediate Farm Assets		
Breeding livestock	36144	25493
Machinery and equipment	156636	172413
Other intermediate assets	14235	14635
Total intermediate farm assets	207014	212541
Long-Term Farm Assets		
Farm land	379505	428756
Buildings and improvements	33530	38514
Other long-term assets	7526	7974
Total long-term farm assets	420562	475245
Total Farm Assets	787008	858552
Total Nonfarm Assets	25128	24556
Total Assets	812136	883108
<b>LIABILITIES</b>		
Current Farm Liabilities		
Accrued interest	1941	2734
Accounts payable	8303	6528
Current notes	50957	56244
Government crop loans	-	-
Principal due on term debt	19091	26535
Total current farm liabilities	80292	92041
Intermediate Farm Liabilities	55698	64174
Long-term Farm Liabilities	118341	136335
Total Farm Liabilities	254331	292550
Total Nonfarm Liabilities	-	-
Total Deferred Liabilities	14212	17367
Total Liabilities	268543	309917
Net Worth (farm and nonfarm)	543594	573191
Net Worth Change		29597
<b>RATIO ANALYSIS</b>		
Current Farm Liabilities / Assets	50 %	54 %
Curr. & Interim Farm Liab. / Assets	37 %	41 %
Long Term Farm Liabilities / Assets	28 %	29 %
Total Liabilities / Assets	33 %	35 %

Table 20.

**STATEMENT OF CASH FLOWS, 1997**  
**140 to 240 Sows, 7 Michigan Counties**  
**(Average of all farms reporting)**

	Average Of All Farms
Number of Farms	9
(a) Beginning cash balance (farm & nonfarm)	9729
CASH FROM OPERATING ACTIVITIES	
Gross cash farm income	351395
Net nonfarm income (+)	6848
Total cash farm expense (-)	286782
Apparent family living expense (-)	40961
Income and social security tax (-)	993
(b) Cash from operations (=)	29507
CASH FROM INVESTING ACTIVITIES	
Sale of breeding livestock	3163
Sale of machinery & equipment (+)	4199
Sale of farm land (+)	2439
Sale of farm buildings (+)	-
Sale of other farm assets (+)	16357
Sale of nonfarm assets (+)	-
Purchase of breeding livestock (-)	11659
Purchase of machinery & equip. (-)	30517
Purchase of farm land (-)	32090
Purchase of farm buildings (-)	9272
Purchase of other farm assets (-)	14749
Purchase of nonfarm assets (-)	-
(c) Cash from investing activities (=)	-72128
CASH FROM FINANCING ACTIVITIES	
Money borrowed	139969
Cash gifts and inheritances (+)	644
Principal payments (-)	100788
Dividends paid (-)	-
Gifts given (-)	25
(d) Cash from financing activities (=)	39800
(e) Net change in cash balance (b+c+d)	-2821
Ending cash balance (farm & nonfarm)	6908



Table 21.

**FINANCIAL GUIDELINES MEASURES, 1997**  
**140 to 240 Sows, 7 Michigan Counties**  
**(Average of all farms reporting)**

	Average For All Farms	
Number of Farms	9	
<b>LIQUIDITY</b>	<b>Beginning</b>	<b>Ending</b>
Current ratio	1.99	1.86
Working capital	79141	78726
<b>SOLVENCY (Market)</b>	<b>Beginning</b>	<b>Ending</b>
Farm debt to asset ratio	34 %	36 %
Farm equity to asset ratio	66 %	64 %
Farm debt to equity ratio	52 %	56 %
<b>PROFITABILITY</b>	<b>Cost</b>	<b>Market</b>
Rate of return on farm assets	5.7 %	6.0 %
Rate of return on farm equity	3.4 %	5.5 %
Operating profit margin	11.3 %	20.8 %
Net farm income	44901	67493
<b>REPAYMENT CAPACITY</b>	<b>Cash</b>	<b>Accrual</b>
Term debt coverage ratio	137 %	187 %
Capital replacement margin	10416	24220
<b>EFFICIENCY</b>		
Asset turnover rate (market)	29.1 %	
Operating expense ratio	72.6 %	
Depreciation expense ratio	9.3 %	
Interest expense ratio	5.6 %	
Net farm income ratio	12.5 %	

LABOR ANALYSIS

	Average For All Farms	
Number of Farms	9	
Total unpaid labor hours	3718	
Total hired labor hours	1103	
Total labor hours per farm	4821	
Value of farm production / hour	49.65	
Net farm income / unpaid hour	12.08	

Table 22.

**OPERATOR INFORMATION & NONFARM SUMMARY, 1997**  
**140 to 240 Sows, 7 Michigan Counties**  
**(Average of all farms reporting)**

	Average Of All Farms	
Number of Farms	9	
OPERATOR INFORMATION		
Average number of operators	1.4	
Average age of operators	41.4	
Average number of years farming	17.6	
NONFARM INCOME		
Nonfarm wages & salary	2222	
Nonfarm business income	-	
Nonfarm rental income	1655	
Nonfarm interest income	127	
Nonfarm cash dividends	-	
Tax refunds	688	
Nontaxable nonfarm income	-	
Gifts and inheritances	644	
Other nonfarm income	2156	
Total nonfarm income	7492	
	Average For All Farms	
	Beginning	Ending
NONFARM ASSETS (Mkt)		
Checking & savings	1333	-
Stocks & bonds	-	444
Other current assets	-	-
Furniture & appliances	5000	5000
Nonfarm vehicles	889	889
Cash value of life ins.	317	195
Retirement accounts	1478	1917
Other intermediate assets	-	-
Nonfarm real estate	16111	16111
Other long term assets	-	-
Total nonfarm assets	25128	24556

**Table 23.**

**Livestock Production Summary, 1997**  
**375 to 2,500 Sows, 8 Southern MI Counties**  
**(Average of all farms reporting)**

	Average Of All Farms
Hogs, Farrow To Finish	
Number of farms	10
Average number of sows	933.9
Litters farrowed	1705
Litters per sow	1.83
Litters per crate	16.30
Pigs born per litter	9.96
Pigs weaned per litter	8.89
Pigs weaned per sow	15.45
Number sold per litter	6.24
Avg wgt/Raised Hog sold	258
Avg price / cwt	57.72
CROP AND MARKETING SUMMARY, 1997	
Number of Farms	10
ACREAGE SUMMARY	
Total Acres Owned	594
Total Crop Acres	713
Crop Acres Owned	329
Crop Acres Cash Rented	347
Crop Acres Share Rented	37
AVERAGE YIELD PER ACRE	
Corn (bu.)	118.20
Soybeans (bu.)	44.72
Wheat, Winter (bu.)	63.99
Hay, Grass (ton)	1.35
Hay, Alfalfa (ton)	4.03

**Table 24.**

**FARM INCOME STATEMENT, 1997**  
**375 to 2,500 Sows, 8 Southern MI Counties**  
**(Average of all farms reporting)**

	Average Of All Farms
Number of Farms	10
<b>CASH FARM INCOME</b>	
Corn	3521
Mixed Hay	115
Soybeans	55827
Straw	141
Winter Wheat	3034
Beef Calves	2434
Raised Hogs	1628329
Feeder Pigs	290
Cull breeding livestock	89290
Misc. livestock income	13
Deficiency payments	2359
Other government payments	10634
Custom work income	2516
Patronage dividends, cash	123
Insurance income	2888
Cash from hedging accts	-476
Other farm income	74749
Gross Cash Farm Income	1875786

Table 25.

**FARM INCOME STATEMENT, 1997 (Continued)**  
**375 to 2,500 Sows, 8 Southern MI Counties**  
**(Average of all farms reporting)**

	Average Of All Farms
Number of Farms	10
<b>CASH FARM EXPENSE</b>	
Seed	17823
Fertilizer	16057
Crop chemicals	26535
Crop insurance	2526
Drying fuel	7555
Crop marketing	100
Crop miscellaneous	412
Feeder livestock purchase	10958
Purchased feed	762751
Breeding fees	15033
Veterinary	41639
Livestock supplies	9872
Livestock marketing	7234
Interest	101372
Fuel & oil	13989
Repairs	48096
Custom hire	117509
Hired labor	161797
Land rent	30399
Machinery & bldg leases	19655
Real estate taxes	9746
Farm insurance	12680
Utilities	40949
Dues & professional fees	5473
Hedging account deposits	200
Miscellaneous	147345
Total cash expense	1627705
Net cash farm income	248081
<b>INVENTORY CHANGES</b>	
Crops and feed	49191
Market livestock	2168
Accounts receivable	9153
Prepaid expenses and supplies	-10374
Accounts payable	885
Total inventory change	51024
Net operating profit	299105
<b>DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS</b>	
Breeding livestock	-29891
Machinery and equipment	-49503
Buildings and improvements	-68030
Other farm capital	3761
Total depr. and other capital adj	-143664
Net farm income	155441

**Table 26.**

**INVENTORY CHANGES, 1997**  
**375 to 2,500 Sows, 8 Southern MI Counties**  
**(Average of all farms reporting)**

	Average Of All Farms
Number of Farms	10
Net cash farm income	248081
CROPS AND FEED	
Ending inventory	148106
Beginning inventory	98915
Inventory change	49191
MARKET LIVESTOCK	
Ending inventory	427006
Beginning inventory	424837
Inventory change	2168
ACCTS RECEIVABLE & OTHER CURRENT ASSETS	
Ending inventory	12444
Beginning inventory	3291
Inventory change	9153
PREPAID EXPENSES AND SUPPLIES	
Ending inventory	33370
Beginning inventory	43745
Inventory change	-10374
ACCOUNTS PAYABLE	
Beginning inventory	65469
Ending inventory	64584
Inventory change	885
Total inventory change	51024
Net operating profit	299105

**Table 27.**

**DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS, 1997**  
**375 to 2,500 Sows, 8 Southern MI Counties**  
**(Average of all farms reporting)**

	Average Of All Farms
Number of Farms	10
Net operating profit	299105
BREEDING LIVESTOCK	
Ending inventory	242431
Capital sales	7279
Beginning inventory	211373
Capital purchases	68228
Depreciation, capital adj.	-29891
MACHINERY AND EQUIPMENT	
Ending inventory	171528
Capital sales	7433
Beginning inventory	165826
Capital purchases	62638
Depreciation, capital adj.	-49503
BUILDINGS AND IMPROVEMENTS	
Ending inventory	427541
Capital sales	8009
Beginning inventory	480722
Capital purchases	22858
Depreciation, capital adj.	-68030
OTHER CAPITAL ASSETS	
Ending inventory	143570
Capital sales	97024
Beginning inventory	45841
Capital purchases	190993
Depreciation, capital adj.	3761
Total depreciation, capital adj.	-143664
Net farm income	155441

Table 28.

**PROFITABILITY AND LIQUIDITY ANALYSIS, 1997**  
**375 to 2,500 Sows, 8 Southern MI Counties**  
**(Average of all farms reporting)**

	Average Of All Farms	Average Of All Farms
Number of Farms	10	10
PROFITABILITY	--- Cost ---	-- Market --
Net farm income	155441	341762
Labor and management earnings	114953	261392
Rate of return on assets	11.1 %	15.2 %
Rate of return on equity	16.9 %	22.1 %
Operating profit margin	18.8 %	35.2 %
Asset turnover rate	59.0 %	43.0 %
Interest on farm net worth	40488	80370
Farm interest expense	103458	103458
Value of operator lbr and mgmt.	46129	46129
Return on farm assets	212770	399090
Average farm assets	1920003	2633923
Return on farm equity	109312	295633
Average farm equity	647700	1339494
Value of farm production	1132698	1132698
	Average Of All Farms	
Number of Farms	10	
LIQUIDITY (Cash)		
Net cash farm income	248081	
Net nonfarm income	4079	
Family living and taxes	53844	
Real estate principal payments	38055	
Cash available for interm. debt	160261	
Average intermediate debt	255929	
Years to turnover interm. debt	1.6	
Expense as a % of income	87 %	
Interest as a % of income	5 %	
LIQUIDITY (Accrual)		
Total accrual farm income	1936299	
Total accrual farm expense	1637194	
Net accrual operating income	299105	
Net nonfarm income	4079	
Family living and taxes	53844	
Real estate principal payments	38055	
Available for intermediate debt	211285	
Average intermediate debt	255929	
Years to turnover interm. debt	1.2	
Expense as a % of income	85 %	
Interest as a % of income	5 %	



**Table 29. BALANCE SHEET AT COST VALUES, 1997**  
**375 to 2,500 Sows, 8 Southern MI Counties**  
**(Average of all farms reporting)**

Number of Farms	Average For All Farms	
	Beginning	Ending
<b>ASSETS</b>		
Current Farm Assets		
Cash and checking balance	30268	52304
Prepaid expenses & supplies	43745	33370
Growing crops	1350	2411
Accounts receivable	1123	4601
Hedging accounts	-	-
Crops held for sale or feed	98915	148106
Crops under government loan	-	-
Market livestock held for sale	424837	427006
Other current assets	817	5432
Total current farm assets	601055	673230
Intermediate Farm Assets		
Breeding livestock	211373	242431
Machinery and equipment	165826	171528
Other intermediate assets	36321	120075
Total intermediate farm assets	413520	534034
Long-Term Farm Assets		
Farm land	330744	346144
Buildings and improvements	480722	427541
Other long-term assets	9520	23495
Total long-term farm assets	820986	797181
Total Farm Assets	1835562	2004444
Total Nonfarm Assets	41508	60289
Total Assets	1877070	2064733
<b>LIABILITIES</b>		
Current Farm Liabilities		
Accrued interest	15799	17885
Accounts payable	49670	46699
Current notes	441920	297167
Government crop loans	-	-
Principal due on term debt	95697	78724
Total current farm liabilities	604008	443112
Intermediate Farm Liabilities		
Long-term Farm Liabilities	415141	663035
Total Farm Liabilities	1240650	1303955
Total Nonfarm Liabilities	4158	24312
Total Liabilities	1244808	1328267
Net Worth (farm and nonfarm)	632262	736466
Net Worth Change		104204
<b>RATIO ANALYSIS</b>		
Current Farm Liabilities / Assets	100 %	66 %
Curr. & Interm Farm Liab / Assets	81 %	53 %
Long Term Farm Liab. / Assets	51 %	83 %
Total Liabilities / Assets	66 %	64 %

Table 30.

**BALANCE SHEET AT MARKET VALUES, 1997**  
**375 to 2,500 Sows, 8 Southern MI Counties**  
**(Average of all farms reporting)**

Number of Farms	Average For All Farms	
	10	
	Beginning	Ending
<b>ASSETS</b>		
Current Farm Assets		
Cash and checking balance	30268	52304
Prepaid expenses & supplies	43745	33370
Growing crops	1350	2411
Accounts receivable	1123	4601
Hedging accounts	-	-
Crops held for sale or feed	98915	148106
Crops under government loan	-	-
Market livestock held for sale	424837	427006
Other current assets	817	5432
Total current farm assets	601055	673230
Intermediate Farm Assets		
Breeding livestock	209327	256085
Machinery and equipment	359838	389110
Other intermediate assets	38050	117837
Total intermediate farm assets	607214	763033
Long-Term Farm Assets		
Farm land	645575	699250
Buildings and improvements	596670	648804
Other long-term assets	9520	23495
Total long-term farm assets	1251765	1371549
Total Farm Assets	2460034	2807812
Total Nonfarm Assets	51240	64221
Total Assets	2511274	2872033
<b>LIABILITIES</b>		
Current Farm Liabilities		
Accrued interest	15799	17885
Accounts payable	49670	46699
Current notes	441920	297167
Government crop loans	-	-
Principal due on term debt	95697	78724
Total current farm liabilities	604008	443112
Intermediate Farm Liabilities	221502	197809
Long-term Farm Liabilities	415141	663035
Total Farm Liabilities	1240650	1303955
Total Nonfarm Liabilities	4158	24312
Total Deferred Liabilities	27912	18090
Total Liabilities	1272720	1346357
Net Worth (farm and nonfarm)	1238554	1525676
Net Worth Change		287122
<b>RATIO ANALYSIS</b>		
Current Farm Liabilities / Assets	100 %	66 %
Curr. & Interm Farm Liab. / Assets	68 %	45 %
Long Term Farm Liabilities / Assets	33 %	48 %
Total Liabilities / Assets	51 %	47 %

Table 31.

**STATEMENT OF CASH FLOWS, 1997**  
**375 to 2,500 Sows, 8 Southern MI Counties**  
**(Average of all farms reporting)**

	Average Of All Farms
Number of Farms	10
(a) Beginning cash balance (farm & nonfarm)	30268
<b>CASH FROM OPERATING ACTIVITIES</b>	
Gross cash farm income .....	1875786
Net nonfarm income (+)	4079
Total cash farm expense (-)	1627705
Apparent family living expense (-)	52455
Income and social security tax (-)	1388
(b) Cash from operations (=)	198317
<b>CASH FROM INVESTING ACTIVITIES</b>	
Sale of breeding livestock	7279
Sale of machinery & equipment (+)	7433
Sale of farm land (+)	-
Sale of farm buildings (+)	8009
Sale of other farm assets (+)	97024
Sale of nonfarm assets (+)	30
Purchase of breeding livestock (-)	68228
Purchase of machinery & equip. (-)	62638
Purchase of farm land (-)	12550
Purchase of farm buildings (-)	22858
Purchase of other farm assets (-)	190993
Purchase of nonfarm assets (-)	1338
(c) Cash from investing activities (=)	-242544
<b>CASH FROM FINANCING ACTIVITIES</b>	
Money borrowed	1062160
Cash gifts and inheritances (+)	91
Principal payments (-)	995848
Dividends paid (-)	-
Gifts given (-)	139
(d) Cash from financing activities (=)	66264
(e) Net change in cash balance (b+c+d)	22036
Ending cash balance (farm & nonfarm)	52304

Table 32.

**FINANCIAL GUIDELINES MEASURES, 1997**  
**375 to 2,500 Sows, 8 Southern MI Counties**  
**(Average of all farms reporting)**

	Average For All Farms	
	-----	
Number of Farms	10	
<b>LIQUIDITY</b>	Beginning	Ending
Current ratio	1.00	1.52
Working capital	-2953	230118
<b>SOLVENCY (Market)</b>	Beginning	Ending
Farm debt to asset ratio	51 %	47 %
Farm equity to asset ratio	49 %	53 %
Farm debt to equity ratio	106 %	90 %
<b>PROFITABILITY</b>	Cost	Market
Rate of return on farm assets	11.1 %	15.2 %
Rate of return on farm equity	16.9 %	22.1 %
Operating profit margin	18.8 %	35.2 %
Net farm income	155441	341762
<b>REPAYMENT CAPACITY</b>	Cash	Accrual
Term debt coverage ratio	178 %	217 %
Capital replacement margin	102041	153064
<b>EFFICIENCY</b>		
Asset turnover rate (market)	43.0 %	
Operating expense ratio	79.2 %	
Depreciation expense ratio	7.4 %	
Interest expense ratio	5.3 %	
Net farm income ratio	8.0 %	

LABOR ANALYSIS

	Average For All Farms	
	-----	
Number of Farms	9	
Total unpaid labor hours	3302	
Total hired labor hours	11724	
Total labor hours per farm	15026	
Value of farm production / hour	73.20	
Net farm income / unpaid hour	50.27	

Table 33.

**OPERATOR INFORMATION & NONFARM SUMMARY, 1997**  
**375 to 2,500 Sows, 8 Southern MI Counties**  
**(Average of all farms reporting)**

		Average Of All Farms
Number of Farms		10
OPERATOR INFORMATION		
Average number of operators	.....	1.7
Average age of operators	.....	49.0
Average number of years farming	.....	28.1
NONFARM INCOME		
Nonfarm wages & salary		1528
Nonfarm business income		-918
Nonfarm rental income		1999
Nonfarm interest income		1470
Nonfarm cash dividends		-
Tax refunds		-
Nontaxable nonfarm income		-
Gifts and inheritances		91
Other nonfarm income		-
Total nonfarm income		4170
	Average For	All Farms
	Beginning	Ending
NONFARM ASSETS (Mkt)		
Checking & savings	-	-
Stocks & bonds	4306	3530
Other current assets	2400	1956
Furniture & appliances	5200	6800
Nonfarm vehicles	1100	3250
Cash value of life ins.	10089	12969
Retirement accounts	8938	15008
Other intermediate assets	158	158
Nonfarm real estate	19050	20550
Other long term assets	-	-
Total nonfarm assets	51240	64221