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**2010 Michigan Dairy Farm Business
Analysis Summary**

Eric Wittenberg
And
Christopher Wolf

Staff Paper 2011-11

December, 2011



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by

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and
Christopher Wolf

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2010 Michigan Dairy Farm Business Analysis Summary
Eric Wittenberg and Christopher Wolf¹

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Summary

This report summarizes the financial and production records of 90 dairy farms from throughout Michigan in 2010. To be included, the farms must have produced at least 50 percent of gross cash farm income from milk and dairy animal sales. The records came from Michigan State University's TelFarm project and the Farm Credit Service system in Michigan. The values were pooled into averages for reporting purposes. The average herd included here is larger than would be the average dairy herd in Michigan. Average values are reported in the summary tables and discussion that follows but one should be aware that considerable variation across herds exists in virtually every measure.

In 2010, the average dairy farm in the business analysis had 267 cows producing an average of 22,445 pounds of milk per cow (Table 1). Milk price, based on gross income, averaged \$16.78/cwt. Relative to 2009: average milk price increased \$3.47/cwt., milk production increased 942 pounds per cow, and average herd size increased 24 cows.

Table 1. Average Michigan Dairy Farm Business Analysis Characteristics, 2006-2010

	2006	2007	2008	2009	2010
Average number of cows	208	217	230	243	267
Milk sold per cow (pounds)	21,803	21,415	20,849	21,503	22,445
Average price of milk sold (\$/cwt)	13.44	20.21	19.41	13.31	16.78
Total acres owned	468	486	486	454	508
Total crop acres	772	811	827	862	805
Number of farms	139	132	116	104	90

Net farm income is the return to operator unpaid management, labor and capital invested. Net farm income in 2010 averaged a \$193,833 which was a vast improvement over the 2009 average. The net farm income for the low 25% group averaged a \$45,110 while the high 25% group averaged \$403,389; a \$358,279 difference between the high group and the low group sorted by rate of return on assets (market). Gross cash farm income averaged \$1,302,891 in 2010. The largest component of these revenues was milk sales, which averaged \$1,080,264.

Table 2. Average Michigan Dairy Farm Income Statement, 2006-2010

	2006	2007	2008	2009	2010
	(\$)	(\$)	(\$)	(\$)	(\$)
Gross cash farm income	856,551	1,175,551	1,198,273	1,046,327	1,302,891
- Total cash expense	720,614	949,092	959,454	937,998	1,095,827
= Net cash farm income	135,937	226,460	238,819	108,329	207,064
+ Inventory change*	23,290	94,623	2,498	-66,854	103,606
+ Depreciation + capital adjustments*	-75,015	-103,834	-127,093	-103,868	-115,560
= Net farm income	84,212	217,248	114,224	-62,421	193,833

*Changes calculated as ending value minus beginning value.

To put the profit values in perspective, we calculate profitability ratios. Rate of return on assets (ROA) is the farm operating profit (equal to net farm income plus interest expense less value

of operator labor and management) divided by average total farm asset value (valued at current market value). Rate of return on assets is a measure of how much profit the farm business assets generated. The average 2010 dairy farm ROA (Market) was 7.0 percent. The average 2010 ROE (Market) was a 7.7 percent. Operating profit margin is the operating profit divided by gross revenues. Operating profit margin measures the dollars of profit generated per dollar of revenue. In 2010, Michigan dairy farms generated 23.9 cents of profit per dollar of revenue. Asset turnover (ATO) is gross farm revenue divided by average asset value. Asset turnover measures the efficiency with which farm assets generate revenue. The average ATO value was 29.2 percent in 2010.

Table 3. Average Michigan Dairy Farm Profitability Indicators, 2006-2010

	2006	2007	2008	2009	2010
	(%)	(%)	(%)	(%)	(%)
Rate of return on assets*	5.5	11.3	7.0	0.4	7.0
Rate of return on equity	5.4	13.3	7.5	-1.6	7.7
Operating profit margin	19.4	33.1	23.1	1.8	23.9
Asset turnover rate*	28.2	34.1	30.5	22.5	29.2

* Assets valued at market value.

Tables 4 and 5 display average income and expenses per hundredweight (cwt.) of milk and per cow. Income and expenses were adjusted to an accrual basis. Average, accrual adjusted income and expenses per cropped acre were also included. Government payments include all farm government payments as it was not possible to separate crop from dairy payments.

Table 4 contains the average income and expense items across all 90 dairy farms in the 2010 summary while Table 5 displays the average income and expense items for farms that reported that item. For example, all farms had milk income so that income is identical in both tables. In contrast, only some farms reported DHIA expense so that item is larger when averaged only across those farms with that expense. *These tables should not be interpreted as an estimate of the true cost of producing milk.* Only income related to the milking herd are reported in Tables 4 and 5. Also, unpaid factors, including labor, management and capital, are not accounted for in the expense items. In addition, the allocation of resources amongst farm enterprises is not accurately reflected leaving the milking herd as the residual claimant on all expenses (especially labor costs).

The bottom section of Tables 4 and 5 presents crop related expenses divided by the total cropped acres. Again, these values should not be interpreted as cost of crop production--to accurately calculate a crop cost of production requires labor and management (among other) expenses that could not be separated out in these financial records.

Table 4. Average income and expenses across all farms*, 2010

Income Items:	Per cwt.	Per Cow
Milk	\$16.78	\$3755.28
Cull Cows and Calves	\$0.99	\$207.70
Dairy Steers	\$0.82	\$161.27
Dairy Heifers	\$0.20	\$43.75
Government Payments	\$0.38	\$78.24
Patronage Dividends, cash	\$0.15	\$34.18
Crop Sales	\$2.46	\$486.08
Other Cash Income	\$0.76	\$150.56
Expense Items:	Per cwt.	Per Cow
Purchased Feeds	\$4.83	\$1091.44
Breeding Fees	\$0.18	\$41.33
Veterinary	\$0.48	\$111.67
Livestock Supplies	\$0.74	\$156.43
DHIA	\$0.08	\$18.89
Milk & Livestock Mkt. & Trucking	\$0.90	\$195.01
Interest	\$1.10	\$230.95
Fuel and Oil	\$0.95	\$199.19
Repairs	\$1.13	\$240.71
Custom Hire	\$0.59	\$131.18
Hired Labor	\$2.36	\$536.22
Leases	\$0.32	\$69.26
Real Estate Taxes	\$0.30	\$64.29
Farm Insurance	\$0.37	\$77.18
Utilities	\$0.58	\$120.89
Dues, Professional Fees	\$0.16	\$32.89
Miscellaneous	\$0.65	\$151.19
Machinery Depreciation	\$1.20	\$255.68
Building Depreciation	\$0.64	\$142.79
Family Living	\$1.72	\$353.83
Expense Items per Cropped Acre:	Per Acre	
Seed	\$51.02	
Fertilizer	\$59.92	
Crop Chemicals	\$18.93	
Crop Insurance	\$5.25	
Crop Miscellaneous	\$4.59	
Land Rent	\$40.34	

* All income and expense items averaged across all 90 farms whether or not they had that income or expense item. Other cash income includes custom work, insurance claims, and miscellaneous income.

Table 5. Average income and expenses across farms with that item*, 2010

Income Items:	Per cwt.	Per Cow
Milk	\$16.78	\$3755.28
Cull Cows and Calves	\$1.03	\$217.36
Dairy Steers	\$2.63	\$518.36
Dairy Heifers	\$0.42	\$91.57
Government Payments	\$0.38	\$78.24
Patronage Dividends, cash	\$0.19	\$43.95
Crop Sales	\$3.75	\$741.48
Other Cash Income	\$0.80	\$159.42
Expense Items:	Per cwt.	Per Cow
Purchased Feeds	\$4.83	\$1091.44
Breeding Fees	\$0.21	\$48.31
Veterinary	\$0.48	\$111.67
Livestock Supplies	\$0.74	\$156.43
DHIA	\$0.16	\$37.78
Milk & Livestock Mkt. & Trucking	\$0.90	\$195.01
Interest	\$1.18	\$247.45
Fuel and Oil	\$0.95	\$199.19
Repairs	\$1.13	\$240.71
Custom Hire	\$0.67	\$149.45
Hired Labor	\$2.41	\$548.41
Leases	\$0.61	\$132.63
Real Estate Taxes	\$0.32	\$68.66
Farm Insurance	\$0.38	\$78.93
Utilities	\$0.58	\$120.89
Dues, Professional Fees	\$0.17	\$34.02
Miscellaneous	\$0.69	\$160.08
Machinery Depreciation	\$1.20	\$255.68
Building Depreciation	\$0.64	\$142.79
Family Living	\$1.72	\$353.83
Expense Items per Cropped Acre:	Per Acre	
Seed	\$52.78	
Fertilizer	\$65.77	
Crop Chemicals	\$22.42	
Crop Insurance	\$13.13	
Crop Miscellaneous	\$45.90	
Land Rent	\$44.82	

* Income and expense items averaged only across farms with that item.

Table 6 compares major production, income and expense items across all farms over a five year time frame. The average milk price (\$/cwt) in 2010 increased over 2009 price but below the 2007 and 2008 price levels. Purchased feed expense (\$/cwt) increased slight in 2010 over 2009 but was below 2007 and 2008. Interest paid (\$/cwt) decreased again in 2010 and has been in a decline over the last 5 years. Hired labor (\$/cwt) expense has declined over since it peaked in 2008. Fuel and oil (\$/cwt) remained the same from 2009 value has also declined since the 2008 peak. Total depreciation (machinery and build) (\$/cwt) remained about the same as 2009.

Table 6. Average of Major Production, Income and Expenses Items (across all farms)

	2006	2007	2008	2009	2010
Milk sold per cow (pounds)	21,803	21,415	20,849	21,503	22,445
Average price of milk sold (\$/cwt)	13.44	20.21	19.41	13.31	16.78
Purchased Feeds (\$/cwt)	3.74	5.32	5.56	4.56	4.83
Interest Paid (\$/cwt)	0.95	1.38	1.27	1.18	1.10
Hired Labor (\$/cwt)	2.23	2.67	2.84	2.59	2.36
Fuel and Oil (\$/cwt)	0.89	1.22	1.38	0.94	0.95
Total Depreciation (\$/cwt)	1.83	2.85	2.64	1.80	1.84

Results by Herd Size

To further facilitate financial comparisons and benchmarking, the financial summaries were divided into herd size categories. Beginning with the 2009 summary we have utilized four herd size categories: 40 to 99 cows (17 herds), 100 to 249 cows (44 herds), 250 to 449 cows (12 herds), and 450+ cows (18 herds). These size categories can facilitate benchmarking performance to similar farms.

Table 7 displays average characteristics by herd size category. As expected, average milk production per cow was correlated with herd size across the size categories. Milk price was similar across all herd sizes. The smallest herds operated 3.5 crop acres per cow; the medium herds about 4.3 crop acres per cow; and the medium-large herds about 3.1 crop acres per cow and the largest herds about 2.1 crop acres per cow.

Table 7. Average 2010 Michigan Dairy Farm Characteristics by Herd Size Category

	40-99 cows	100-249 cows	250-449 cows	450+ cows
Average number of cows	93	166	311	658
Milk sold per cow (pounds)	19,103	21,783	24,292	25,971
Average price of milk sold (\$/cwt)	16.84	16.76	16.92	16.67
Total acres owned	224	508	581	716
Total crop acres	329	714	948	1,368
Number of farms	17	44	12	18

Table 8 displays the average farm income statement by herd size. Net farm income represents the returns to unpaid factors (i.e., labor, management and equity capital). All herd sizes recorded a positive net income for 2010, a vast improvement over 2009.

Table 8. Average 2010 Michigan Dairy Farm Income Statement by Herd Size

	20-99 cows	100-249 cows	250-449 cows	450+ cows
	(\$)	(\$)	(\$)	(\$)
Gross cash farm income	364,664	752,209	1,590,720	3,370,239
- Total cash expense	<u>308,917</u>	<u>632,183</u>	<u>1,283,147</u>	<u>2,872,262</u>
= Net cash farm income	55,747	120,026	307,573	497,976
+ Inventory change *	13,647	42,148	137,789	316,576
+ Depreciation and capital adjustments*	<u>-25,177</u>	<u>-67,303</u>	<u>-120,590</u>	<u>-318,293</u>
= Net farm income	44,217	94,871	324,772	489,870

*Changes calculated as ending value minus beginning value.

Table 9 compares profitability measures across herd size with assets valued at market value. ROA, OPM and ATR were the highest on the largest farms in 2010. However, all herd sizes realized positive values in 2010.

Table 9. Average 2010 Michigan Dairy Farm Profitability Indicators by Herd Size

	40-99 cows	100-249 cows	250-449 cows	450+ cows
	(%)	(%)	(%)	(%)
Rate of return on assets*	3.8	4.9	7.5	8.7
Rate of return on equity	3.2	4.9	8.5	10.3
Operating profit margin	16.6	19.2	24.6	27.0
Asset turnover rate	22.9	25.7	30.6	32.4

* Assets valued at market value.

A. Financial Summary Information, All 90 Herds

Table 10		Crop Production and Marketing Summary		
		2010 MI Dairy (All Herds)		
		(Farms Sorted By Rate of Return on Assets - Mkt)		
		Avg. Of All Farms	Low 25%	High 25%
Dairy				
Number of farms		90	22	23
Average number of cows		267	178	426
Milk production per cow lbs.,		22,445	19,937	24,811
Average milk price per cwt.,		\$16.78	\$16.54	\$16.65
Acreage Summary				
Total acres owned		508	552	598
Total crop acres		805	696	944
Crop acres owned		494	419	564
Crop acres cash rented		310	277	379
Crop acres share rented		1	-	1
Total pasture acres		0	1	-
Percent crop acres owned		61 %	60 %	60 %
Average Price Received (Cash Sales Only)				
Corn per bushel		4.58	-	5.03
Soybeans per bushel		10.62	-	9.83
Wheat, Winter per bushel		5.02	-	4.87
Oats per bushel		2.57	-	-

Table 11

Farm Income Statement
2010 MI Dairy (All Herds)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	90	22	23
Cash Farm Income			
Barley	139	569	-
Corn	31,706	19,154	23,991
Corn Silage	3,208	5,779	1,139
Hay, Alfalfa	775	918	1,111
Hay, Mixed	669	257	177
Haylage, Mixed	585	-	460
Oats	373	20	274
Soybeans	24,071	20,152	26,903
Straw	179	34	622
Wheat, Winter	7,638	8,231	11,069
Dairy, Milk	1,080,264	629,048	1,812,871
Dairy, Dairy Calves	5,897	2,059	10,827
Dairy Heifers (for sale)	231	449	72
Dairy Replacement Heifers	1,807	3,811	1,889
Dairy Finishing	11,704	10,441	27,576
Dairy Feeder	4,673	4,234	3,732
Cull breeding livestock	51,264	34,395	81,686
Misc. livestock income	335	6	464
Direct & CC govt payments	1,611	35	2,485
CRP payments	245	-	960
Other government payments	15,357	14,660	18,220
Custom work income	8,911	10,817	12,465
Patronage dividends, cash	12,445	3,511	36,122
Insurance income	11,681	7,224	8,527
Other farm income	12,304	13,372	15,658
Gross Cash Farm Income	1,302,891	790,256	2,152,993

Table 11

Farm Income Statement (Continued)

2010 MI Dairy (All Herds)

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

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	90	22	23
Cash Farm Expense			
Seed	39,707	18,627	55,533
Fertilizer	45,741	18,009	63,514
Crop chemicals	13,180	7,664	20,494
Crop insurance	1,902	440	3,054
Drying expense	344	-	93
Storage	262	-	554
Packaging and supplies	117	-	-
Crop custom hire	544	-	2,130
Crop marketing	154	5	440
Crop miscellaneous	6,906	13,476	7,476
Purchased feed	315,873	207,953	530,188
Breeding fees	11,241	6,105	19,077
Veterinary	35,702	20,544	60,022
Livestock supplies	28,398	9,921	47,840
DHIA	2,312	1,160	3,395
Contract production exp.	11,358	-	23,651
Livestock fuel & oil	491	-	1,921
Livestock custom hire	248	-	636
Livestock leases	339	-	-
Hauling and trucking	34,235	22,564	51,161
Livestock marketing	13,980	10,295	20,647
Bedding	16,551	6,712	31,534
Livestock miscellaneous	26	-	101
Interest	55,595	47,952	72,926
Supplies	12,446	10,543	20,378
Fuel & oil	47,587	29,018	65,748
Repairs	58,710	47,544	74,414
Repair, machinery	1,905	-	7,258
Repair, livestock equip	115	-	-
Custom hire	42,068	16,356	97,501
Repair, buildings	1,928	331	3,255
Hired labor	164,914	87,995	291,360
Land rent	33,884	14,496	65,606
Machinery leases	8,233	3,508	14,920
Building leases	1,696	-	6,571
Real estate taxes	14,232	12,301	13,746
Personal property taxes	243	71	857
Farm insurance	18,757	17,239	21,719
Utilities	30,201	20,077	45,461
Dues & professional fees	6,206	8,145	5,919
Miscellaneous	17,497	9,847	31,034
Total cash expense	1,095,827	668,898	1,782,135
Net cash farm income	207,064	121,358	370,857
Inventory Changes			
Prepays and supplies	16,910	8,326	30,687

Accounts receivable	1,084	-4,243	7,902
Hedging accounts	-269	-	-893
Other current assets	1,331	-2,731	5,973
Crops and feed	55,904	1,159	127,581
Market livestock	3,467	2,026	5,403
Breeding livestock	14,780	-11,620	28,166
Other assets	-636	-1,018	-809
Accounts payable	11,097	60	16,111
Accrued interest	-60	-55	-10
Total inventory change	103,606	-8,097	220,109
Net operating profit	310,670	113,261	590,967
Depreciation			
Machinery and equipment	-71,646	-45,423	-100,477
Titled vehicles	606	-114	500
Buildings and improvements	-44,520	-22,614	-82,600
Total depreciation	-115,560	-68,151	-182,577
Net farm income from operations	195,110	45,110	408,389
Gain or loss on capital sales	-1,278	-	-5,000
Net farm income	193,833	45,110	403,389

Table 12

Inventory Changes
2010 MI Dairy (All Herds)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	90	22	23
Net cash farm income	207,064	121,358	370,857
Crops and Feed			
Ending inventory	319,685	205,174	501,446
Beginning inventory	263,781	204,015	373,865
Inventory change	55,904	1,159	127,581
Market Livestock			
Ending inventory	18,516	18,448	27,607
Beginning inventory	15,049	16,422	22,204
Inventory change	3,467	2,026	5,403
Accts Receivable			
Ending inventory	45,293	32,701	75,457
Beginning inventory	44,210	36,944	67,556
Inventory change	1,084	-4,243	7,902
Prepaid Expenses and Supplies			
Ending inventory	48,762	32,668	80,627
Beginning inventory	31,852	24,342	49,940
Inventory change	16,910	8,326	30,687
Hedging Activities			
Ending inventory	40	-	155
Withdrawals	15	-	217
Beginning inventory	40	-	155
Deposits	284	-	1,111
Gain or loss	-269	-	-893
Other Current Assets			
Ending inventory	19,164	23,502	25,294
Beginning inventory	17,833	26,233	19,321
Inventory change	1,331	-2,731	5,973
Breeding Livestock			
Ending inventory	677,564	421,274	1,039,849
Capital sales	4,615	4,570	8,491
Beginning inventory	654,387	410,983	1,019,359
Capital purchases	13,013	26,481	815
Depreciation, capital adjust	14,780	-11,620	28,166
Other Capital Assets			
Ending inventory	92,863	136,246	140,319
Capital sales	10,254	6,235	18,479
Beginning inventory	89,486	135,416	135,984
Capital purchases	14,267	8,083	23,623
Depreciation, capital adjust	-636	-1,018	-809
Accounts Payable			
Beginning inventory	51,630	36,154	65,071
Ending inventory	40,533	36,094	48,960
Inventory change	11,097	60	16,111
Accrued Interest			
Beginning inventory	1,798	1,397	2,339
Ending inventory	1,858	1,452	2,349
Inventory change	-60	-55	-10
Total inventory change	103,606	-8,097	220,109
Net operating profit	310,670	113,261	590,967

Table 13

Depreciation
2010 MI Dairy (All Herds)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	90	22	23
Net operating profit	310,670	113,261	590,967
Machinery and Equipment			
Ending inventory	210,226	143,666	264,372
Capital sales	6,361	679	13,182
Beginning inventory	204,987	125,767	268,120
Capital purchases	83,245	64,002	109,912
Depreciation, capital adjust.	-71,646	-45,423	-100,477
Titled Vehicles			
Ending inventory	1,299	227	1,500
Capital sales	-	-	-
Beginning inventory	693	341	1,000
Capital purchases	-	-	-
Depreciation, capital adjust.	606	-114	500
Buildings and Improvements			
Ending inventory	291,322	172,621	441,241
Capital sales	411	864	-
Beginning inventory	297,155	178,371	446,227
Capital purchases	39,098	17,729	77,614
Depreciation, capital adjust.	-44,520	-22,614	-82,600
Total depreciation, capital adj.	-115,560	-68,151	-182,577
Net farm income from operations	195,110	45,110	408,389
Gain or loss on capital sales	-1,278	-	-5,000
Net farm income	193,833	45,110	403,389

Table 14

Profitability Measures
2010 MI Dairy (All Herds)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	90	22	23
Profitability (assets valued at cost)			
Net farm income from operations	195,110	45,110	408,389
Rate of return on assets	8.9 %	3.5 %	13.3 %
Rate of return on equity	12.5 %	0.9 %	19.9 %
Operating profit margin	18.0 %	9.6 %	22.7 %
Asset turnover rate	49.4 %	36.3 %	58.6 %
Farm interest expense	55,656	48,007	72,936
Value of operator lbr and mgmt.	59,679	38,890	75,398
Return on farm assets	191,087	54,227	405,928
Average farm assets	2,145,188	1,555,634	3,056,112
Return on farm equity	135,432	6,220	332,992
Average farm equity	1,086,532	662,336	1,672,386
Value of farm production	1,060,435	564,885	1,790,281
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	90	22	23
Profitability (assets valued at market)			
Net farm income from operations	257,342	-14,519	622,513
Rate of return on assets	7.0 %	-0.2 %	12.1 %
Rate of return on equity	7.7 %	-2.9 %	14.6 %
Operating profit margin	23.9 %	-1.0 %	34.6 %
Asset turnover rate	29.2 %	20.8 %	35.0 %
Farm interest expense	55,656	48,007	72,936
Value of operator lbr and mgmt.	59,679	38,890	75,398
Return on farm assets	253,319	-5,401	620,051
Average farm assets	3,629,827	2,715,833	5,118,376
Return on farm equity	197,664	-53,408	547,115
Average farm equity	2,571,171	1,822,534	3,734,650
Value of farm production	1,060,435	564,885	1,790,281

Table 15

Liquidity & Repayment Capacity Measures

2010 MI Dairy (All Herds)

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

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	90	22	23
Liquidity			
Current ratio	2.65	1.99	3.30
Working capital	317,290	162,981	580,230
Working capital to gross inc	23.1 %	21.1 %	25.0 %
Current assets	509,992	326,880	832,309
Current liabilities	192,702	163,899	252,078
Gross revenues (accrual)	1,376,360	772,854	2,320,537
Repayment capacity			
Net farm income from operations	195,110	45,110	408,389
Depreciation	115,560	68,151	182,577
Personal income	16,561	6,320	30,885
Family living/owner withdrawals	-67,034	-47,200	-91,009
Payments on personal debt	-1,579	-1,122	-932
Income taxes paid	-4,811	-804	-16,155
Interest on term debt	61,119	46,550	77,906
Capital debt repayment capacity	314,926	117,005	591,661
Scheduled term debt payments	-127,748	-79,704	-168,962
Capital debt repayment margin	187,178	37,301	422,699
Cash replacement allowance	-29,849	-27,980	-28,871
Replacement margin	157,329	9,322	393,829
Term debt coverage ratio	2.47	1.47	3.50
Replacement coverage ratio	2.00	1.09	2.99

Table 16

Balance Sheet at Cost Values
2010 MI Dairy (All Herds)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
	90	22	23			
Number of farms	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	51,825	57,951	19,815	13,705	91,884	121,723
Prepaid expenses & supplies	31,783	48,966	24,342	32,668	49,940	80,627
Growing crops	13,745	15,959	11,416	12,391	19,321	25,098
Accounts receivable	43,947	44,569	36,944	32,701	67,556	75,457
Hedging accounts	40	40	0	0	155	155
Crops held for sale or feed	262,059	320,629	203,334	205,856	373,865	501,446
Crops under government loan	2,292	0	1,364	0	0	0
Market livestock held for sale	15,174	18,694	16,422	18,448	22,204	27,607
Other current assets	3,702	2,833	14,817	11,111	0	196
Total current farm assets	424,569	509,639	328,453	326,880	624,924	832,309
Intermediate Farm Assets						
Breeding livestock	654,434	675,242	410,983	421,274	1,019,359	1,039,849
Machinery and equipment	204,637	210,308	125,767	143,666	268,120	264,372
Titled vehicles	518	1,167	341	227	1,000	1,500
Other intermediate assets	51,555	49,933	20,277	22,098	112,613	109,735
Total intermediate farm assets	911,144	936,650	557,368	587,266	1,401,091	1,415,456
Long Term Farm Assets						
Farm land	407,598	427,873	359,551	371,471	414,983	482,037
Buildings and improvements	296,990	291,470	178,371	172,621	446,227	441,241
Other long-term assets	38,936	43,974	115,139	114,148	23,371	30,584
Total long-term farm assets	743,525	763,317	653,061	658,240	884,582	953,862
Total Farm Assets	2,079,238	2,209,606	1,538,883	1,572,386	2,910,597	3,201,627
Total Nonfarm Assets	198,320	206,027	73,462	64,316	315,929	330,972
Total Assets	2,277,557	2,415,633	1,612,345	1,636,702	3,226,526	3,532,599
Liabilities						
Current Farm Liabilities						
Accrued interest	1,775	1,837	1,397	1,452	2,339	2,349
Accounts payable	52,210	40,988	36,154	36,094	65,071	48,960
Current notes	83,804	78,734	104,941	91,468	112,322	109,040
Government crop loans	785	0	677	0	0	0
Principal due on term debt	66,475	71,909	33,154	34,885	91,056	91,729
Total current farm liabilities	205,049	193,468	176,323	163,899	270,789	252,078
Total intermediate farm liabs	237,371	250,422	147,607	199,648	319,544	295,943
Total long term farm liabilities	629,444	615,038	554,194	544,926	821,914	807,183
Total farm liabilities	1,071,864	1,058,928	878,123	908,473	1,412,247	1,355,205
Total nonfarm liabilities	23,791	20,335	10,412	0	10,742	7,373
Total liabilities	1,095,655	1,079,262	888,535	908,473	1,422,989	1,362,578
Net worth (farm and nonfarm)	1,181,903	1,336,371	723,810	728,229	1,803,537	2,170,021
Net worth change		154,468		4,419		366,484
Percent net worth change		13 %		1 %		20 %
Ratio Analysis						
Current farm liabilities / assets	48 %	38 %	54 %	50 %	43 %	30 %
Intermediate farm liab. / assets	26 %	27 %	26 %	34 %	23 %	21 %
Long term farm liab. / assets	85 %	81 %	85 %	83 %	93 %	85 %
Total debt to asset ratio	48 %	45 %	55 %	56 %	44 %	39 %

Table 17

Balance Sheet at Market Values
2010 MI Dairy (All Herds)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of		Low 25%		High 25%	
	All Farms					
Number of farms	90		22		23	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	51,825	57,951	19,815	13,705	91,884	121,723
Prepaid expenses & supplies	31,783	48,966	24,342	32,668	49,940	80,627
Growing crops	13,745	15,959	11,416	12,391	19,321	25,098
Accounts receivable	43,947	44,569	36,944	32,701	67,556	75,457
Hedging accounts	40	40	0	0	155	155
Crops held for sale or feed	262,059	320,629	203,334	205,856	373,865	501,446
Crops under government loan	2,292	0	1,364	0	0	0
Market livestock held for sale	15,174	18,694	16,422	18,448	22,204	27,607
Other current assets	3,702	2,833	14,817	11,111	0	196
Total current farm assets	424,569	509,639	328,453	326,880	624,924	832,309
Intermediate Farm Assets						
Breeding livestock	695,422	705,703	445,945	446,571	1,139,013	1,132,232
Machinery and equipment	557,812	570,246	421,368	372,968	656,733	686,614
Titled vehicles	5,691	7,109	3,617	6,139	12,357	13,187
Other intermediate assets	55,550	54,180	32,640	34,484	115,586	113,680
Total intermediate farm assets	1,314,475	1,337,238	903,571	860,163	1,923,689	1,945,712
Long Term Farm Assets						
Farm land	1,131,137	1,196,147	1,018,124	1,041,006	1,414,418	1,641,837
Buildings and improvements	605,614	620,907	363,699	360,661	851,829	891,732
Other long-term assets	47,008	52,326	115,049	114,060	50,939	59,363
Total long-term farm assets	1,783,760	1,869,380	1,496,871	1,515,727	2,317,186	2,592,932
Total Farm Assets	3,522,804	3,716,258	2,728,895	2,702,770	4,865,799	5,370,953
Total Nonfarm Assets	279,822	287,151	154,113	143,913	379,823	394,478
Total Assets	3,802,626	4,003,408	2,883,008	2,846,683	5,245,622	5,765,430
Liabilities						
Current Farm Liabilities						
Accrued interest	1,775	1,837	1,397	1,452	2,339	2,349
Accounts payable	52,210	40,988	36,154	36,094	65,071	48,960
Current notes	83,804	78,734	104,941	91,468	112,322	109,040
Government crop loans	785	0	677	0	0	0
Principal due on term debt	66,475	71,909	33,154	34,885	91,056	91,729
Total current farm liabilities	205,049	193,468	176,323	163,899	270,789	252,078
Total intermediate farm liabs	237,371	250,422	147,607	199,648	319,544	295,943
Total long term farm liabilities	629,444	615,038	554,194	544,926	821,914	807,183
Total farm liabilities	1,071,864	1,058,928	878,123	908,473	1,412,247	1,355,205
Total nonfarm liabilities	23,791	20,335	10,412	0	10,742	7,373
Total liabs excluding deferreds	1,095,655	1,079,262	888,535	908,473	1,422,989	1,362,578
Total deferred liabilities	0	0	0	0	0	0
Total liabilities	1,095,655	1,079,262	888,535	908,473	1,422,989	1,362,578
Retained earnings	1,181,903	1,336,371	723,810	728,229	1,803,537	2,170,021
Market valuation equity	1,525,069	1,587,775	1,270,663	1,209,981	2,019,096	2,232,832
Net worth (farm and nonfarm)	2,706,971	2,924,146	1,994,473	1,938,210	3,822,633	4,402,853
Net worth excluding deferreds	2,706,971	2,924,146	1,994,473	1,938,210	3,822,633	4,402,853
Net worth change		217,175		-56,263		580,220
Percent net worth change		8 %		-3 %		15 %
Ratio Analysis						
Current farm liabilities / assets	48 %	38 %	54 %	50 %	43 %	30 %
Intermediate farm liab. / assets	18 %	19 %	16 %	23 %	17 %	15 %
Long term farm liab. / assets	35 %	33 %	37 %	36 %	35 %	31 %
Total debt to asset ratio	29 %	27 %	31 %	32 %	27 %	24 %
Debt to assets excl deferreds	29 %	27 %	31 %	32 %	27 %	24 %

Table 18

Statement Of Cash Flows
2010 MI Dairy (All Herds)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	90	22	23
Beginning cash (farm & nonfarm)	52,135	19,883	92,043
Cash Provided By Operating Activities			
Gross cash farm income	1,302,891	790,256	2,152,993
Total cash farm expense	-1,095,827	-668,898	-1,782,135
Net cash from hedging transactions	-269	-	-893
Cash provided by operating	206,795	121,358	369,964
Cash Provided By Investing Activities			
Sale of breeding livestock	4,615	4,570	8,491
Sale of machinery & equipment	6,361	679	13,182
Sale of titled vehicles	-	-	-
Sale of farm land	-	-	-
Sale of farm buildings	411	864	-
Sale of other farm assets	8,976	6,235	13,479
Sale of nonfarm assets	4,413	12,650	3
Purchase of breeding livestock	-13,013	-26,481	-815
Purchase of machinery & equip.	-83,245	-64,002	-109,912
Purchase of titled vehicles	-	-	-
Purchase of farm land	-13,497	-14,096	-39,258
Purchase of farm buildings	-39,098	-17,729	-77,614
Purchase of other farm assets	-14,267	-8,083	-23,623
Purchase of nonfarm assets	-6,117	-4,773	-15,386
Cash provided by investing	-144,461	-110,165	-231,454
Cash Provided By Financing Activities			
Money borrowed	176,523	137,371	202,476
Principal payments	-182,341	-117,428	-246,786
Personal income	16,561	6,320	30,885
Family living/owner withdrawals	-67,034	-47,200	-91,009
Income and social security tax	-4,811	-804	-16,155
Capital contributions	5,613	4,262	17,887
Capital distributions	-2,996	-936	-7,446
Dividends paid	-	-	-
Cash gifts and inheritances	5,372	1,661	7,540
Gifts given	-3,007	-566	-5,377
Other cash flows	-	-	-
Cash provided by financing	-56,119	-17,321	-107,985
Net change in cash balance	6,215	-6,128	30,524
Ending cash (farm & nonfarm)	58,350	13,755	122,567

Table 19

Financial Standards Measures
2010 MI Dairy (All Herds)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	90	22	23
Liquidity			
Current ratio	2.65	1.99	3.30
Working capital	317,290	162,981	580,230
Working capital to gross inc	23.1 %	21.1 %	25.0 %
Solvency (market)			
Farm debt to asset ratio	28 %	34 %	25 %
Farm equity to asset ratio	72 %	66 %	75 %
Farm debt to equity ratio	0.39	0.51	0.34
Profitability (cost)			
Rate of return on farm assets	8.9 %	3.5 %	13.3 %
Rate of return on farm equity	12.5 %	0.9 %	19.9 %
Operating profit margin	18.0 %	9.6 %	22.7 %
Net farm income	193,833	45,110	403,389
EBIDTA	366,326	161,268	663,902
Repayment Capacity			
Capital debt repayment capacity	314,926	117,005	591,661
Capital debt repayment margin	187,178	37,301	422,699
Replacement margin	157,329	9,322	393,829
Term debt coverage ratio	2.47	1.47	3.50
Replacement coverage ratio	2.00	1.09	2.99
Efficiency			
Asset turnover rate (cost)	49.4 %	36.3 %	58.6 %
Operating expense ratio	73.4 %	79.1 %	71.4 %
Depreciation expense ratio	8.4 %	8.8 %	7.9 %
Interest expense ratio	4.0 %	6.2 %	3.1 %
Net farm income ratio	14.1 %	5.8 %	17.4 %

Table 20

Operator and Labor Information

2010 MI Dairy (All Herds)

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

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	90	22	23
Operator Information			
Average number of operators	1.6	1.4	1.7
Average age of operators	48.8	49.1	49.2
Average number of years farming	26.2	26.2	26.1
Results Per Operator			
Working capital	194,259	119,520	351,192
Total assets (market)	2,455,426	2,087,568	3,489,603
Total liabilities	656,300	666,214	824,718
Net worth (market)	1,799,125	1,421,354	2,664,885
Net worth excl deferred liabs	1,799,125	1,421,354	2,664,885
Gross farm income	842,669	566,759	1,404,535
Total farm expense	723,214	533,679	1,157,352
Net farm income from operations	119,455	33,080	247,183
Net nonfarm income	10,140	4,635	18,694
Family living & tax withdrawals	43,987	35,203	64,862
Total acres owned	311.2	404.4	401.3
Total crop acres	492.9	510.5	571.4
Crop acres owned	302.4	307.2	341.6
Crop acres cash rented	190.1	203.4	229.3
Crop acres share rented	0.4	-	0.4
Total pasture acres	0.2	0.7	-
Labor Analysis			
Number of farms	90	22	23
Total unpaid labor hours	5,082	4,272	5,483
Total hired labor hours	11,999	6,419	20,950
Total labor hours per farm	17,081	10,691	26,433
Unpaid hours per operator	3,111	3,133	3,319
Value of farm production / hour	62.08	52.84	67.73
Net farm income / unpaid hour	38.39	10.56	74.48
Average hourly hired labor wage	13.50	13.71	13.91
Partnerships & LLCs			
Number of farms	41	8	12
Number of operators	2.1	1.6	2.1
Owner withdrawals per farm	79,486	-	-
Withdrawals per operator	34,065	-	-

Table 21

Financial Summary
2010 MI Dairy (All Herds)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of		
	All Farms	Low 25%	High 25%
Number of farms	90	22	23
Income Statement			
Gross cash farm income	1,302,891	790,256	2,152,993
Total cash farm expense	1,095,827	668,898	1,782,135
Net cash farm income	207,064	121,358	370,857
Inventory change	103,606	-8,097	220,109
Depreciation	-115,560	-68,151	-182,577
Net farm income from operations	195,110	45,110	408,389
Gain or loss on capital sales	-1,278	-	-5,000
Average net farm income	193,833	45,110	403,389
Median net farm income	110,791	7,812	272,274
Profitability (cost)			
Rate of return on assets	8.9 %	3.5 %	13.3 %
Rate of return on equity	12.5 %	0.9 %	19.9 %
Operating profit margin	18.0 %	9.6 %	22.7 %
Asset turnover rate	49.4 %	36.3 %	58.6 %
Profitability (market)			
Rate of return on assets	7.0 %	-0.2 %	12.1 %
Rate of return on equity	7.7 %	-2.9 %	14.6 %
Operating profit margin	23.9 %	-1.0 %	34.6 %
Asset turnover rate	29.2 %	20.8 %	35.0 %
Liquidity & Repayment (end of year)			
Current assets	509,992	326,880	832,309
Current liabilities	192,702	163,899	252,078
Current ratio	2.65	1.99	3.30
Working capital	317,290	162,981	580,230
Working capital to gross inc	23.1 %	21.1 %	25.0 %
Term debt coverage ratio	2.47	1.47	3.50
Replacement coverage ratio	2.00	1.09	2.99
Solvency (end of year at cost)			
Number of farms	90	22	23
Total farm assets	2,210,813	1,572,386	3,201,627
Total farm liabilities	1,051,848	908,473	1,355,205
Total assets	2,414,551	1,636,702	3,532,599
Total liabilities	1,071,957	908,473	1,362,578
Net worth	1,341,060	721,951	2,170,021
Net worth change	155,906	4,419	366,484
Farm debt to asset ratio	48 %	58 %	42 %
Total debt to asset ratio	44 %	56 %	39 %
Solvency (end of year at market)			
Number of farms	90	22	23
Total farm assets	3,726,568	2,702,770	5,370,953
Total farm liabilities	1,051,848	908,473	1,355,205
Total assets	4,010,528	2,846,683	5,765,430
Total liabilities	1,071,957	908,473	1,362,578
Net worth	2,938,571	1,938,210	4,402,853
Net worth change	217,764	-56,263	580,220
Farm debt to asset ratio	28 %	34 %	25 %
Total debt to asset ratio	27 %	32 %	24 %
Nonfarm Information			
Net nonfarm income	16,561	6,320	30,885
Crop Acres			
Total acres owned	508	552	598
Total crop acres	805	696	944
Total crop acres owned	494	419	564
Total crop acres cash rented	310	277	379
Total crop acres share rented	1	-	1

B. Financial Summary Information, Herds with 40-99 Cows

Table 22		Crop Production and Marketing Summary		
		2010 MI Dairy (40-99 Cows)		
		(Farms Sorted By Rate of Return on Assets - Mkt)		
		Avg. Of All Farms	Low 25%	High 25%
Dairy				
Number of farms		17	5	5
Average number of cows		93	79	151
Milk production per cow lbs.,		19,103	16,762	22,425
Average milk price per cwt.,		\$16.84	\$16.98	\$16.68
Acreage Summary				
Total acres owned		224	167	324
Total crop acres		329	303	369
Crop acres owned		211	130	240
Crop acres cash rented		118	173	129
Crop acres share rented		-	-	-
Total pasture acres		-	-	-
Percent crop acres owned		64 %	43 %	65 %
Average Price Received (Cash Sales Only)				
Soybeans per bushel		9.53	-	-

Table 23

Farm Income Statement
2010 MI Dairy (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	17	5	5
Cash Farm Income			
Corn	4,099	-	12,284
Hay, Alfalfa	1,442	5,052	-
Hay, Mixed	2,066	-	472
Haylage, Mixed	237	-	-
Soybeans	9,564	-	17,010
Sugar Beets	1,399	-	-
Wheat, Winter	307	-	1,042
Dairy, Milk	310,702	227,351	559,222
Dairy, Dairy Calves	1,051	610	1,652
Dairy Heifers (for sale)	325	-	-
Dairy Replacement Heifers	408	-	355
Dairy Finishing	2,849	1,052	7,276
Dairy Feeder	675	2,869	-
Cull breeding livestock	17,177	10,959	30,080
Direct & CC govt payments	157	194	-
Other government payments	5,969	1,618	11,275
Patronage dividends, cash	1,432	1,567	1,191
Insurance income	423	459	1,073
Other farm income	4,381	971	8,220
Gross Cash Farm Income	364,664	252,701	651,153

Table 23

Farm Income Statement (Continued)
2010 MI Dairy (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	17	5	5
Cash Farm Expense			
Seed	10,561	3,693	21,910
Fertilizer	12,292	5,053	27,847
Crop chemicals	3,459	757	6,366
Crop insurance	177	-	249
Storage	867	-	2,549
Crop miscellaneous	484	-	860
Purchased feed	90,013	85,057	135,777
Breeding fees	3,163	1,197	7,599
Veterinary	8,195	3,771	18,647
Livestock supplies	4,035	250	4,304
DHIA	595	-	1,511
Hauling and trucking	9,829	10,685	12,433
Marketing	5,218	4,748	9,239
Bedding	3,644	396	9,862
Interest	21,133	10,479	39,927
Supplies	6,980	12,344	12,391
Fuel & oil	16,016	14,827	26,413
Repairs	15,248	17,646	18,532
Repair, machinery	263	-	-
Custom hire	15,130	3,107	44,619
Hired labor	40,801	34,336	76,533
Land rent	7,227	15,090	10,755
Machinery leases	1,123	-	3,702
Real estate taxes	6,700	3,490	10,324
Farm insurance	7,735	7,087	12,402
Utilities	10,840	9,735	15,221
Dues & professional fees	2,964	3,347	3,823
Miscellaneous	4,225	3,196	5,432
Total cash expense	308,917	250,288	539,226
Net cash farm income	55,747	2,412	111,927
Inventory Changes			
Prepays and supplies	1,785	294	5,501
Accounts receivable	2,275	-979	-31
Hedging accounts	-	-	-
Other current assets	1,406	100	2,787
Crops and feed	16,839	-7,455	51,320
Market livestock	46	175	-1,537
Breeding livestock	-777	-30,014	19,947
Other assets	-81	-606	2,771
Accounts payable	-7,929	11,478	-30,148
Accrued interest	82	-	23
Total inventory change	13,647	-27,006	50,633
Net operating profit	69,393	-24,594	162,560
Depreciation			
Machinery and equipment	-15,440	-8,744	-27,065
Titled vehicles	-94	-	-
Buildings and improvements	-9,643	-5,594	-21,479
Total depreciation	-25,177	-14,338	-48,544
Net farm income from operations	44,217	-38,931	114,016
Gain or loss on capital sales	-	-	-
Net farm income	44,217	-38,931	114,016

Table 24

Inventory Changes
2010 MI Dairy (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	17	5	5
Net cash farm income	55,747	2,412	111,927
Crops and Feed			
Ending inventory	94,946	72,033	171,690
Beginning inventory	78,107	79,488	120,369
Inventory change	16,839	-7,455	51,320
Market Livestock			
Ending inventory	4,328	2,525	5,056
Beginning inventory	4,282	2,350	6,592
Inventory change	46	175	-1,537
Accts Receivable			
Ending inventory	11,359	5,411	17,151
Beginning inventory	9,084	6,390	17,182
Inventory change	2,275	-979	-31
Prepaid Expenses and Supplies			
Ending inventory	9,263	844	25,222
Beginning inventory	7,479	550	19,721
Inventory change	1,785	294	5,501
Hedging Activities			
Ending inventory	209	-	712
Withdrawals	-	-	-
Beginning inventory	209	-	712
Deposits	-	-	-
Gain or loss	-	-	-
Other Current Assets			
Ending inventory	4,983	3,381	7,799
Beginning inventory	3,577	3,281	5,012
Inventory change	1,406	100	2,787
Breeding Livestock			
Ending inventory	236,765	171,750	435,120
Capital sales	1,757	6,324	747
Beginning inventory	238,568	206,613	415,720
Capital purchases	730	1,475	200
Depreciation, capital adjust	-777	-30,014	19,947
Other Capital Assets			
Ending inventory	16,899	13,190	33,016
Capital sales	160	250	345
Beginning inventory	14,925	13,357	27,170
Capital purchases	2,216	688	3,421
Depreciation, capital adjust	-81	-606	2,771
Accounts Payable			
Beginning inventory	28,514	19,207	76,101
Ending inventory	36,443	7,728	106,249
Inventory change	-7,929	11,478	-30,148
Accrued Interest			
Beginning inventory	156	-	140
Ending inventory	74	-	117
Inventory change	82	-	23
Total inventory change	13,647	-27,006	50,633
Net operating profit	69,393	-24,594	162,560

Table 25

Depreciation
2010 MI Dairy (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	17	5	5
Net operating profit	69,393	-24,594	162,560
Machinery and Equipment			
Ending inventory	56,556	58,607	76,688
Capital sales	331	277	-
Beginning inventory	56,522	52,477	87,102
Capital purchases	15,805	15,150	16,650
Depreciation, capital adjust.	-15,440	-8,744	-27,065
Titled Vehicles			
Ending inventory	59	-	-
Capital sales	-	-	-
Beginning inventory	153	-	-
Capital purchases	-	-	-
Depreciation, capital adjust.	-94	-	-
Buildings and Improvements			
Ending inventory	112,666	42,117	247,999
Capital sales	1,118	4,750	-
Beginning inventory	122,178	52,461	267,135
Capital purchases	1,249	-	2,343
Depreciation, capital adjust.	-9,643	-5,594	-21,479
Total depreciation, capital adj.	-25,177	-14,338	-48,544
Net farm income from operations	44,217	-38,931	114,016
Gain or loss on capital sales	-	-	-
Net farm income	44,217	-38,931	114,016

Table 26

Profitability Measures
2010 MI Dairy (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	17	5	5
Profitability (assets valued at cost)			
Net farm income from operations	44,217	-38,931	114,016
Rate of return on assets	5.5 %	-11.4 %	10.2 %
Rate of return on equity	6.2 %	-40.4 %	20.6 %
Operating profit margin	12.7 %	-37.6 %	19.8 %
Asset turnover rate	43.4 %	30.2 %	51.4 %
Farm interest expense	21,051	10,479	39,904
Value of operator lbr and mgmt.	28,127	20,000	37,090
Return on farm assets	37,140	-48,452	116,830
Average farm assets	675,401	426,724	1,144,805
Return on farm equity	16,089	-58,931	76,926
Average farm equity	259,155	145,736	374,274
Value of farm production	293,434	128,866	588,746
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	17	5	5
Profitability (assets valued at market)			
Net farm income from operations	55,862	-52,440	161,487
Rate of return on assets	3.8 %	-7.1 %	9.5 %
Rate of return on equity	3.2 %	-12.1 %	13.1 %
Operating profit margin	16.6 %	-48.1 %	27.9 %
Asset turnover rate	22.9 %	14.7 %	34.2 %
Farm interest expense	21,051	10,479	39,904
Value of operator lbr and mgmt.	28,127	20,000	37,090
Return on farm assets	48,786	-61,961	164,301
Average farm assets	1,280,900	878,358	1,720,692
Return on farm equity	27,735	-72,440	124,397
Average farm equity	864,654	597,370	950,161
Value of farm production	293,434	128,866	588,746

Table 27

Liquidity & Repayment Capacity Measures
2010 MI Dairy (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	17	5	5
Liquidity			
Current ratio	1.56	4.49	1.30
Working capital	52,472	76,971	59,769
Working capital to gross inc	13.7 %	36.0 %	8.2 %
Current assets	145,436	99,004	259,916
Current liabilities	92,965	22,033	200,148
Gross revenues (accrual)	383,447	213,923	724,523
Repayment capacity			
Net farm income from operations	44,217	-38,931	114,016
Depreciation	25,177	14,338	48,544
Personal income	14,444	17,456	20,514
Family living/owner withdrawals	-39,067	-38,056	-44,114
Payments on personal debt	-2,891	-6,170	-4,288
Income taxes paid	-1,542	-800	-1,105
Interest on term debt	19,837	13,016	39,668
Capital debt repayment capacity	60,174	-39,148	173,235
Scheduled term debt payments	-37,965	-35,302	-68,019
Capital debt repayment margin	22,210	-74,450	105,216
Cash replacement allowance	-14,014	-9,649	-11,789
Replacement margin	8,196	-84,099	93,427
Term debt coverage ratio	1.59	-1.11	2.55
Replacement coverage ratio	1.16	-0.87	2.17

Table 28

Balance Sheet at Cost Values
2010 MI Dairy (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Number of farms	17		5		5	
Assets						
Current Farm Assets						
Cash and checking balance	14,774	20,347	9,940	14,811	17,852	32,287
Prepaid expenses & supplies	7,479	9,263	550	844	19,721	25,222
Growing crops	3,335	4,261	3,125	3,125	5,012	6,899
Accounts receivable	9,084	11,359	6,390	5,411	17,182	17,151
Hedging accounts	209	209	0	0	712	712
Crops held for sale or feed	78,107	94,946	79,488	72,033	120,369	171,690
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	4,282	4,328	2,350	2,525	6,592	5,056
Other current assets	242	722	156	256	0	900
Total current farm assets	117,512	145,436	101,998	99,004	187,440	259,916
Intermediate Farm Assets						
Breeding livestock	238,568	236,765	206,613	171,750	415,720	435,120
Machinery and equipment	56,522	56,556	52,477	58,607	87,102	76,688
Titled vehicles	153	59	0	0	0	0
Other intermediate assets	8,679	8,853	12,829	12,664	7,574	7,604
Total intermediate farm assets	303,921	302,232	271,919	243,021	510,396	519,412
Long Term Farm Assets						
Farm land	117,165	115,400	24,688	17,188	126,152	126,152
Buildings and improvements	122,178	112,666	52,461	42,117	267,135	247,999
Other long-term assets	6,246	8,047	528	526	19,596	25,412
Total long-term farm assets	245,589	236,113	77,676	59,831	412,883	399,563
Total Farm Assets	667,022	683,781	451,593	401,855	1,110,719	1,178,891
Total Nonfarm Assets	71,122	61,073	96,322	49,524	46,270	58,848
Total Assets	738,143	744,854	547,915	451,379	1,156,989	1,237,740
Liabilities						
Current Farm Liabilities						
Accrued interest	156	74	0	0	140	117
Accounts payable	28,514	36,443	19,207	7,728	76,101	106,249
Current notes	36,420	33,777	17,771	0	54,766	56,710
Government crop loans	0	0	0	0	0	0
Principal due on term debt	18,128	22,672	22,286	14,305	28,351	37,071
Total current farm liabilities	83,217	92,965	59,263	22,033	159,359	200,148
Total intermediate farm liabs	122,379	74,503	152,650	149,726	257,141	109,978
Total long term farm liabilities	211,022	248,406	57,859	120,447	360,695	453,743
Total farm liabilities	416,618	415,874	269,771	292,206	777,195	763,868
Total nonfarm liabilities	25,908	7,799	57,265	0	40,576	24,935
Total liabilities	442,527	423,673	327,036	292,206	817,771	788,803
Net worth (farm and nonfarm)	295,617	321,182	220,879	159,173	339,218	448,937
Net worth change		25,565		-61,705		109,719
Percent net worth change		9 %		-28 %		32 %
Ratio Analysis						
Current farm liabilities / assets	71 %	64 %	58 %	22 %	85 %	77 %
Intermediate farm liab. / assets	40 %	25 %	56 %	62 %	50 %	21 %
Long term farm liab. / assets	86 %	105 %	74 %	201 %	87 %	114 %
Total debt to asset ratio	60 %	57 %	60 %	65 %	71 %	64 %

Table 29

Balance Sheet at Market Values
2010 MI Dairy (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of		Low 25%		High 25%	
	All Farms					
Number of farms	17		5		5	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	14,774	20,347	9,940	14,811	17,852	32,287
Prepaid expenses & supplies	7,479	9,263	550	844	19,721	25,222
Growing crops	3,335	4,261	3,125	3,125	5,012	6,899
Accounts receivable	9,084	11,359	6,390	5,411	17,182	17,151
Hedging accounts	209	209	0	0	712	712
Crops held for sale or feed	78,107	94,946	79,488	72,033	120,369	171,690
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	4,282	4,328	2,350	2,525	6,592	5,056
Other current assets	242	722	156	256	0	900
Total current farm assets	117,512	145,436	101,998	99,004	187,440	259,916
Intermediate Farm Assets						
Breeding livestock	248,235	242,331	206,613	171,750	440,440	452,060
Machinery and equipment	218,341	220,939	237,054	238,916	228,117	228,398
Titled vehicles	971	1,026	0	0	560	550
Other intermediate assets	9,290	9,546	12,829	12,664	9,193	9,561
Total intermediate farm assets	476,837	473,842	456,495	423,330	678,309	690,569
Long Term Farm Assets						
Farm land	457,671	463,506	218,750	207,750	353,420	382,060
Buildings and improvements	209,028	205,438	132,211	116,125	426,133	424,526
Other long-term assets	5,650	6,879	528	526	17,568	21,443
Total long-term farm assets	672,349	675,824	351,488	324,401	797,121	828,029
Total Farm Assets	1,266,697	1,295,102	909,981	846,735	1,662,871	1,778,514
Total Nonfarm Assets	135,650	124,947	133,822	79,976	157,744	174,367
Total Assets	1,402,347	1,420,049	1,043,804	926,711	1,820,615	1,952,881
Liabilities						
Current Farm Liabilities						
Accrued interest	156	74	0	0	140	117
Accounts payable	28,514	36,443	19,207	7,728	76,101	106,249
Current notes	36,420	33,777	17,771	0	54,766	56,710
Government crop loans	0	0	0	0	0	0
Principal due on term debt	18,128	22,672	22,286	14,305	28,351	37,071
Total current farm liabilities	83,217	92,965	59,263	22,033	159,359	200,148
Total intermediate farm liabs	122,379	74,503	152,650	149,726	257,141	109,978
Total long term farm liabilities	211,022	248,406	57,859	120,447	360,695	453,743
Total farm liabilities	416,618	415,874	269,771	292,206	777,195	763,868
Total nonfarm liabilities	25,908	7,799	57,265	0	40,576	24,935
Total liabs excluding deferreds	442,527	423,673	327,036	292,206	817,771	788,803
Total deferred liabilities	0	0	0	0	0	0
Total liabilities	442,527	423,673	327,036	292,206	817,771	788,803
Retained earnings	295,617	321,182	220,879	159,173	339,218	448,937
Market valuation equity	664,204	675,195	495,889	475,331	663,626	715,141
Net worth (farm and nonfarm)	959,821	996,376	716,767	634,505	1,002,844	1,164,078
Net worth excluding deferreds	959,821	996,376	716,767	634,505	1,002,844	1,164,078
Net worth change		36,556		-82,262		161,234
Percent net worth change		4 %		-11 %		16 %
Ratio Analysis						
Current farm liabilities / assets	71 %	64 %	58 %	22 %	85 %	77 %
Intermediate farm liab. / assets	26 %	16 %	33 %	35 %	38 %	16 %
Long term farm liab. / assets	31 %	37 %	16 %	37 %	45 %	55 %
Total debt to asset ratio	32 %	30 %	31 %	32 %	45 %	40 %
Debt to assets excl deferreds	32 %	30 %	31 %	32 %	45 %	40 %

Table 30

Statement Of Cash Flows
2010 MI Dairy (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	17	5	5
Beginning cash (farm & nonfarm)	16,259	10,065	18,579
Cash Provided By Operating Activities			
Gross cash farm income	364,664	252,701	651,153
Total cash farm expense	-308,917	-250,288	-539,226
Net cash from hedging transactions	-	-	-
Cash provided by operating	55,747	2,412	111,927
Cash Provided By Investing Activities			
Sale of breeding livestock	1,757	6,324	747
Sale of machinery & equipment	331	277	-
Sale of titled vehicles	-	-	-
Sale of farm land	-	-	-
Sale of farm buildings	1,118	4,750	-
Sale of other farm assets	160	250	345
Sale of nonfarm assets	16,371	52,825	-
Purchase of breeding livestock	-730	-1,475	-200
Purchase of machinery & equip.	-15,805	-15,150	-16,650
Purchase of titled vehicles	-	-	-
Purchase of farm land	-97	-	-
Purchase of farm buildings	-1,249	-	-2,343
Purchase of other farm assets	-2,216	-688	-3,421
Purchase of nonfarm assets	-353	-	-
Cash provided by investing	-714	47,112	-21,522
Cash Provided By Financing Activities			
Money borrowed	110,571	119,060	159,179
Principal payments	-137,272	-142,412	-218,272
Personal income	14,444	17,456	20,514
Family living/owner withdrawals	-39,067	-38,056	-44,114
Income and social security tax	-1,542	-800	-1,105
Capital contributions	5,034	-	17,114
Capital distributions	-876	-	-2,977
Dividends paid	-	-	-
Cash gifts and inheritances	2,064	-	345
Gifts given	-882	-	-
Other cash flows	-	-	-
Cash provided by financing	-47,527	-44,753	-69,315
Net change in cash balance	7,506	4,771	21,089
Ending cash (farm & nonfarm)	23,766	14,836	39,669

Table 31

Financial Standards Measures
2010 MI Dairy (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	17	5	5
Liquidity			
Current ratio	1.56	4.49	1.30
Working capital	52,472	76,971	59,769
Working capital to gross inc	13.7 %	36.0 %	8.2 %
Solvency (market)			
Farm debt to asset ratio	32 %	35 %	43 %
Farm equity to asset ratio	68 %	65 %	57 %
Farm debt to equity ratio	0.47	0.53	0.75
Profitability (cost)			
Rate of return on farm assets	5.5 %	-11.4 %	10.2 %
Rate of return on farm equity	6.2 %	-40.4 %	20.6 %
Operating profit margin	12.7 %	-37.6 %	19.8 %
Net farm income	44,217	-38,931	114,016
EBIDTA	90,445	-14,115	202,464
Repayment Capacity			
Capital debt repayment capacity	60,174	-39,148	173,235
Capital debt repayment margin	22,210	-74,450	105,216
Replacement margin	8,196	-84,099	93,427
Term debt coverage ratio	1.59	-1.11	2.55
Replacement coverage ratio	1.16	-0.87	2.17
Efficiency			
Asset turnover rate (cost)	43.4 %	30.2 %	51.4 %
Operating expense ratio	76.4 %	106.6 %	72.1 %
Depreciation expense ratio	6.6 %	6.7 %	6.7 %
Interest expense ratio	5.5 %	4.9 %	5.5 %
Net farm income ratio	11.5 %	-18.2 %	15.7 %

Table 32

Operator and Labor Information
2010 MI Dairy (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	17	5	5
Operator Information			
Average number of operators	1.4	1.5	1.4
Average age of operators	49.4	49.7	47.6
Average number of years farming	26.3	25.5	25.6
Results Per Operator			
Working capital	38,783	51,314	42,692
Total assets (market)	1,049,601	617,807	1,394,915
Total liabilities	313,149	194,804	563,431
Net worth (market)	736,452	423,003	831,484
Net worth excl deferred liabs	736,452	423,003	831,484
Gross farm income	283,418	142,615	517,516
Total farm expense	250,736	168,569	436,076
Net farm income from operations	32,682	-25,954	81,440
Net nonfarm income	10,676	11,637	14,653
Family living & tax withdrawals	30,015	25,904	32,299
Total acres owned	165.4	111.5	160.0
Total crop acres	243.5	201.7	263.3
Crop acres owned	156.2	86.7	171.4
Crop acres cash rented	87.3	115.0	91.9
Crop acres share rented	-	-	-
Total pasture acres	-	-	-
Labor Analysis			
Number of farms	17	5	5
Total unpaid labor hours	4,667	4,445	5,092
Total hired labor hours	2,028	1,625	3,236
Total labor hours per farm	6,696	6,070	8,329
Unpaid hours per operator	3,450	2,963	3,637
Value of farm production / hour	43.82	21.23	70.69
Net farm income / unpaid hour	9.47	-8.76	22.39
Average hourly hired labor wage	20.08	21.06	23.65

Table 33

Financial Summary
2010 MI Dairy (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	17	5	5
Income Statement			
Gross cash farm income	364,664	252,701	651,153
Total cash farm expense	308,917	250,288	539,226
Net cash farm income	55,747	2,412	111,927
Inventory change	13,647	-27,006	50,633
Depreciation	-25,177	-14,338	-48,544
Net farm income from operations	44,217	-38,931	114,016
Gain or loss on capital sales	-	-	-
Average net farm income	44,217	-38,931	114,016
Median net farm income	41,156	-30,311	113,288
Profitability (cost)			
Rate of return on assets	5.5 %	-11.4 %	10.2 %
Rate of return on equity	6.2 %	-40.4 %	20.6 %
Operating profit margin	12.7 %	-37.6 %	19.8 %
Asset turnover rate	43.4 %	30.2 %	51.4 %
Profitability (market)			
Rate of return on assets	3.8 %	-7.1 %	9.5 %
Rate of return on equity	3.2 %	-12.1 %	13.1 %
Operating profit margin	16.6 %	-48.1 %	27.9 %
Asset turnover rate	22.9 %	14.7 %	34.2 %
Liquidity & Repayment (end of year)			
Current assets	145,436	99,004	259,916
Current liabilities	92,965	22,033	200,148
Current ratio	1.56	4.49	1.30
Working capital	52,472	76,971	59,769
Working capital to gross inc	13.7 %	36.0 %	8.2 %
Term debt coverage ratio	1.59	-1.11	2.55
Replacement coverage ratio	1.16	-0.87	2.17
Solvency (end of year at cost)			
Number of farms	17	5	5
Total farm assets	683,781	401,855	1,178,891
Total farm liabilities	415,874	292,206	763,868
Total assets	744,854	451,379	1,237,740
Total liabilities	423,673	292,206	788,803
Net worth	321,182	159,173	448,937
Net worth change	25,565	-61,705	109,719
Farm debt to asset ratio	61 %	73 %	65 %
Total debt to asset ratio	57 %	65 %	64 %
Solvency (end of year at market)			
Number of farms	17	5	5
Total farm assets	1,295,102	846,735	1,778,514
Total farm liabilities	415,874	292,206	763,868
Total assets	1,420,049	926,711	1,952,881
Total liabilities	423,673	292,206	788,803
Net worth	996,376	634,505	1,164,078
Net worth change	36,556	-82,262	161,234
Farm debt to asset ratio	32 %	35 %	43 %
Total debt to asset ratio	30 %	32 %	40 %
Nonfarm Information			
Net nonfarm income	14,444	17,456	20,514
Crop Acres			
Total acres owned	224	167	324
Total crop acres	329	303	369
Total crop acres owned	211	130	240
Total crop acres cash rented	118	173	129
Total crop acres share rented	-	-	-

C. Financial Summary Information, Herds with 100-249 Cows

Table 34	Crop Production and Marketing Summary 2010 MI Dairy (100-249 Cows) (Farms Sorted By Rate of Return on Assets - Mkt)		
	Avg. Of All Farms	Low 25%	High 25%
Dairy			
Number of farms	44	10	12
Average number of cows	166	138	164
Milk production per cow lbs.,	21,783	20,591	22,890
Average milk price per cwt.,	\$16.76	\$16.37	\$16.87
Acreage Summary			
Total acres owned	508	729	465
Total crop acres	714	741	713
Crop acres owned	419	450	386
Crop acres cash rented	295	291	326
Crop acres share rented	-	-	-
Total pasture acres	0	-	-
Percent crop acres owned	59 %	61 %	54 %
Average Price Received (Cash Sales Only)			
Corn per bushel	4.64	-	-
Wheat, Winter per bushel	4.59	-	-
Soybeans per bushel	12.48	-	-

Table 35

Farm Income Statement
2010 MI Dairy (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	44	10	12
Cash Farm Income			
Barley	285	1,252	-
Corn	28,503	6,488	19,051
Corn Silage	3,012	-	-
Hay, Alfalfa	795	-	2,918
Hay, Mixed	554	540	370
Haylage, Mixed	864	-	-
Oats	650	45	121
Soybeans	8,160	-	5,235
Straw	305	-	1,116
Wheat, Winter	2,532	813	1,035
Miscellaneous crop income	36	-	-
Dairy, Milk	611,960	471,822	624,796
Dairy, Dairy Calves	3,287	1,799	3,694
Dairy Heifers (for sale)	346	434	192
Dairy Replacement Heifers	2,211	492	1,324
Dairy Finishing	5,665	527	7,968
Dairy Feeder	4,289	8,167	9,733
Cull breeding livestock	35,250	46,123	20,517
Misc. livestock income	72	-	54
Direct & CC govt payments	204	-	-
Livestock govt payments	124	-	-
Other government payments	13,186	12,377	15,690
Custom work income	8,761	20,289	4,731
Patronage dividends, cash	3,053	1,783	3,106
Insurance income	8,064	3,104	17,828
Sale of resale items	125	-	-
Other farm income	9,377	14,747	7,678
Gross Cash Farm Income	752,209	591,167	747,156

Table 35

Farm Income Statement (Continued)
2010 MI Dairy (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	44	10	12
Cash Farm Expense			
Seed	24,866	14,240	26,758
Fertilizer	32,461	17,485	33,749
Crop chemicals	6,926	3,383	6,884
Crop insurance	1,342	478	684
Drying expense	335	-	-
Packaging and supplies	240	-	-
Crop miscellaneous	2,155	232	1,629
Feeder livestock purchase	94	34	208
Purchased feed	172,594	156,955	159,346
Breeding fees	5,363	3,227	5,457
Veterinary	16,853	13,414	18,669
Livestock supplies	16,456	10,836	15,196
DHIA	1,762	950	2,082
Contract production exp.	6,316	-	-
Livestock fuel & oil	1,004	-	4,017
Livestock custom hire	176	-	153
Livestock leases	693	-	-
Hauling and trucking	22,833	18,556	22,777
Marketing	9,887	9,678	9,349
Bedding	6,442	3,053	4,242
Interest	30,664	27,633	30,775
Supplies	11,613	6,240	14,475
Fuel & oil	36,040	29,232	38,393
Repairs	42,550	34,556	45,160
Repair, livestock equip	234	-	-
Custom hire	13,643	17,453	16,261
Repair, buildings	392	-	-
Hired labor	84,841	77,885	72,866
Land rent	16,229	8,629	19,857
Machinery leases	8,938	4,352	11,541
Building leases	682	-	2,727
Real estate taxes	9,288	6,171	7,034
Personal property taxes	35	-	113
Farm insurance	12,715	10,118	12,648
Utilities	19,633	15,986	16,129
Dues & professional fees	6,575	5,907	4,096
Miscellaneous	9,313	11,657	5,807
Total cash expense	632,183	508,339	609,084
Net cash farm income	120,026	82,827	138,071
Inventory Changes			
Prepays and supplies	2,019	1,402	-6,396
Accounts receivable	-303	681	32
Hedging accounts	137	-	-
Other current assets	860	-1,169	502
Crops and feed	34,695	-75	86,123
Market livestock	1,810	2,663	4,952
Breeding livestock	-906	-30,394	35,175
Other assets	48	311	258
Accounts payable	3,545	4,172	4,972
Accrued interest	245	-55	-6
Total inventory change	42,148	-22,465	125,611
Net operating profit	162,174	60,362	263,683
Depreciation			
Machinery and equipment	-46,052	-24,768	-50,094
Titled vehicles	1,407	-	1,045
Buildings and improvements	-22,658	-16,212	-24,977
Total depreciation	-67,303	-40,980	-74,026

Net farm income from operations	94,871	19,382	189,657
Gain or loss on capital sales	-	-	-
Net farm income	94,871	19,382	189,657

Table 36

Inventory Changes
2010 MI Dairy (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	44	10	12
Net cash farm income	120,026	82,827	138,227
Crops and Feed			
Ending inventory	193,316	137,804	233,010
Beginning inventory	158,621	137,879	150,897
Inventory change	34,695	-75	82,113
Market Livestock			
Ending inventory	13,418	15,258	24,010
Beginning inventory	11,608	12,595	19,668
Inventory change	1,810	2,663	4,342
Accts Receivable			
Ending inventory	21,855	22,512	19,564
Beginning inventory	22,158	21,831	19,535
Inventory change	-303	681	29
Prepaid Expenses and Supplies			
Ending inventory	22,739	8,084	20,193
Beginning inventory	20,720	6,682	24,086
Inventory change	2,019	1,402	-3,892
Hedging Activities			
Ending inventory	-	-	-
Withdrawals	137	-	-
Beginning inventory	-	-	-
Deposits	-	-	-
Gain or loss	137	-	-
Other Current Assets			
Ending inventory	15,019	15,461	13,844
Beginning inventory	14,160	16,631	13,383
Inventory change	860	-1,169	460
Breeding Livestock			
Ending inventory	422,237	371,952	388,219
Capital sales	1,661	-	5,133
Beginning inventory	415,915	386,404	358,075
Capital purchases	8,889	15,941	2,723
Depreciation, capital adjust	-906	-30,394	32,554
Other Capital Assets			
Ending inventory	78,578	246,849	21,969
Capital sales	3,023	1,197	125
Beginning inventory	76,936	246,420	19,638
Capital purchases	4,617	1,316	2,219
Depreciation, capital adjust	48	311	237
Accounts Payable			
Beginning inventory	34,106	44,063	15,454
Ending inventory	30,561	39,891	11,217
Inventory change	3,545	4,172	4,237
Accrued Interest			
Beginning inventory	604	237	41
Ending inventory	360	292	11
Inventory change	245	-55	30
Total inventory change	42,148	-22,465	120,110
Net operating profit	162,174	60,362	258,337

Table 37

Depreciation
2010 MI Dairy (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	44	10	12
Net operating profit	162,174	60,362	258,337
Machinery and Equipment			
Ending inventory	143,130	100,958	137,059
Capital sales	2,526	-	542
Beginning inventory	138,169	96,862	114,447
Capital purchases	53,539	28,864	81,417
Depreciation, capital adjust.	-46,052	-24,768	-58,263
Titled Vehicles			
Ending inventory	1,475	-	4,958
Capital sales	-	-	-
Beginning inventory	68	-	250
Capital purchases	-	-	-
Depreciation, capital adjust.	1,407	-	4,708
Buildings and Improvements			
Ending inventory	155,498	131,873	135,637
Capital sales	-	-	-
Beginning inventory	157,661	138,330	141,448
Capital purchases	20,496	9,755	18,524
Depreciation, capital adjust.	-22,658	-16,212	-24,335
Total depreciation, capital adj.	-67,303	-40,980	-77,889
Net farm income from operations	94,871	19,382	180,448
Gain or loss on capital sales	-	-	-
Net farm income	94,871	19,382	180,448

Table 38

Profitability Measures
2010 MI Dairy (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	44	10	12
Profitability (assets valued at cost)			
Net farm income from operations	94,871	19,382	180,448
Rate of return on assets	6.1 %	1.3 %	13.9 %
Rate of return on equity	7.1 %	-1.6 %	22.0 %
Operating profit margin	13.4 %	4.1 %	22.9 %
Asset turnover rate	45.3 %	31.2 %	60.9 %
Farm interest expense	30,419	27,687	29,582
Value of operator lbr and mgmt.	42,722	30,557	49,475
Return on farm assets	82,569	16,512	160,555
Average farm assets	1,356,312	1,300,220	1,152,497
Return on farm equity	52,149	-11,175	130,973
Average farm equity	739,647	701,562	596,124
Value of farm production	614,606	405,633	701,432
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	44	10	12
Profitability (assets valued at market)			
Net farm income from operations	130,096	17,366	239,246
Rate of return on assets	4.9 %	0.6 %	10.0 %
Rate of return on equity	4.9 %	-0.8 %	11.6 %
Operating profit margin	19.2 %	3.6 %	31.3 %
Asset turnover rate	25.7 %	17.6 %	32.0 %
Farm interest expense	30,419	27,687	29,582
Value of operator lbr and mgmt.	42,722	30,557	49,475
Return on farm assets	117,793	14,496	219,354
Average farm assets	2,392,267	2,300,193	2,191,514
Return on farm equity	87,374	-13,192	189,772
Average farm equity	1,775,603	1,701,534	1,635,141
Value of farm production	614,606	405,633	701,432

Table 39

Liquidity & Repayment Capacity Measures
2010 MI Dairy (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	44	10	12
Liquidity			
Current ratio	2.36	1.32	3.96
Working capital	173,047	47,393	252,031
Working capital to gross inc	22.0 %	8.4 %	29.6 %
Current assets	300,605	196,665	337,280
Current liabilities	127,558	149,272	85,248
Gross revenues (accrual)	787,295	562,622	851,645
Repayment capacity			
Net farm income from operations	94,871	19,382	180,448
Depreciation	67,303	40,980	77,889
Personal income	8,033	1,753	11,760
Family living/owner withdrawals	-59,794	-46,687	-68,702
Payments on personal debt	-68	-	-250
Income taxes paid	-849	-586	-458
Interest on term debt	41,577	33,555	32,235
Capital debt repayment capacity	151,073	48,397	232,921
Scheduled term debt payments	-80,339	-71,325	-69,115
Capital debt repayment margin	70,734	-22,928	163,806
Cash replacement allowance	-25,241	-13,074	-25,356
Replacement margin	45,493	-36,003	138,450
Term debt coverage ratio	1.88	0.68	3.37
Replacement coverage ratio	1.43	0.57	2.47

Table 40

Balance Sheet at Cost Values
2010 MI Dairy (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Number of farms	44		10		12	
Assets						
Current Farm Assets						
Cash and checking balance	31,212	31,940	12,924	-3,953	16,466	19,409
Prepaid expenses & supplies	20,720	22,739	6,682	8,084	24,086	20,193
Growing crops	12,682	13,936	10,248	10,808	13,383	13,844
Accounts receivable	22,158	21,855	21,831	22,512	19,535	19,564
Hedging accounts	0	0	0	0	0	0
Crops held for sale or feed	156,303	195,634	136,379	139,304	143,647	240,260
Crops under government loan	4,636	0	3,000	0	14,500	0
Market livestock held for sale	11,608	13,418	12,595	15,258	19,668	24,010
Other current assets	1,478	1,084	6,383	4,653	0	0
Total current farm assets	260,797	300,605	210,042	196,665	251,284	337,280
Intermediate Farm Assets						
Breeding livestock	415,915	422,237	386,404	371,952	358,075	388,219
Machinery and equipment	138,169	143,130	96,862	100,958	114,447	137,059
Titled vehicles	68	1,475	0	0	250	4,958
Other intermediate assets	12,397	12,878	1,147	1,484	12,827	13,793
Total intermediate farm assets	566,549	579,719	484,413	474,395	485,599	544,029
Long Term Farm Assets						
Farm land	279,277	282,278	235,492	238,595	193,157	201,574
Buildings and improvements	157,661	155,498	138,330	131,873	141,448	135,637
Other long-term assets	64,539	65,700	245,273	245,365	6,811	8,176
Total long-term farm assets	501,477	503,476	619,094	615,833	341,416	345,387
Total Farm Assets	1,328,824	1,383,800	1,313,549	1,286,892	1,078,299	1,226,696
Total Nonfarm Assets	68,763	71,910	66,111	69,264	8,578	6,803
Total Assets	1,397,587	1,455,710	1,379,659	1,356,156	1,086,877	1,233,499
Liabilities						
Current Farm Liabilities						
Accrued interest	604	360	237	292	41	11
Accounts payable	34,106	30,561	44,063	39,891	15,454	11,217
Current notes	48,699	52,075	69,330	69,076	24,997	30,991
Government crop loans	1,589	0	1,490	0	4,584	0
Principal due on term debt	38,762	44,562	37,770	40,013	36,881	43,030
Total current farm liabilities	123,760	127,558	152,891	149,272	81,957	85,248
Total intermediate farm liabs	173,668	185,958	212,856	233,003	142,878	179,319
Total long term farm liabilities	316,322	306,063	232,781	216,515	323,338	300,006
Total farm liabilities	613,750	619,579	598,527	598,790	548,172	564,574
Total nonfarm liabilities	2,271	1,905	0	0	4,469	3,433
Total liabilities	616,021	621,484	598,527	598,790	552,641	568,007
Net worth (farm and nonfarm)	781,566	834,226	781,132	757,365	534,235	665,492
Net worth change		52,660		-23,767		131,256
Percent net worth change		7 %		-3 %		25 %
Ratio Analysis						
Current farm liabilities / assets	47 %	42 %	73 %	76 %	33 %	25 %
Intermediate farm liab. / assets	31 %	32 %	44 %	49 %	29 %	33 %
Long term farm liab. / assets	63 %	61 %	38 %	35 %	95 %	87 %
Total debt to asset ratio	44 %	43 %	43 %	44 %	51 %	46 %

Table 41

Balance Sheet at Market Values
2010 MI Dairy (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Number of farms	44		10		12	
Assets						
Current Farm Assets						
Cash and checking balance	31,212	31,940	12,924	-3,953	16,466	19,409
Prepaid expenses & supplies	20,720	22,739	6,682	8,084	24,086	20,193
Growing crops	12,682	13,936	10,248	10,808	13,383	13,844
Accounts receivable	22,158	21,855	21,831	22,512	19,535	19,564
Hedging accounts	0	0	0	0	0	0
Crops held for sale or feed	156,303	195,634	136,379	139,304	143,647	240,260
Crops under government loan	4,636	0	3,000	0	14,500	0
Market livestock held for sale	11,608	13,418	12,595	15,258	19,668	24,010
Other current assets	1,478	1,084	6,383	4,653	0	0
Total current farm assets	260,797	300,605	210,042	196,665	251,284	337,280
Intermediate Farm Assets						
Breeding livestock	430,005	431,504	395,179	380,727	389,042	414,477
Machinery and equipment	434,179	455,210	307,620	311,998	423,802	459,893
Titled vehicles	4,653	5,454	7,208	6,632	4,971	8,463
Other intermediate assets	20,095	20,587	28,347	28,684	18,388	19,354
Total intermediate farm assets	888,931	912,756	738,354	728,041	836,202	902,186
Long Term Farm Assets						
Farm land	778,799	794,871	831,131	835,131	628,054	667,437
Buildings and improvements	350,645	360,047	289,929	280,848	359,385	373,853
Other long-term assets	67,995	69,089	245,074	245,172	12,992	14,357
Total long-term farm assets	1,197,438	1,224,007	1,366,134	1,361,151	1,000,431	1,055,646
Total Farm Assets	2,347,167	2,437,368	2,314,529	2,285,856	2,087,917	2,295,112
Total Nonfarm Assets	169,141	172,267	145,957	149,110	84,334	82,559
Total Assets	2,516,308	2,609,635	2,460,487	2,434,966	2,172,250	2,377,671
Liabilities						
Current Farm Liabilities						
Accrued interest	604	360	237	292	41	11
Accounts payable	34,106	30,561	44,063	39,891	15,454	11,217
Current notes	48,699	52,075	69,330	69,076	24,997	30,991
Government crop loans	1,589	0	1,490	0	4,584	0
Principal due on term debt	38,762	44,562	37,770	40,013	36,881	43,030
Total current farm liabilities	123,760	127,558	152,891	149,272	81,957	85,248
Total intermediate farm liabs	173,668	185,958	212,856	233,003	142,878	179,319
Total long term farm liabilities	316,322	306,063	232,781	216,515	323,338	300,006
Total farm liabilities	613,750	619,579	598,527	598,790	548,172	564,574
Total nonfarm liabilities	2,271	1,905	0	0	4,469	3,433
Total liabs excluding deferreds	616,021	621,484	598,527	598,790	552,641	568,007
Total deferred liabilities	0	0	0	0	0	0
Total liabilities	616,021	621,484	598,527	598,790	552,641	568,007
Retained earnings	781,566	834,226	781,132	757,365	534,235	665,492
Market valuation equity	1,118,721	1,153,924	1,080,827	1,078,811	1,085,373	1,144,172
Net worth (farm and nonfarm)	1,900,287	1,988,151	1,861,960	1,836,176	1,619,609	1,809,664
Net worth excluding deferreds	1,900,287	1,988,151	1,861,960	1,836,176	1,619,609	1,809,664
Net worth change		87,864		-25,783		190,055
Percent net worth change		5 %		-1 %		12 %
Ratio Analysis						
Current farm liabilities / assets	47 %	42 %	73 %	76 %	33 %	25 %
Intermediate farm liab. / assets	20 %	20 %	29 %	32 %	17 %	20 %
Long term farm liab. / assets	26 %	25 %	17 %	16 %	32 %	28 %
Total debt to asset ratio	24 %	24 %	24 %	25 %	25 %	24 %
Debt to assets excl deferreds	24 %	24 %	24 %	25 %	25 %	24 %

Table 42

Statement Of Cash Flows
2010 MI Dairy (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	44	10	12
Beginning cash (farm & nonfarm)	31,780	12,924	16,466
Cash Provided By Operating Activities			
Gross cash farm income	752,209	591,167	732,371
Total cash farm expense	-632,183	-508,339	-594,144
Net cash from hedging transactions	137	-	-
Cash provided by operating	120,163	82,827	138,227
Cash Provided By Investing Activities			
Sale of breeding livestock	1,661	-	5,133
Sale of machinery & equipment	2,526	-	542
Sale of titled vehicles	-	-	-
Sale of farm land	-	-	-
Sale of farm buildings	-	-	-
Sale of other farm assets	3,023	1,197	125
Sale of nonfarm assets	2,593	-	583
Purchase of breeding livestock	-8,889	-15,941	-2,723
Purchase of machinery & equip.	-53,539	-28,864	-81,417
Purchase of titled vehicles	-	-	-
Purchase of farm land	-771	-3,392	-
Purchase of farm buildings	-20,496	-9,755	-18,524
Purchase of other farm assets	-4,617	-1,316	-2,219
Purchase of nonfarm assets	-1,948	-	-
Cash provided by investing	-80,455	-58,072	-98,500
Cash Provided By Financing Activities			
Money borrowed	110,479	67,258	84,322
Principal payments	-101,180	-62,877	-64,690
Personal income	8,033	1,753	11,760
Family living/owner withdrawals	-59,794	-46,687	-68,702
Income and social security tax	-849	-586	-458
Capital contributions	2,634	-	1,951
Capital distributions	-675	-2,060	-759
Dividends paid	-	-	-
Cash gifts and inheritances	4,498	2,811	-
Gifts given	-2,069	-1,245	-
Other cash flows	-	-	-
Cash provided by financing	-38,924	-41,633	-36,575
Net change in cash balance	784	-16,877	3,152
Ending cash (farm & nonfarm)	32,565	-3,953	19,617

Table 43

Financial Standards Measures
2010 MI Dairy (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	44	10	12
Liquidity			
Current ratio	2.36	1.32	3.96
Working capital	173,047	47,393	252,031
Working capital to gross inc	22.0 %	8.4 %	29.6 %
Solvency (market)			
Farm debt to asset ratio	25 %	26 %	25 %
Farm equity to asset ratio	75 %	74 %	75 %
Farm debt to equity ratio	0.34	0.35	0.33
Profitability (cost)			
Rate of return on farm assets	6.1 %	1.3 %	13.9 %
Rate of return on farm equity	7.1 %	-1.6 %	22.0 %
Operating profit margin	13.4 %	4.1 %	22.9 %
Net farm income	94,871	19,382	180,448
EBIDTA	192,593	88,049	287,919
Repayment Capacity			
Capital debt repayment capacity	151,073	48,397	232,921
Capital debt repayment margin	70,734	-22,928	163,806
Replacement margin	45,493	-36,003	138,450
Term debt coverage ratio	1.88	0.68	3.37
Replacement coverage ratio	1.43	0.57	2.47
Efficiency			
Asset turnover rate (cost)	45.3 %	31.2 %	60.9 %
Operating expense ratio	75.5 %	84.4 %	66.2 %
Depreciation expense ratio	8.5 %	7.3 %	9.1 %
Interest expense ratio	3.9 %	4.9 %	3.5 %
Net farm income ratio	12.1 %	3.4 %	21.2 %

Table 44

Operator and Labor Information
2010 MI Dairy (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	44	10	12
Operator Information			
Average number of operators	1.5	1.3	1.4
Average age of operators	47.1	44.2	49.9
Average number of years farming	24.8	25.9	27.4
Results Per Operator			
Working capital	111,972	36,456	177,904
Total assets (market)	1,688,587	1,873,051	1,678,356
Total liabilities	402,137	460,608	400,946
Net worth (market)	1,286,450	1,412,443	1,277,410
Net worth excl deferred liabs	1,286,450	1,412,443	1,277,410
Gross farm income	509,426	432,786	601,162
Total farm expense	448,039	417,877	473,787
Net farm income from operations	61,387	14,909	127,375
Net nonfarm income	5,198	1,349	8,301
Family living & tax withdrawals	39,240	36,364	48,819
Total acres owned	328.5	560.4	339.2
Total crop acres	462.0	569.9	502.0
Crop acres owned	271.2	346.2	288.4
Crop acres cash rented	190.8	223.8	213.6
Crop acres share rented	-	-	-
Total pasture acres	0.1	-	0.6
Labor Analysis			
Number of farms	44	10	12
Total unpaid labor hours	4,708	3,984	5,442
Total hired labor hours	6,281	5,848	5,379
Total labor hours per farm	10,989	9,832	10,821
Unpaid hours per operator	3,046	3,065	3,841
Value of farm production / hour	55.93	41.26	64.82
Net farm income / unpaid hour	20.15	4.86	33.16
Average hourly hired labor wage	13.51	13.32	12.88
Partnerships & LLCs			
Number of farms	19	4	4
Number of operators	2.1	1.8	2.0
Owner withdrawals per farm	-	-	-
Withdrawals per operator	-	-	-

Table 45

Financial Summary
2010 MI Dairy (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	44	10	12
Income Statement			
Gross cash farm income	752,209	591,167	732,371
Total cash farm expense	632,183	508,339	594,144
Net cash farm income	120,026	82,827	138,227
Inventory change	42,148	-22,465	120,110
Depreciation	-67,303	-40,980	-77,889
Net farm income from operations	94,871	19,382	180,448
Gain or loss on capital sales	-	-	-
Average net farm income	94,871	19,382	180,448
Median net farm income	85,611	6,961	134,757
Profitability (cost)			
Rate of return on assets	6.1 %	1.3 %	13.9 %
Rate of return on equity	7.1 %	-1.6 %	22.0 %
Operating profit margin	13.4 %	4.1 %	22.9 %
Asset turnover rate	45.3 %	31.2 %	60.9 %
Profitability (market)			
Rate of return on assets	4.9 %	0.6 %	10.0 %
Rate of return on equity	4.9 %	-0.8 %	11.6 %
Operating profit margin	19.2 %	3.6 %	31.3 %
Asset turnover rate	25.7 %	17.6 %	32.0 %
Liquidity & Repayment (end of year)			
Current assets	300,605	196,665	337,280
Current liabilities	127,558	149,272	85,248
Current ratio	2.36	1.32	3.96
Working capital	173,047	47,393	252,031
Working capital to gross inc	22.0 %	8.4 %	29.6 %
Term debt coverage ratio	1.88	0.68	3.37
Replacement coverage ratio	1.43	0.57	2.47
Solvency (end of year at cost)			
Number of farms	44	10	12
Total farm assets	1,383,800	1,286,892	1,226,696
Total farm liabilities	619,579	598,790	564,574
Total assets	1,455,710	1,356,156	1,233,499
Total liabilities	621,484	598,790	568,007
Net worth	831,088	743,555	665,492
Net worth change	52,660	-23,767	131,256
Farm debt to asset ratio	45 %	47 %	46 %
Total debt to asset ratio	43 %	44 %	46 %
Solvency (end of year at market)			
Number of farms	44	10	12
Total farm assets	2,437,368	2,285,856	2,295,112
Total farm liabilities	619,579	598,790	564,574
Total assets	2,609,635	2,434,966	2,377,671
Total liabilities	621,484	598,790	568,007
Net worth	1,988,151	1,836,176	1,809,664
Net worth change	87,864	-25,783	190,055
Farm debt to asset ratio	25 %	26 %	25 %
Total debt to asset ratio	24 %	25 %	24 %
Nonfarm Information			
Net nonfarm income	8,033	1,753	11,760
Crop Acres			
Total acres owned	508	729	481
Total crop acres	714	741	711
Total crop acres owned	419	450	409
Total crop acres cash rented	295	291	303
Total crop acres share rented	-	-	-

Table 47

Farm Income Statement
2010 MI Dairy (250-449 Cows)
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms
Number of farms	12
Cash Farm Income	
Corn	46,789
Soybeans	52,110
Sugar Beets	45,531
Wheat, Winter	14,031
Dairy, Milk	1,266,521
Dairy, Dairy Calves	7,056
Dairy Replacement Heifers	182
Dairy Finishing	23,254
Dairy Feeder	17,212
Cull breeding livestock	49,931
Misc. livestock income	270
Direct & CC govt payments	7,078
Other government payments	12,910
Custom work income	4,794
Patronage dividends, cash	8,388
Insurance income	21,613
Sale of resale items	3,702
Other farm income	9,348
Gross Cash Farm Income	1,590,720

Table 47

Farm Income Statement (Continued)
2010 MI Dairy (250-449 Cows)
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms
Number of farms	12
Cash Farm Expense	
Seed	59,598
Fertilizer	55,537
Crop chemicals	18,794
Crop insurance	716
Drying expense	186
Storage	733
Crop custom hire	4,083
Crop miscellaneous	3,027
Feeder livestock purchase	50
Purchased feed	352,960
Breeding fees	15,046
Veterinary	49,436
Livestock supplies	42,505
DHIA	3,779
Contract production exp.	22,762
Livestock custom hire	1,220
Hauling and trucking	40,902
Marketing	14,903
Bedding	18,423
Livestock miscellaneous	99
Interest	51,456
Supplies	13,509
Fuel & oil	58,333
Repairs	61,931
Repair, machinery	5,909
Custom hire	33,081
Repair, buildings	4,673
Hired labor	195,469
Land rent	50,969
Machinery leases	1,842
Building leases	125
Real estate taxes	17,698
Personal property taxes	1,531
Farm insurance	21,974
Utilities	32,574
Dues & professional fees	6,628
Miscellaneous	20,688
Total cash expense	1,283,147
Net cash farm income	307,573
Inventory Changes	
Prepays and supplies	17,344
Accounts receivable	1,841
Hedging accounts	-806
Other current assets	-352
Crops and feed	77,862

Market livestock	5,930
Breeding livestock	33,688
Other assets	272
Accounts payable	3,360
Accrued interest	-1,349
Total inventory change	137,789
Net operating profit	445,362
Depreciation	
Machinery and equipment	-78,691
Titled vehicles	-273
Buildings and improvements	-41,625
Total depreciation	-120,590
Net farm income from operations	324,772
Gain or loss on capital sales	-
Net farm income	324,772

Table 48

Inventory Changes
2010 MI Dairy (250-449 Cows)
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms
Number of farms	12
Net cash farm income	307,573
Crops and Feed	
Ending inventory	442,136
Beginning inventory	364,274
Inventory change	77,862
Market Livestock	
Ending inventory	34,154
Beginning inventory	28,224
Inventory change	5,930
Accts Receivable	
Ending inventory	75,113
Beginning inventory	73,273
Inventory change	1,841
Prepaid Expenses and Supplies	
Ending inventory	67,349
Beginning inventory	50,006
Inventory change	17,344
Hedging Activities	
Ending inventory	0
Withdrawals	-806
Beginning inventory	-
Deposits	-
Gain or loss	-806
Other Current Assets	
Ending inventory	18,590
Beginning inventory	18,942
Inventory change	-352
Breeding Livestock	
Ending inventory	770,441
Capital sales	8,435
Beginning inventory	728,234
Capital purchases	16,954
Depreciation, capital adjust	33,688
Other Capital Assets	
Ending inventory	59,836
Capital sales	9,861
Beginning inventory	56,640
Capital purchases	12,785
Depreciation, capital adjust	272
Accounts Payable	
Beginning inventory	27,592
Ending inventory	24,232
Inventory change	3,360
Accrued Interest	
Beginning inventory	3,022
Ending inventory	4,371
Inventory change	-1,349
Total inventory change	137,789
Net operating profit	445,362

Table 49

Depreciation
2010 MI Dairy (250-449 Cows)
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms
Number of farms	12
Net operating profit	445,362
Machinery and Equipment	
Ending inventory	177,846
Capital sales	5,883
Beginning inventory	164,087
Capital purchases	98,334
Depreciation, capital adjust.	-78,691
Titled Vehicles	
Ending inventory	2,750
Capital sales	-
Beginning inventory	3,023
Capital purchases	-
Depreciation, capital adjust.	-273
Buildings and Improvements	
Ending inventory	223,597
Capital sales	1,250
Beginning inventory	207,450
Capital purchases	59,022
Depreciation, capital adjust.	-41,625
Total depreciation, capital adj.	-120,590
Net farm income from operations	324,772
Gain or loss on capital sales	-
Net farm income	324,772

Table 50

Profitability Measures
2010 MI Dairy (250-449 Cows)
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms
Number of farms	12
Profitability (assets valued at cost)	
Net farm income from operations	324,772
Rate of return on assets	11.1 %
Rate of return on equity	16.3 %
Operating profit margin	21.1 %
Asset turnover rate	52.5 %
Farm interest expense	52,805
Value of operator lbr and mgmt.	91,085
Return on farm assets	286,492
Average farm assets	2,583,104
Return on farm equity	233,687
Average farm equity	1,434,889
Value of farm production	1,356,471
	Avg. Of All Farms
Number of farms	12
Profitability (assets valued at market)	
Net farm income from operations	371,478
Rate of return on assets	7.5 %
Rate of return on equity	8.5 %
Operating profit margin	24.6 %
Asset turnover rate	30.6 %
Farm interest expense	52,805
Value of operator lbr and mgmt.	91,085
Return on farm assets	333,198
Average farm assets	4,434,026
Return on farm equity	280,393
Average farm equity	3,285,811
Value of farm production	1,356,471

Table 51

Liquidity & Repayment Capacity Measures
2010 MI Dairy (250-449 Cows)
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms
Number of farms	12
Liquidity	
Current ratio	4.19
Working capital	537,828
Working capital to gross inc	31.5 %
Current assets	706,531
Current liabilities	168,703
Gross revenues (accrual)	1,709,482
Repayment capacity	
Net farm income from operations	324,772
Depreciation	120,590
Personal income	18,495
Family living/owner withdrawals	-106,044
Payments on personal debt	-1,413
Income taxes paid	-492
Interest on term debt	55,283
Capital debt repayment capacity	411,192
Scheduled term debt payments	-116,598
Capital debt repayment margin	294,593
Cash replacement allowance	-41,191
Replacement margin	253,402
Term debt coverage ratio	3.53
Replacement coverage ratio	2.61

Table 52

Balance Sheet at Cost Values
2010 MI Dairy (250-449 Cows)
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	
Number of farms	12	
	Beginning	Ending
Assets		
Current Farm Assets		
Cash and checking balance	85,808	74,725
Prepaid expenses & supplies	51,098	70,689
Growing crops	15,802	15,432
Accounts receivable	73,794	71,960
Hedging accounts	0	0
Crops held for sale or feed	368,756	451,638
Crops under government loan	0	0
Market livestock held for sale	30,430	37,011
Other current assets	118	91
Total current farm assets	625,806	721,546
Intermediate Farm Assets		
Breeding livestock	735,328	760,099
Machinery and equipment	157,536	175,565
Titled vehicles	1,818	1,818
Other intermediate assets	52,953	55,638
Total intermediate farm assets	947,634	993,121
Long Term Farm Assets		
Farm land	755,128	755,128
Buildings and improvements	197,961	218,634
Other long-term assets	8,836	9,637
Total long-term farm assets	961,926	983,400
Total Farm Assets	2,535,366	2,698,067
Total Nonfarm Assets	411,535	438,003
Total Assets	2,946,901	3,136,070
Liabilities		
Current Farm Liabilities		
Accrued interest	2,955	4,428
Accounts payable	30,100	26,435
Current notes	79,426	69,052
Government crop loans	0	0
Principal due on term debt	59,582	72,802
Total current farm liabilities	172,063	172,718
Total intermediate farm liabs	246,593	259,993
Total long term farm liabilities	818,462	751,947
Total farm liabilities	1,237,118	1,184,658
Total nonfarm liabilities	19,388	17,324
Total liabilities	1,256,506	1,201,983
Net worth (farm and nonfarm)	1,690,396	1,934,087
Net worth change		243,692
Percent net worth change		14 %
Ratio Analysis		
Current farm liabilities / assets	27 %	24 %
Intermediate farm liab. / assets	26 %	26 %
Long term farm liab. / assets	85 %	76 %
Total debt to asset ratio	43 %	38 %

Table 53

Balance Sheet at Market Values
2010 MI Dairy (250-449 Cows)
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	
Number of farms	12	
	Beginning	Ending
Assets		
Current Farm Assets		
Cash and checking balance	85,808	74,725
Prepaid expenses & supplies	51,098	70,689
Growing crops	15,802	15,432
Accounts receivable	73,794	71,960
Hedging accounts	0	0
Crops held for sale or feed	368,756	451,638
Crops under government loan	0	0
Market livestock held for sale	30,430	37,011
Other current assets	118	91
Total current farm assets	625,806	721,546
Intermediate Farm Assets		
Breeding livestock	771,873	788,827
Machinery and equipment	675,022	713,612
Titled vehicles	0	1,227
Other intermediate assets	52,953	55,034
Total intermediate farm assets	1,499,847	1,558,700
Long Term Farm Assets		
Farm land	1,681,315	1,691,169
Buildings and improvements	448,167	493,158
Other long-term assets	61,247	66,710
Total long-term farm assets	2,190,729	2,251,037
Total Farm Assets	4,316,382	4,531,283
Total Nonfarm Assets	461,877	487,245
Total Assets	4,778,259	5,018,528
Liabilities		
Current Farm Liabilities		
Accrued interest	2,955	4,428
Accounts payable	30,100	26,435
Current notes	79,426	69,052
Government crop loans	0	0
Principal due on term debt	59,582	72,802
Total current farm liabilities	172,063	172,718
Total intermediate farm liabs	246,593	259,993
Total long term farm liabilities	818,462	751,947
Total farm liabilities	1,237,118	1,184,658
Total nonfarm liabilities	19,388	17,324
Total liabs excluding deferreds	1,256,506	1,201,983
Total deferred liabilities	0	0
Total liabilities	1,256,506	1,201,983
Retained earnings	1,690,396	1,934,087
Market valuation equity	1,831,358	1,882,458
Net worth (farm and nonfarm)	3,521,754	3,816,546
Net worth excluding deferreds	3,521,754	3,816,546
Net worth change		294,792
Percent net worth change		8 %
Ratio Analysis		
Current farm liabilities / assets	27 %	24 %
Intermediate farm liab. / assets	16 %	17 %
Long term farm liab. / assets	37 %	33 %
Total debt to asset ratio	26 %	24 %
Debt to assets excl deferreds	26 %	24 %

Table 54

Statement Of Cash Flows
2010 MI Dairy (250-449 Cows)
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms
Number of farms	12
Beginning cash (farm & nonfarm)	80,219
Cash Provided By Operating Activities	
Gross cash farm income	1,590,720
Total cash farm expense	-1,283,147
Net cash from hedging transactions	-806
Cash provided by operating	306,767
Cash Provided By Investing Activities	
Sale of breeding livestock	8,435
Sale of machinery & equipment	5,883
Sale of titled vehicles	-
Sale of farm land	-
Sale of farm buildings	1,250
Sale of other farm assets	9,861
Sale of nonfarm assets	394
Purchase of breeding livestock	-16,954
Purchase of machinery & equip.	-98,334
Purchase of titled vehicles	-
Purchase of farm land	-
Purchase of farm buildings	-59,022
Purchase of other farm assets	-12,785
Purchase of nonfarm assets	0
Cash provided by investing	-161,273
Cash Provided By Financing Activities	
Money borrowed	205,510
Principal payments	-258,487
Personal income	18,495
Family living/owner withdrawals	-106,044
Income and social security tax	-492
Capital contributions	-
Capital distributions	-18,752
Dividends paid	-
Cash gifts and inheritances	10,072
Gifts given	-6,827
Other cash flows	-
Cash provided by financing	-156,525
Net change in cash balance	-11,031
Ending cash (farm & nonfarm)	69,188

Table 55

Financial Standards Measures
2010 MI Dairy (250-449 Cows)
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms
Number of farms	12
Liquidity	
Current ratio	4.19
Working capital	537,828
Working capital to gross inc	31.5 %
Solvency (market)	
Farm debt to asset ratio	25 %
Farm equity to asset ratio	75 %
Farm debt to equity ratio	0.33
Profitability (cost)	
Rate of return on farm assets	11.1 %
Rate of return on farm equity	16.3 %
Operating profit margin	21.1 %
Net farm income	324,772
EBIDTA	498,167
Repayment Capacity	
Capital debt repayment capacity	411,192
Capital debt repayment margin	294,593
Replacement margin	253,402
Term debt coverage ratio	3.53
Replacement coverage ratio	2.61
Efficiency	
Asset turnover rate (cost)	52.5 %
Operating expense ratio	70.9 %
Depreciation expense ratio	7.1 %
Interest expense ratio	3.0 %
Net farm income ratio	19.0 %

Table 56

Operator and Labor Information
2010 MI Dairy (250-449 Cows)
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms
Number of farms	12
Operator Information	
Average number of operators	2.2
Average age of operators	50.8
Average number of years farming	28.4
Results Per Operator	
Working capital	248,228
Total assets (market)	2,301,847
Total liabilities	524,753
Net worth (market)	1,777,094
Net worth excl deferred liabs	1,777,094
Gross farm income	788,992
Total farm expense	639,097
Net farm income from operations	149,895
Net nonfarm income	8,536
Family living & tax withdrawals	49,170
Total acres owned	268.3
Total crop acres	437.5
Crop acres owned	314.4
Crop acres cash rented	121.3
Crop acres share rented	1.8
Total pasture acres	-
Labor Analysis	
Number of farms	12
Total unpaid labor hours	5,636
Total hired labor hours	14,205
Total labor hours per farm	19,840
Unpaid hours per operator	2,601
Value of farm production / hour	68.37
Net farm income / unpaid hour	57.63
Average hourly hired labor wage	12.22
Partnerships & LLCs	
Number of farms	8
Number of operators	2.1
Owner withdrawals per farm	-
Withdrawals per operator	-

Table 57

Financial Summary
2010 MI Dairy (250-449 Cows)
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms
Number of farms	12
Income Statement	
Gross cash farm income	1,590,720
Total cash farm expense	1,283,147
Net cash farm income	307,573
Inventory change	137,789
Depreciation	-120,590
Net farm income from operations	324,772
Gain or loss on capital sales	-
Average net farm income	324,772
Median net farm income	253,696
Profitability (cost)	
Rate of return on assets	11.1 %
Rate of return on equity	16.3 %
Operating profit margin	21.1 %
Asset turnover rate	52.5 %
Profitability (market)	
Rate of return on assets	7.5 %
Rate of return on equity	8.5 %
Operating profit margin	24.6 %
Asset turnover rate	30.6 %
Liquidity & Repayment (end of year)	
Current assets	706,531
Current liabilities	168,703
Current ratio	4.19
Working capital	537,828
Working capital to gross inc	31.5 %
Term debt coverage ratio	3.53
Replacement coverage ratio	2.61
Solvency (end of year at cost)	
Number of farms	12
Total farm assets	2,666,419
Total farm liabilities	1,121,084
Total assets	3,067,922
Total liabilities	1,136,965
Net worth	1,930,958
Net worth change	247,045
Farm debt to asset ratio	42 %
Total debt to asset ratio	37 %
Solvency (end of year at market)	
Number of farms	12
Total farm assets	4,540,694
Total farm liabilities	1,121,084
Total assets	4,987,335
Total liabilities	1,136,965
Net worth	3,850,371
Net worth change	292,743
Farm debt to asset ratio	25 %
Total debt to asset ratio	23 %
Nonfarm Information	
Net nonfarm income	18,495
Crop Acres	
Total acres owned	581
Total crop acres	948
Total crop acres owned	681
Total crop acres cash rented	263
Total crop acres share rented	4

Table 59

Farm Income Statement
2010 MI Dairy (450+ Cows)
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	18	5	5
Cash Farm Income			
Corn	53,790	8,353	84,882
Corn Silage	8,675	700	5,240
Hay, Alfalfa	568	-	-
Hay, Mixed	38	172	-
Haylage, Mixed	587	-	2,115
Oats	276	-	-
Soybeans	56,639	1,906	61,575
Straw	150	-	-
Sugar Beets	37,346	86,051	65,605
Wheat, Winter	22,357	-	20,348
Dairy, Milk	2,857,363	2,078,892	4,364,298
Dairy, Dairy Calves	15,752	6,224	24,956
Dairy Replacement Heifers	3,124	-	6,915
Dairy Finishing	26,478	72,405	1,113
Dairy Feeder	766	-	-
Cull breeding livestock	126,081	101,189	229,933
Misc. livestock income	1,318	3,413	2,016
Direct & CC govt payments	2,688	2,755	-
CRP payments	1,227	268	-
Livestock govt payments	-244	1,712	-2,247
Other government payments	32,634	48,275	31,226
Custom work income	19,927	30,341	30,032
Patronage dividends, cash	47,814	11,374	127,281
Insurance income	23,883	10,086	40,017
Other farm income	30,096	32,792	46,117
Gross Cash Farm Income	3,370,239	2,496,906	5,144,679

Table 59

Farm Income Statement (Continued)
2010 MI Dairy (450+ Cows)
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	18	5	5
Cash Farm Expense			
Seed	89,880	55,676	144,565
Fertilizer	102,377	52,542	176,666
Crop chemicals	33,667	13,903	69,400
Crop insurance	5,586	2,484	15,828
Drying expense	750	-	1,767
Storage	708	3,186	-
Crop hauling and trucking	355	-	-
Crop marketing	748	293	2,023
Crop miscellaneous	26,789	3,365	33,204
Purchased feed	857,526	705,447	1,221,140
Breeding fees	31,626	23,050	47,720
Veterinary	99,810	46,528	154,643
Livestock supplies	69,615	37,787	149,506
DHIA	4,169	3,177	7,298
Contract production exp.	26,177	-	-
Livestock hauling and trucking	80,228	43,684	121,380
Livestock marketing	32,197	19,615	56,560
Bedding	52,512	38,567	90,376
Livestock miscellaneous	64	-	229
Interest	156,205	186,067	169,669
Supplies	21,686	58,836	-
Fuel & oil	99,660	70,419	155,529
Repairs	135,465	94,000	176,379
Repair, machinery	5,335	-	-
Custom hire	151,603	150,929	309,369
Repair, buildings	5,560	-	19,708
Hired labor	463,405	351,839	809,042
Land rent	90,863	44,952	175,725
Machinery leases	17,028	2,319	35,221
Building leases	6,730	-	24,228
Real estate taxes	32,001	23,029	31,266
Farm insurance	43,176	37,886	43,455
Utilities	73,328	56,453	96,586
Dues & professional fees	8,567	8,288	13,007
Miscellaneous	46,866	15,674	95,285
Total cash expense	2,872,262	2,149,988	4,446,773
Net cash farm income	497,976	346,918	697,906
Inventory Changes			
Prepays and supplies	65,897	27,444	87,212
Accounts receivable	2,333	9,501	5,451
Hedging accounts	-1,142	-	-4,110
Other current assets	4,090	9,289	5,789
Crops and feed	136,753	100,726	337,503
Market livestock	8,913	28,758	70
Breeding livestock	58,760	-33,125	62,309

Other assets	-2,646	3,661	43
Accounts payable	43,695	-50,503	144,198
Accrued interest	-78	57	-15
Total inventory change	316,576	95,807	638,451
Net operating profit	814,552	442,725	1,336,357
Depreciation			
Machinery and equipment	-182,558	-98,238	-248,182
Titled vehicles	-139	-	-
Buildings and improvements	-135,596	-216,392	-141,155
Total depreciation	-318,293	-314,630	-389,337
Net farm income from operations	496,259	128,095	947,020
Gain or loss on capital sales	-6,389	-	-
Net farm income	489,870	128,095	947,020

Table 60

Inventory Changes
2010 MI Dairy (450+ Cows)
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	18	5	5
Net cash farm income	497,976	346,918	697,906
Crops and Feed			
Ending inventory	763,944	502,248	1,217,991
Beginning inventory	627,190	401,522	880,488
Inventory change	136,753	100,726	337,503
Market Livestock			
Ending inventory	32,924	75,568	2,262
Beginning inventory	24,011	46,810	2,192
Inventory change	8,913	28,758	70
Accts Receivable			
Ending inventory	116,121	49,491	222,759
Beginning inventory	113,788	39,990	217,308
Inventory change	2,333	9,501	5,451
Prepaid Expenses and Supplies			
Ending inventory	136,065	61,465	187,023
Beginning inventory	70,168	34,022	99,811
Inventory change	65,897	27,444	87,212
Hedging Activities			
Ending inventory	198	890	-
Withdrawals	278	-	1,000
Beginning inventory	198	890	-
Deposits	1,419	-	5,110
Gain or loss	-1,142	-	-4,110
Other Current Assets			
Ending inventory	42,637	27,809	36,368
Beginning inventory	38,547	18,519	30,579
Inventory change	4,090	9,289	5,789
Breeding Livestock			
Ending inventory	1,698,336	1,349,725	2,474,000
Capital sales	11,734	-	14,799
Beginning inventory	1,619,967	1,379,963	2,425,740
Capital purchases	31,344	2,888	750
Depreciation, capital adjust	58,760	-33,125	62,309
Other Capital Assets			
Ending inventory	223,498	48,616	448,129
Capital sales	37,153	418	77,495
Beginning inventory	213,007	41,514	485,846
Capital purchases	50,289	3,860	39,734
Depreciation, capital adjust	-2,646	3,661	43
Accounts Payable			
Beginning inventory	149,233	241,268	242,852
Ending inventory	105,538	291,771	98,654
Inventory change	43,695	-50,503	144,198
Accrued Interest			
Beginning inventory	5,349	7,206	10,172
Ending inventory	5,427	7,149	10,186
Inventory change	-78	57	-15
Total inventory change	316,576	95,807	638,451
Net operating profit	814,552	442,725	1,336,357

Table 61

Depreciation
2010 MI Dairy (450+ Cows)
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	18	5	5
Net operating profit	814,552	442,725	1,336,357
Machinery and Equipment			
Ending inventory	543,441	280,207	855,065
Capital sales	21,393	-	73,682
Beginning inventory	542,363	329,636	830,585
Capital purchases	205,029	48,809	346,344
Depreciation, capital adjust.	-182,558	-98,238	-248,182
Titled Vehicles			
Ending inventory	1,000	3,250	-
Capital sales	-	-	-
Beginning inventory	1,139	3,250	-
Capital purchases	-	-	-
Depreciation, capital adjust.	-139	-	-
Buildings and Improvements			
Ending inventory	872,353	1,008,889	1,135,880
Capital sales	167	-	600
Beginning inventory	903,251	1,033,601	1,167,865
Capital purchases	104,864	191,680	109,771
Depreciation, capital adjust.	-135,596	-216,392	-141,155
Total depreciation, capital adj.	-318,293	-314,630	-389,337
Net farm income from operations	496,259	128,095	947,020
Gain or loss on capital sales	-6,389	-	-
Net farm income	489,870	128,095	947,020

Table 62

Profitability Measures
2010 MI Dairy (450+ Cows)
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	18	5	5
Profitability (assets valued at cost)			
Net farm income from operations	496,259	128,095	947,020
Rate of return on assets	10.4 %	6.3 %	12.7 %
Rate of return on equity	15.8 %	6.0 %	17.2 %
Operating profit margin	20.0 %	12.1 %	22.9 %
Asset turnover rate	51.8 %	52.3 %	55.4 %
Farm interest expense	156,283	186,010	169,684
Value of operator lbr and mgmt.	109,730	83,750	125,000
Return on farm assets	542,813	230,355	991,704
Average farm assets	5,233,136	3,638,611	7,810,254
Return on farm equity	386,529	44,345	822,020
Average farm equity	2,450,105	741,687	4,790,183
Value of farm production	2,712,162	1,902,105	4,324,805
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	18	5	5
Profitability (assets valued at market)			
Net farm income from operations	685,061	832,591	1,137,090
Rate of return on assets	8.7 %	13.6 %	10.3 %
Rate of return on equity	10.3 %	18.8 %	11.9 %
Operating profit margin	27.0 %	49.1 %	27.3 %
Asset turnover rate	32.4 %	27.6 %	37.5 %
Farm interest expense	156,283	186,010	169,684
Value of operator lbr and mgmt.	109,730	83,750	125,000
Return on farm assets	731,615	934,851	1,181,774
Average farm assets	8,362,323	6,882,270	11,518,135
Return on farm equity	575,331	748,841	1,012,090
Average farm equity	5,579,291	3,985,346	8,498,064
Value of farm production	2,712,162	1,902,105	4,324,805

Table 63

Liquidity & Repayment Capacity Measures
2010 MI Dairy (450+ Cows)
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	18	5	5
Liquidity			
Current ratio	2.50	1.06	4.26
Working capital	742,676	46,038	1,528,568
Working capital to gross inc	20.8 %	1.8 %	27.6 %
Current assets	1,238,221	771,751	1,996,799
Current liabilities	495,545	725,712	468,232
Gross revenues (accrual)	3,569,688	2,607,551	5,545,945
Repayment capacity			
Net farm income from operations	496,259	128,095	947,020
Depreciation	318,293	314,630	389,337
Personal income	37,633	1,988	122,418
Family living/owner withdrawals	-85,110	-58,157	-84,308
Payments on personal debt	-4,058	-	-3,240
Income taxes paid	-20,254	-276	-61,177
Interest on term debt	156,376	220,794	151,821
Capital debt repayment capacity	899,139	607,075	1,461,870
Scheduled term debt payments	-338,623	-478,679	-396,560
Capital debt repayment margin	560,515	128,396	1,065,310
Cash replacement allowance	-49,188	-10,520	-11,197
Replacement margin	511,327	117,876	1,054,113
Term debt coverage ratio	2.66	1.27	3.69
Replacement coverage ratio	2.32	1.24	3.59

Table 64

Balance Sheet at Cost Values
2010 MI Dairy (450+ Cows)
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms		Low 25%		High 25%	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Number of farms	18		5		5	
Assets						
Current Farm Assets						
Cash and checking balance	116,035	146,332	44,502	54,281	230,094	330,396
Prepaid expenses & supplies	70,168	136,065	34,022	61,465	99,811	187,023
Growing crops	24,156	31,768	18,519	26,684	30,579	36,368
Accounts receivable	113,788	116,121	39,990	49,491	217,308	222,759
Hedging accounts	198	198	890	890	0	0
Crops held for sale or feed	627,190	763,944	401,522	502,248	880,488	1,217,991
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	24,011	32,924	46,810	75,568	2,192	2,262
Other current assets	14,391	10,869	0	1,125	0	0
Total current farm assets	989,937	1,238,221	586,254	771,751	1,460,471	1,996,799
Intermediate Farm Assets						
Breeding livestock	1,619,967	1,698,336	1,379,963	1,349,725	2,425,740	2,474,000
Machinery and equipment	542,363	543,441	329,636	280,207	830,585	855,065
Titled vehicles	1,139	1,000	3,250	3,250	0	0
Other intermediate assets	184,107	173,103	17,019	16,851	443,346	389,420
Total intermediate farm assets	2,347,576	2,415,880	1,729,867	1,650,033	3,699,671	3,718,485
Long Term Farm Assets						
Farm land	762,590	857,170	154,346	286,221	1,111,384	1,228,744
Buildings and improvements	903,251	872,353	1,033,601	1,008,889	1,167,865	1,135,880
Other long-term assets	28,900	50,395	24,495	31,765	42,500	58,708
Total long-term farm assets	1,694,742	1,779,917	1,212,442	1,326,876	2,321,748	2,423,333
Total Farm Assets	5,032,255	5,434,018	3,528,563	3,748,659	7,481,891	8,138,617
Total Nonfarm Assets	500,548	525,926	130,152	137,558	1,384,920	1,452,898
Total Assets	5,532,803	5,959,943	3,658,715	3,886,217	8,866,811	9,591,515
Liabilities						
Current Farm Liabilities						
Accrued interest	5,349	5,427	7,206	7,149	10,172	10,186
Accounts payable	149,233	105,538	241,268	291,771	242,852	98,654
Current notes	225,829	200,711	163,699	153,109	155,478	114,353
Government crop loans	0	0	0	0	0	0
Principal due on term debt	182,247	183,868	257,885	273,684	244,739	245,038
Total current farm liabilities	562,659	495,545	670,058	725,712	653,240	468,232
Total intermediate farm liabs	542,093	574,218	1,076,715	954,533	834,992	879,825
Total long term farm liabilities	1,701,387	1,690,162	1,147,790	1,219,041	1,643,537	1,560,317
Total farm liabilities	2,806,138	2,759,925	2,894,562	2,899,287	3,131,769	2,908,373
Total nonfarm liabilities	75,763	77,935	35,300	31,850	147,709	149,346
Total liabilities	2,881,900	2,837,860	2,929,862	2,931,137	3,279,478	3,057,719
Net worth (farm and nonfarm)	2,650,903	3,122,083	728,853	955,081	5,587,333	6,533,796
Net worth change		471,181		226,227		946,463
Percent net worth change		18 %		31 %		17 %
Ratio Analysis						
Current farm liabilities / assets	57 %	40 %	114 %	94 %	45 %	23 %
Intermediate farm liab. / assets	23 %	24 %	62 %	58 %	23 %	24 %
Long term farm liab. / assets	100 %	95 %	95 %	92 %	71 %	64 %
Total debt to asset ratio	52 %	48 %	80 %	75 %	37 %	32 %

Table 65

Balance Sheet at Market Values
2010 MI Dairy (450+ Cows)
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms		Low 25%		High 25%	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Number of farms	18		5		5	
Assets						
Current Farm Assets						
Cash and checking balance	116,035	146,332	44,502	54,281	230,094	330,396
Prepaid expenses & supplies	70,168	136,065	34,022	61,465	99,811	187,023
Growing crops	24,156	31,768	18,519	26,684	30,579	36,368
Accounts receivable	113,788	116,121	39,990	49,491	217,308	222,759
Hedging accounts	198	198	890	890	0	0
Crops held for sale or feed	627,190	763,944	401,522	502,248	880,488	1,217,991
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	24,011	32,924	46,810	75,568	2,192	2,262
Other current assets	14,391	10,869	0	1,125	0	0
Total current farm assets	989,937	1,238,221	586,254	771,751	1,460,471	1,996,799
Intermediate Farm Assets						
Breeding livestock	1,756,725	1,803,483	1,463,538	1,391,600	2,604,870	2,615,450
Machinery and equipment	1,110,608	1,092,034	712,745	708,162	1,307,091	1,420,820
Titled vehicles	15,847	20,097	36,938	40,000	12,000	12,000
Other intermediate assets	184,463	174,975	18,619	25,274	443,346	389,420
Total intermediate farm assets	3,067,643	3,090,589	2,231,839	2,165,035	4,367,307	4,437,690
Long Term Farm Assets						
Farm land	2,242,235	2,512,848	1,748,250	2,595,375	3,001,191	3,136,991
Buildings and improvements	1,738,888	1,767,417	1,831,671	1,785,602	2,223,267	2,311,345
Other long-term assets	28,337	48,531	21,960	26,803	42,500	58,708
Total long-term farm assets	4,009,460	4,328,796	3,601,881	4,407,780	5,266,958	5,507,044
Total Farm Assets	8,067,041	8,657,605	6,419,974	7,344,566	11,094,737	11,941,533
Total Nonfarm Assets	571,114	596,240	221,590	221,246	1,302,485	1,374,758
Total Assets	8,638,155	9,253,845	6,641,565	7,565,812	12,397,221	13,316,291
Liabilities						
Current Farm Liabilities						
Accrued interest	5,349	5,427	7,206	7,149	10,172	10,186
Accounts payable	149,233	105,538	241,268	291,771	242,852	98,654
Current notes	225,829	200,711	163,699	153,109	155,478	114,353
Government crop loans	0	0	0	0	0	0
Principal due on term debt	182,247	183,868	257,885	273,684	244,739	245,038
Total current farm liabilities	562,659	495,545	670,058	725,712	653,240	468,232
Total intermediate farm liabs	542,093	574,218	1,076,715	954,533	834,992	879,825
Total long term farm liabilities	1,701,387	1,690,162	1,147,790	1,219,041	1,643,537	1,560,317
Total farm liabilities	2,806,138	2,759,925	2,894,562	2,899,287	3,131,769	2,908,373
Total nonfarm liabilities	75,763	77,935	35,300	31,850	147,709	149,346
Total liabs excluding deferreds	2,881,900	2,837,860	2,929,862	2,931,137	3,279,478	3,057,719
Total deferred liabilities	0	0	0	0	0	0
Total liabilities	2,881,900	2,837,860	2,929,862	2,931,137	3,279,478	3,057,719
Retained earnings	2,650,903	3,122,083	728,853	955,081	5,587,333	6,533,796
Market valuation equity	3,105,352	3,293,902	2,982,849	3,679,595	3,530,410	3,724,776
Net worth (farm and nonfarm)	5,756,254	6,415,985	3,711,703	4,634,676	9,117,743	10,258,572
Net worth excluding deferreds	5,756,254	6,415,985	3,711,703	4,634,676	9,117,743	10,258,572
Net worth change		659,731		922,973		1,140,829
Percent net worth change		11 %		25 %		13 %
Ratio Analysis						
Current farm liabilities / assets	57 %	40 %	114 %	94 %	45 %	23 %
Intermediate farm liab. / assets	18 %	19 %	48 %	44 %	19 %	20 %
Long term farm liab. / assets	42 %	39 %	32 %	28 %	31 %	28 %
Total debt to asset ratio	33 %	31 %	44 %	39 %	26 %	23 %
Debt to assets excl deferreds	33 %	31 %	44 %	39 %	26 %	23 %

Table 66

Statement Of Cash Flows
2010 MI Dairy (450+ Cows)
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	18	5	5
Beginning cash (farm & nonfarm)	116,629	44,502	230,094
Cash Provided By Operating Activities			
Gross cash farm income	3,370,239	2,496,906	5,144,679
Total cash farm expense	-2,872,262	-2,149,988	-4,446,773
Net cash from hedging transactions	-1,142	-	-4,110
Cash provided by operating	496,835	346,918	693,796
Cash Provided By Investing Activities			
Sale of breeding livestock	11,734	-	14,799
Sale of machinery & equipment	21,393	-	73,682
Sale of titled vehicles	-	-	-
Sale of farm land	-	-	-
Sale of farm buildings	167	-	600
Sale of other farm assets	30,764	418	77,495
Sale of nonfarm assets	4	-	-
Purchase of breeding livestock	-31,344	-2,888	-750
Purchase of machinery & equip.	-205,029	-48,809	-346,344
Purchase of titled vehicles	-	-	-
Purchase of farm land	-65,507	-	-115,200
Purchase of farm buildings	-104,864	-191,680	-109,771
Purchase of other farm assets	-50,289	-3,860	-39,734
Purchase of nonfarm assets	-25,493	-	-70,762
Cash provided by investing	-418,464	-246,819	-515,984
Cash Provided By Financing Activities			
Money borrowed	405,199	510,143	508,205
Principal payments	-405,616	-555,864	-588,516
Personal income	37,633	1,988	122,418
Family living/owner withdrawals	-85,110	-58,157	-84,308
Income and social security tax	-20,254	-276	-61,177
Capital contributions	16,871	-	25,869
Capital distributions	-	-	-
Dividends paid	-	-	-
Cash gifts and inheritances	7,201	32,404	-
Gifts given	-4,592	-20,558	-
Other cash flows	-	-	-
Cash provided by financing	-48,668	-90,320	-77,509
Net change in cash balance	29,703	9,779	100,302
Ending cash (farm & nonfarm)	146,332	54,281	330,396

Table 67

Financial Standards Measures
2010 MI Dairy (450+ Cows)
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	18	5	5
Liquidity			
Current ratio	2.50	1.06	4.26
Working capital	742,676	46,038	1,528,568
Working capital to gross inc	20.8 %	1.8 %	27.6 %
Solvency (market)			
Farm debt to asset ratio	32 %	39 %	24 %
Farm equity to asset ratio	68 %	61 %	76 %
Farm debt to equity ratio	0.47	0.65	0.32
Profitability (cost)			
Rate of return on farm assets	10.4 %	6.3 %	12.7 %
Rate of return on farm equity	15.8 %	6.0 %	17.2 %
Operating profit margin	20.0 %	12.1 %	22.9 %
Net farm income	489,870	128,095	947,020
EBIDTA	970,835	628,735	1,506,040
Repayment Capacity			
Capital debt repayment capacity	899,139	607,075	1,461,870
Capital debt repayment margin	560,515	128,396	1,065,310
Replacement margin	511,327	117,876	1,054,113
Term debt coverage ratio	2.66	1.27	3.69
Replacement coverage ratio	2.32	1.24	3.59
Efficiency			
Asset turnover rate (cost)	51.8 %	52.3 %	55.4 %
Operating expense ratio	72.8 %	75.9 %	72.8 %
Depreciation expense ratio	8.9 %	12.1 %	7.0 %
Interest expense ratio	4.4 %	7.1 %	3.1 %
Net farm income ratio	13.7 %	4.9 %	17.1 %

Table 68

Operator and Labor Information
2010 MI Dairy (450+ Cows)
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	18	5	5
Operator Information			
Average number of operators	1.8	2.3	2.0
Average age of operators	50.1	47.7	48.9
Average number of years farming	26.5	23.1	28.0
Results Per Operator			
Working capital	417,755	20,461	764,284
Total assets (market)	5,205,288	3,362,583	6,658,146
Total liabilities	1,596,296	1,302,727	1,528,860
Net worth (market)	3,608,992	2,059,856	5,129,286
Net worth excl deferred liabs	3,608,992	2,059,856	5,129,286
Gross farm income	2,007,949	1,158,912	2,772,972
Total farm expense	1,728,804	1,101,981	2,299,462
Net farm income from operations	279,146	56,931	473,510
Net nonfarm income	21,168	883	61,209
Family living & tax withdrawals	59,267	25,970	72,743
Total acres owned	402.6	239.7	462.4
Total crop acres	769.3	389.1	1,064.6
Crop acres owned	451.6	230.3	549.7
Crop acres cash rented	317.2	156.9	514.9
Crop acres share rented	0.5	1.9	-
Total pasture acres	0.7	-	-
Labor Analysis			
Number of farms	18	5	5
Total unpaid labor hours	6,069	6,500	5,801
Total hired labor hours	33,737	23,333	56,830
Total labor hours per farm	39,806	29,833	62,631
Unpaid hours per operator	3,414	2,889	2,901
Value of farm production / hour	68.13	63.76	69.05
Net farm income / unpaid hour	81.77	19.71	163.25
Average hourly hired labor wage	13.74	15.08	14.24
Partnerships & LLCs			
Number of farms	12	5	5
Number of operators	2.2	-	2.0
Owner withdrawals per farm	-	-	-
Withdrawals per operator	-	-	-

Table 69

Financial Summary
2010 MI Dairy (450+ Cows)
(Farms Sorted By Net Farm Income)

	Avg. Of		
	All Farms	Low 25%	High 25%
Number of farms	18	5	5
Income Statement			
Gross cash farm income	3,370,239	2,496,906	5,144,679
Total cash farm expense	2,872,262	2,149,988	4,446,773
Net cash farm income	497,976	346,918	697,906
Inventory change	316,576	95,807	638,451
Depreciation	-318,293	-314,630	-389,337
Net farm income from operations	496,259	128,095	947,020
Gain or loss on capital sales	-6,389	-	-
Average net farm income	489,870	128,095	947,020
Median net farm income	396,500	181,560	645,813
Profitability (cost)			
Rate of return on assets	10.4 %	6.3 %	12.7 %
Rate of return on equity	15.8 %	6.0 %	17.2 %
Operating profit margin	20.0 %	12.1 %	22.9 %
Asset turnover rate	51.8 %	52.3 %	55.4 %
Profitability (market)			
Rate of return on assets	8.7 %	13.6 %	10.3 %
Rate of return on equity	10.3 %	18.8 %	11.9 %
Operating profit margin	27.0 %	49.1 %	27.3 %
Asset turnover rate	32.4 %	27.6 %	37.5 %
Liquidity & Repayment (end of year)			
Current assets	1,238,221	771,751	1,996,799
Current liabilities	495,545	725,712	468,232
Current ratio	2.50	1.06	4.26
Working capital	742,676	46,038	1,528,568
Working capital to gross inc	20.8 %	1.8 %	27.6 %
Term debt coverage ratio	2.66	1.27	3.69
Replacement coverage ratio	2.32	1.24	3.59
Solvency (end of year at cost)			
Number of farms	18	5	5
Total farm assets	5,434,018	3,748,659	8,138,617
Total farm liabilities	2,759,925	2,899,287	2,908,373
Total assets	5,959,943	3,886,217	9,591,515
Total liabilities	2,837,860	2,931,137	3,057,719
Net worth	3,122,083	955,081	6,533,796
Net worth change	471,181	226,227	946,463
Farm debt to asset ratio	51 %	77 %	36 %
Total debt to asset ratio	48 %	75 %	32 %
Solvency (end of year at market)			
Number of farms	18	5	5
Total farm assets	8,657,605	7,344,566	11,941,533
Total farm liabilities	2,759,925	2,899,287	2,908,373
Total assets	9,253,845	7,565,812	13,316,291
Total liabilities	2,837,860	2,931,137	3,057,719
Net worth	6,415,985	4,634,676	10,258,572
Net worth change	659,731	922,973	1,140,829
Farm debt to asset ratio	32 %	39 %	24 %
Total debt to asset ratio	31 %	39 %	23 %
Nonfarm Information			
Net nonfarm income	37,633	1,988	122,418
Crop Acres			
Total acres owned	716	539	925
Total crop acres	1,368	876	2,129
Total crop acres owned	803	518	1,099
Total crop acres cash rented	564	353	1,030
Total crop acres share rented	1	4	-