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**2007 Michigan Cash Grain Farm  
Business Analysis Summary**

Eric Wittenberg  
And  
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Staff Paper 2008-07

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## **2007 Michigan Cash Grain Farm Business Analysis Summary**

2007 Michigan TelFarm and Farm Credit Services Data

Staff Paper No. 08-07

by

Eric Wittenberg

and

Stephen Harsh

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2007 Michigan Cash Grain Farm Business Analysis Summary  
by  
Eric Wittenberg and Stephen Harsh<sup>1</sup>

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<sup>1</sup> Co-workers in the TelFarm project were: R. Betz, L. Borton, B. Battel, W. Schauer, D. Stein, and V. Varner with the assistance of Michigan State University Extension Agents. Farm Credit Services of Michigan co-workers were Kelly Tobin, Steve Eshelman, Janice Raymond, Tiffany Aldrich, Anne Gerke, Kathleen Spranger, Sonya Pentecost, and Lynette Wood. Farm Credit Services of Wisconsin co-worker was Steve Zimmerman.

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## Executive Summary

This report summarizes the 2007 financial and production records of 77 Michigan cash grain farms. To be included, the farms must have produced at least 50 percent of gross cash farm income from one or a combination of these items: corn, soybeans, wheat, navy beans, oats, sugar beets and other small grains. The records came from Michigan State University's TelFarm project and Farm Credit Service of Michigan. The values were pooled into averages for reporting purposes.

Farm records were included if a farm financial analysis had completed 2007 data including beginning and ending balance sheets and a statement of income and expenses. The data was checked to verify that cash discrepancy was less than 10% of gross cash inflow and that debt discrepancy was less than \$1,000. While considerable variation in the data exists, average values are reported in the summary tables below.

### *Summary of Results*

Average size of farms measured in acres is presented in Table 1. However, there is considerable range and variability around this average.

**Table 1. Average Michigan Cash Grain Farm Characteristics, 2003-2007**

	2003	2004	2005	2006	2007
Total acres owned	379	401	430	480	450
Total crop acres	1069	1123	1145	1024	999
Number of farms	92	88	64	77	77

Net farm income is the profit (loss) remaining after all farm expenses and inventory changes have been recognized. The net farm income value is the return to unpaid operator management, labor and equity capital invested, as illustrated in Table 2. Net farm income in 2007 averaged \$114,875; and the median was \$56,281, with a standard deviation of \$226,262. This average somewhat obscures a very large range of net farm income values. As illustrated in the second page of Table 9, the farms in the top 25 percent of the net farm income distribution averaged \$233,192 while those in the bottom 25 percent averaged a negative \$22,924. The total difference across the averages of the top versus the bottom groups of farms is \$256,116.

Gross cash farm income averaged \$567,604 in 2007 (Table 2). The two largest components of these revenues were corn and soybeans sales, which averaged \$160,315 and \$123,933, respectively. Government payments averaged \$20,076 per farm in 2007.

Average total cash expenses were \$478,442 in 2007 and average net cash farm income was \$89,162. The net inventory changes in 2007 were \$75,614 because of changes in prepaid expenses & supplies and crops & feed inventories, farms were building inventories. Depreciation and capital adjustments averaged \$49,902.

**Table 2. Average Michigan Cash Grain Farm Income Statement, 2003-2007**

	2003	2004	2005	2006	2007
	(\$)	(\$)	(\$)	(\$)	(\$)
Gross cash farm income	365,699	430,857	474,575	493,631	567,604
- Total cash expense	<u>320,235</u>	<u>361,681</u>	<u>401,511</u>	<u>418,824</u>	<u>478,442</u>
= Net cash farm income	45,464	69,176	73,063	74,807	89,162
+ Inventory change*	9,635	11,042	31,182	53,116	75,614
+ Depreciation + capital adjustments*	<u>-42,311</u>	<u>-50,693</u>	<u>-46,936</u>	<u>-50,898</u>	<u>-49,902</u>
= Net farm income	12,788	29,524	57,310	77,025	114,875

\* Changes calculated as ending values minus beginning value

Four key financial performance indicators are presented in Table 3. The rate of return on assets (ROA) is calculated as if the farm has no debt. ROA indicates the farm earnings, after subtracting out an allowance for unpaid operator labor and management. ROA provides the key summary performance indicator for your farm. By multiplying the operating profit margin by the asset turnover rate, the ROA is determined. The average ROA was 9.0 percent; an improvement over the last five years (Table 3).

The rate of return on equity (ROE) represents the farm earnings after interest payments which covers the cost of borrowed funds. In 2007, ROE was higher than the ROA, 9.9 and 9.0 respectively, indicating that profits were being made on borrowed money. Table 3 reveals that for the last three years ROE is greater than ROA.

Operating profit margin (OPM) measures the dollars of profit generated per dollar of revenue. In 2007, Michigan cash grain farms generated 31.7 cents of profit per dollar of revenue. Asset turnover ratio (ATO) measures the efficiency with which farm assets generate revenue. In 2007, this ratio was 28.3 percent. Table 3 indicates that the first three profitability ratios were above the four previous years and the ATO has remained fairly constant over the last four years.

**Table 3. Average Michigan Cash Grain Farm Profitability Indicators, 2003-2007**

	2003	2004	2005	2006	2007
	(%)	(%)	(%)	(%)	(%)
Rate of return on assets*	3.1	3.3	5.8	6.9	9.0
Rate of return on equity	2.5	3.1	6.2	7.3	9.9
Operating profit margin	12.4	13.2	21.1	25.9	31.7
Asset turnover rate*	25.2	25.1	27.3	26.5	28.3

\* Assets valued at **market** value (rather than cost value).

## Results by Farm Size

To further facilitate financial comparisons and benchmarking, the financial summaries were categorized by cropped acres, Table 4. The smallest size category, 50 to 799 cropped acres, includes 43 farms. The medium size category, 800 to 1199 cropped acres, includes 12 farms. The largest size category, 1200 plus cropped acres, contains the remaining 22 farms.

**Table 4. Average 2007 Michigan Cash Grain Farm Characteristics by Farm Size Category**

	50-799	800-1199	1200+
	Acres	Acres	Acres
Total acres owned	332	525	638
Total crop acres	437	966	2,115
Number of farms	43	12	22

Table 5 presents the average farm income statement by farm acreage size. The smallest farms returned \$28,879; the medium farms \$74,674; and the largest farms \$304,886.

**Table 5. Average 2007 Michigan Cash Grain Farm Income Statement by Size**

	50-799	800-1199	1200+
	Acres	Acres	Acres
	(\$)	(\$)	(\$)
Gross cash farm income	194,469	702,432	1,223,370
- <u>Total cash expense</u>	<u>163,931</u>	<u>575,161</u>	<u>1,040,411</u>
= Net cash farm income	30,538	127,270	182,959
+ Inventory change*	23,809	20,869	206,730
+ <u>Depreciation and capital adjustments*</u>	<u>-25,469</u>	<u>-73,465</u>	<u>-84,804</u>
= Net farm income	28,879	74,674	304,886

\* Changes calculated as ending values minus beginning value



Table 6 compares profitability measures across farm sizes with assets valued at cost. The larger-sized farms (1200 + acres) had the most positive financial profitability indicators: the highest ROA, ROE, OPM, and ATO; at 17.1 percent, 32.6 percent, 23.9 percent and 74.1 percent, respectively.

**Table 6. Average 2007  
Michigan Cash Grain Farm Profitability Indicators by Size**

	50-799	800-1199	1200+
	Acres	Acres	Acres
	(Percent)		
Rate of return on assets*	3.6	5.0	17.1
Rate of return on equity	2.3	3.0	32.6
Operating profit margin	8.1	9.2	23.9
Asset turnover rate*	43.8	54.7	74.1

\* Assets valued at **cost** value (rather than market).

Table 7 compares profitability measures across farm sizes with assets valued at market. The market value approach includes the impact of price appreciation (inflation) of the asset base (land primarily) as a form of income. Financial performance indicators like ROA can be looked upon in this comparison as the “opportunity cost” of farming versus alternative investments. Market value for assets is more appropriate when comparing across different farms (while cost is more appropriate to compare the same farm across time). Again, the larger-sized farms had the highest ROA, ROE, and ATO in 2007. The smallest-sized farms realized the highest average OPM.

**Table 7. Average  
2007 Michigan Cash Grain Farm Profitability Indicators by Size**

	50-799	800-1199	1200+
	Acres	Acres	Acres
	(Percent)		
Rate of return on assets*	6.7	6.4	11.5
Rate of return on equity	7.1	6.4	13.6
Operating profit margin	43.4	21.9	31.1
Asset turnover rate*	15.5	29.4	37.1

\*Assets valued at **market** value (rather than cost).

The details in deriving these profitability measures are provided in the following pages. The data for the smallest sized farms starts in Section B, page 22, Tables 20 to 31. The data for the mid-sized farms starts in section C, page 35, Tables 32 to 43. The data for the largest size category of farms starts in section D, page 48, Tables 44 to 55.

**A) Average of 77 Cash Grain Farms, All Farms**

Table 8                      Crop Production and Marketing Summary			
2007 MI Cash Grain (All Farms)			
(Farms Sorted By Rate of Return on Assets - Mkt)			
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	77	19	20
Acreage Summary			
Total acres owned	450	386	365
Total crop acres	999	564	1,158
Crop acres owned	413	284	275
Crop acres cash rented	565	264	835
Crop acres share rented	21	16	48
Total pasture acres	10	37	1
Average Price Received (Cash Sales Only)			
Corn per bushel	3.22	3.22	3.21
Soybeans per bushel	7.90	7.62	9.71
Wheat, Winter per bushel	5.04	4.74	5.38
Straw per ton	32.81	-	-
Hay, Mixed per ton	123.68	-	-

Table 9

Farm Income Statement  
**2007 MI Cash Grain (All Farms)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	77	19	20
Cash Farm Income			
Beans, Green	1,201	-	-
Beans, Navy	3,567	3,058	6,006
Cordwood	125	128	-
Corn	160,315	109,520	180,787
Corn Silage	2,618	2,368	-
Corn, Seed	30,787	-	20,261
Hay, Alfalfa	1,326	1,740	1,695
Hay, Mixed	2,667	903	670
Haylage, Mixed	2,752	-	1,386
Oats	974	605	36
Potatoes	15,886	43,797	19,553
Rye	78	302	5
Soybeans	123,933	57,985	175,588
Straw	2,121	638	571
Sugar Beets	9,406	-	31,025
Watermelon	450	-	1,733
Wheat, Winter	28,832	22,133	26,066
Wheat, Seed	345	-	-
Miscellaneous crop income	112	-	10
Beef Bulls	1,317	-	-
Beef Cow-Calf, Beef Calves	1,838	1,627	234
Beef, Custom Fed	460	-	-
Beef, Background Beef	312	-	372
Beef, Finish Beef Calves	17,182	645	12,890
Beef, Finish Yrlg Steers	20,270	-	74,695
Hogs, Farrow-Fin, Raised Hogs	2,847	-	9,747
Hogs, Finish Feeder Pigs	5,585	-	-
Sheep, Market Lambs, Mkt Lambs	3,741	1,021	1,133
Beef, Finish Cull Cows	73	297	-
Hogs, Weaning to Finish	1,657	-	-
Cull breeding livestock	733	201	658
Misc. livestock income	2,072	8,057	39
Direct & CC govt payments	6,669	5,018	11,587
Other government payments	13,407	5,501	12,956
Custom work income	48,634	27,677	68,076
Patronage dividends, cash	1,074	586	742
Insurance income	7,226	1,888	5,556
Contract livestock income	183	-	-
Other farm income	26,209	13,730	13,401
Gross Cash Farm Income	567,604	330,194	699,264

Table 9

## Farm Income Statement (Continued)

**2007 MI Cash Grain (All Farms)**

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

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	77	19	20
Cash Farm Expense			
Seed	39,503	19,421	52,898
Fertilizer	78,360	55,742	83,503
Crop chemicals	30,537	16,623	38,026
Crop insurance	5,612	1,702	7,730
Drying fuel	2,472	158	927
Irrigation energy	1,197	-	1,521
Crop packaging and supplies	67	270	-
Crop supplies	285	1,155	-
Crop custom hire	263	129	854
Crop utilities	440	210	671
Crop hauling and trucking	1,533	4,928	833
Crop marketing	1,668	3,221	1,735
Crop miscellaneous	2,635	692	1,451
Feeder livestock purchase	26,264	6,687	46,590
Purchased feed	11,554	2,053	14,743
Breeding fees	194	177	473
Veterinary	1,561	1,203	998
Livestock supplies	2,173	4,564	2,103
Livestock machinery leases	32	-	124
Livestock utilities	240	-	923
Livestock hauling and trucking	65	219	42
Livestock marketing	466	23	610
Interest	29,135	20,952	29,847
Packaging and supplies	710	329	1,828
Supplies	521	1,453	554
Fuel & oil	30,079	25,103	31,403
Repairs	32,680	23,057	34,927
Custom hire	16,573	4,770	16,514
Hired labor	29,640	29,432	29,285
Land rent	61,721	25,590	90,002
Machinery leases	6,453	781	5,281
Real estate taxes	8,612	7,255	6,698
Personal property taxes	63	43	156
Farm insurance	16,538	8,717	16,853
Utilities	10,398	5,934	7,790
Hauling and trucking	502	22	-
Dues & professional fees	5,034	3,276	4,901
Hedging account deposits	572	785	956
Miscellaneous	22,088	3,955	34,128
Total cash expense	478,442	280,630	567,876
Net cash farm income	89,162	49,564	131,388
Inventory Changes			
Crops and feed	49,176	-31,652	114,843
Market livestock	-283	-1,662	2,885
Accounts receivable	15,379	4,284	6,944
Prepaid expenses and supplies	15,795	3,885	26,013
Accounts payable	-4,453	-6,370	-2,683
Total inventory change	75,614	-31,515	148,002
Net operating profit	164,776	18,050	279,390
Depreciation and Other Capital Adjustments			
Breeding livestock	-191	-2,981	1,800
Machinery and equipment	-39,893	-27,881	-38,685
Buildings and improvements	-7,880	-1,355	-9,562
Other farm capital	-1,939	-8,756	250
Total depr. and other capital adj	-49,902	-40,973	-46,198
Net farm income	114,875	-22,924	233,192

Table 10

Inventory Changes  
**2007 MI Cash Grain (All Farms)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	77	19	20
Net cash farm income	89,162	49,564	131,388
Crops and Feed			
Ending inventory	288,233	99,987	373,773
Beginning inventory	239,057	131,639	258,930
Inventory change	49,176	-31,652	114,843
Market Livestock			
Ending inventory	33,909	18,697	54,201
Beginning inventory	34,192	20,359	51,316
Inventory change	-283	-1,662	2,885
Accts Receivable & Other Current Assets			
Ending inventory	41,764	17,460	30,824
Beginning inventory	26,385	13,175	23,880
Inventory change	15,379	4,284	6,944
Prepaid Expenses and Supplies			
Ending inventory	49,891	17,685	65,472
Beginning inventory	34,096	13,800	39,459
Inventory change	15,795	3,885	26,013
Accounts Payable & Accrued Expenses			
Beginning inventory	18,393	6,498	15,774
Ending inventory	22,846	12,868	18,457
Inventory change	-4,453	-6,370	-2,683
Total inventory change	75,614	-31,515	148,002
Net operating profit	164,776	18,050	279,390

Table 11                      Depreciation and Other Capital Adjustments  
**2007 MI Cash Grain (All Farms)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	77	19	20
Net operating profit	164,776	18,050	279,390
Breeding Livestock			
Ending inventory	15,902	25,283	3,674
Capital sales	239	80	-
Beginning inventory	15,580	27,823	1,747
Capital purchases	753	521	127
Depreciation, capital adjust.	-191	-2,981	1,800
Machinery and Equipment			
Ending inventory	138,481	154,504	104,208
Capital sales	6,253	7,449	2,490
Beginning inventory	122,216	109,580	95,880
Capital purchases	62,411	80,253	49,503
Depreciation, capital adjust.	-39,893	-27,881	-38,685
Buildings and Improvements			
Ending inventory	59,992	48,863	67,289
Capital sales	2,297	8,782	-
Beginning inventory	56,703	54,663	53,851
Capital purchases	13,466	4,336	23,000
Depreciation, capital adjust.	-7,880	-1,355	-9,562
Other Capital Assets			
Ending inventory	18,619	11,239	11,944
Capital sales	9,670	11,134	3,001
Beginning inventory	20,100	12,791	12,643
Capital purchases	10,127	18,338	2,053
Depreciation, capital adjust.	-1,939	-8,756	250
Total depreciation, capital adj.	-49,902	-40,973	-46,198
Net farm income	114,875	-22,924	233,192

Table 12

Profitability Measures  
**2007 MI Cash Grain (All Farms)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	77	19	20
Profitability (assets valued at cost)			
Net farm income	114,875	-22,924	233,192
Labor and management earnings	86,277	-39,658	202,664
Rate of return on assets	11.3 %	-5.0 %	23.0 %
Rate of return on equity	17.0 %	-17.9 %	39.9 %
Operating profit margin	18.2 %	-9.7 %	30.1 %
Asset turnover rate	62.0 %	51.9 %	76.5 %
Interest on farm net worth	28,597	16,734	30,528
Farm interest expense	31,059	20,305	30,832
Value of operator lbr and mgmt.	37,969	25,374	34,086
Return on farm assets	107,965	-27,993	229,938
Average farm assets	958,287	557,241	999,312
Return on farm equity	76,906	-48,298	199,106
Average farm equity	452,225	270,517	498,555
Value of farm production	593,867	289,444	764,403
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	77	19	20
Profitability (assets valued at market)			
Net farm income	194,920	-11,351	375,555
Labor and management earnings	100,085	-77,091	292,627
Rate of return on assets	9.0 %	-1.2 %	19.8 %
Rate of return on equity	9.9 %	-3.4 %	24.8 %
Operating profit margin	31.7 %	-5.7 %	48.7 %
Asset turnover rate	28.3 %	20.9 %	40.7 %
Interest on farm net worth	94,835	65,739	82,928
Farm interest expense	31,059	20,305	30,832
Value of operator lbr and mgmt.	37,969	25,374	34,086
Return on farm assets	188,010	-16,420	372,300
Average farm assets	2,097,596	1,382,378	1,878,670
Return on farm equity	156,951	-36,726	341,469
Average farm equity	1,579,490	1,095,654	1,377,913
Value of farm production	593,867	289,444	764,403

Table 13

Liquidity Measures  
**2007 MI Cash Grain (All Farms)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	77	19	20
Liquidity (cash)			
Net cash farm income	89,162	49,564	131,388
Net nonfarm income	25,133	45,701	22,080
Family living and taxes	48,448	40,935	61,999
Principal due on long term debt	19,439	11,640	17,234
Cash available for interm. debt	46,408	42,689	74,236
Average intermediate debt	119,911	64,195	102,524
Years to turnover interm. debt	2.6	1.5	1.4
Expense as a % of income	84 %	85 %	81 %
Interest as a % of income	5 %	6 %	4 %
Working capital to gross income	43 %	32 %	52 %
Liquidity (accrual)			
Total accrual farm income	631,876	301,164	823,936
Total accrual operating expense	467,100	283,114	544,546
Net accrual operating income	164,776	18,050	279,390
Net nonfarm income	25,133	45,701	22,080
Family living and taxes	48,448	40,935	61,999
Principal due on long term debt	19,439	11,640	17,234
Available for intermediate debt	122,022	11,175	222,237
Average intermediate debt	119,911	64,195	102,524
Years to turnover interm. debt	1.0	5.7	0.5
Expense as a % of income	74 %	94 %	66 %
Interest as a % of income	5 %	7 %	4 %
Working capital to gross income	39 %	35 %	44 %



Table 14

**Balance Sheet at Cost Values**  
**2007 MI Cash Grain (All Farms)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
Number of farms	77		19		20	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	33,734	37,439	7,728	31,894	32,003	35,109
Prepaid expenses & supplies	34,096	49,891	13,800	17,685	39,459	65,472
Growing crops	8,198	12,579	4,860	5,211	9,599	16,460
Accounts receivable	19,797	29,622	6,902	11,252	13,720	14,259
Hedging accounts	-2,156	-974	162	135	561	0
Crops held for sale or feed	239,057	288,233	131,639	99,987	258,930	373,773
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	34,192	33,909	20,359	18,697	51,316	54,201
Other current assets	545	537	1,252	861	0	105
<b>Total current farm assets</b>	<b>367,465</b>	<b>451,236</b>	<b>186,702</b>	<b>185,723</b>	<b>405,587</b>	<b>559,378</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	15,580	15,902	27,823	25,283	1,747	3,674
Machinery and equipment	121,173	137,526	109,580	154,504	94,677	103,253
Titled vehicles	1,044	956	0	0	1,204	955
Other intermediate assets	11,924	11,294	5,780	6,547	9,497	8,520
<b>Total intermediate farm assets</b>	<b>149,720</b>	<b>165,678</b>	<b>143,184</b>	<b>186,334</b>	<b>107,125</b>	<b>116,403</b>
<b>Long Term Farm Assets</b>						
Farm land	319,368	330,912	149,827	147,485	337,794	344,629
Buildings and improvements	56,703	59,992	54,663	48,863	53,851	67,289
Other long-term assets	8,176	7,325	7,010	4,692	3,145	3,424
<b>Total long-term farm assets</b>	<b>384,247</b>	<b>398,229</b>	<b>211,501</b>	<b>201,040</b>	<b>394,790</b>	<b>415,342</b>
<b>Total Farm Assets</b>	<b>901,432</b>	<b>1,015,143</b>	<b>541,387</b>	<b>573,096</b>	<b>907,502</b>	<b>1,091,122</b>
<b>Total Nonfarm Assets</b>	<b>179,664</b>	<b>193,183</b>	<b>157,616</b>	<b>196,211</b>	<b>68,542</b>	<b>90,392</b>
<b>Total Assets</b>	<b>1,081,096</b>	<b>1,208,325</b>	<b>699,003</b>	<b>769,307</b>	<b>976,044</b>	<b>1,181,514</b>
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	7,255	9,180	2,163	1,516	6,455	7,440
Accounts payable	11,138	13,666	4,335	11,351	9,319	11,017
Current notes	136,538	139,466	44,454	38,341	140,154	132,550
Government crop loans	0	0	0	0	0	0
Principal due on term debt	42,836	43,260	24,433	29,182	42,909	41,792
<b>Total current farm liabilities</b>	<b>197,768</b>	<b>205,572</b>	<b>75,384</b>	<b>80,391</b>	<b>198,836</b>	<b>192,799</b>
<b>Total intermediate farm liabs</b>	<b>93,983</b>	<b>95,872</b>	<b>51,408</b>	<b>51,106</b>	<b>75,726</b>	<b>74,505</b>
<b>Total long term farm liabilities</b>	<b>203,979</b>	<b>214,951</b>	<b>142,911</b>	<b>172,247</b>	<b>219,429</b>	<b>240,219</b>
<b>Total farm liabilities</b>	<b>495,730</b>	<b>516,395</b>	<b>269,703</b>	<b>303,745</b>	<b>493,991</b>	<b>507,524</b>
<b>Total nonfarm liabilities</b>	<b>16,628</b>	<b>15,064</b>	<b>5,324</b>	<b>4,802</b>	<b>10,755</b>	<b>8,270</b>
<b>Total liabilities</b>	<b>512,357</b>	<b>531,460</b>	<b>275,027</b>	<b>308,546</b>	<b>504,747</b>	<b>515,794</b>
<b>Net worth (farm and nonfarm)</b>	<b>568,739</b>	<b>676,866</b>	<b>423,976</b>	<b>460,761</b>	<b>471,298</b>	<b>665,720</b>
<b>Net worth change</b>		<b>108,126</b>		<b>36,784</b>		<b>194,422</b>
<b>Ratio Analysis</b>						
Current farm liabilities / assets	54 %	46 %	40 %	43 %	49 %	34 %
Curr. & interm farm liab. / assets	56 %	49 %	38 %	35 %	54 %	40 %
Long term farm liab. / assets	53 %	54 %	68 %	86 %	56 %	58 %
Total debt to asset ratio	47 %	44 %	39 %	40 %	52 %	44 %

Table 15

**Balance Sheet at Market Values**  
**2007 MI Cash Grain (All Farms)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
Number of farms	77		19		20	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	33,734	37,439	7,728	31,894	32,003	35,109
Prepaid expenses & supplies	34,096	49,891	13,800	17,685	39,459	65,472
Growing crops	8,198	12,579	4,860	5,211	9,599	16,460
Accounts receivable	19,797	29,622	6,902	11,252	13,720	14,259
Hedging accounts	-2,156	-974	162	135	561	0
Crops held for sale or feed	239,057	288,233	131,639	99,987	258,930	373,773
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	34,192	33,909	20,359	18,697	51,316	54,201
Other current assets	545	537	1,252	861	0	105
<b>Total current farm assets</b>	<b>367,465</b>	<b>451,236</b>	<b>186,702</b>	<b>185,723</b>	<b>405,587</b>	<b>559,378</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	15,960	16,203	27,823	25,639	2,718	5,282
Machinery and equipment	405,708	439,466	288,550	347,788	372,158	409,716
Titled vehicles	7,061	6,681	2,053	2,000	14,078	12,475
Other intermediate assets	12,675	11,852	5,780	6,547	12,389	10,666
<b>Total intermediate farm assets</b>	<b>441,404</b>	<b>474,202</b>	<b>324,206</b>	<b>381,974</b>	<b>401,342</b>	<b>438,139</b>
<b>Long Term Farm Assets</b>						
Farm land	1,045,117	1,115,924	736,005	729,431	791,671	911,645
Buildings and improvements	138,431	146,611	106,815	102,200	113,933	129,076
Other long-term assets	7,865	6,937	7,010	4,692	3,145	3,424
<b>Total long-term farm assets</b>	<b>1,191,413</b>	<b>1,269,472</b>	<b>849,830</b>	<b>836,323</b>	<b>908,749</b>	<b>1,044,145</b>
<b>Total Farm Assets</b>	<b>2,000,282</b>	<b>2,194,910</b>	<b>1,360,738</b>	<b>1,404,019</b>	<b>1,715,679</b>	<b>2,041,662</b>
<b>Total Nonfarm Assets</b>	<b>382,313</b>	<b>398,952</b>	<b>285,712</b>	<b>327,767</b>	<b>306,132</b>	<b>309,891</b>
<b>Total Assets</b>	<b>2,382,595</b>	<b>2,593,862</b>	<b>1,646,449</b>	<b>1,731,787</b>	<b>2,021,810</b>	<b>2,351,552</b>
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	7,255	9,180	2,163	1,516	6,455	7,440
Accounts payable	11,138	13,666	4,335	11,351	9,319	11,017
Current notes	136,538	139,466	44,454	38,341	140,154	132,550
Government crop loans	0	0	0	0	0	0
Principal due on term debt	42,836	43,260	24,433	29,182	42,909	41,792
<b>Total current farm liabilities</b>	<b>197,768</b>	<b>205,572</b>	<b>75,384</b>	<b>80,391</b>	<b>198,836</b>	<b>192,799</b>
<b>Total intermediate farm liabs</b>	<b>93,983</b>	<b>95,872</b>	<b>51,408</b>	<b>51,106</b>	<b>75,726</b>	<b>74,505</b>
<b>Total long term farm liabilities</b>	<b>203,979</b>	<b>214,951</b>	<b>142,911</b>	<b>172,247</b>	<b>219,429</b>	<b>240,219</b>
<b>Total farm liabilities</b>	<b>495,730</b>	<b>516,395</b>	<b>269,703</b>	<b>303,745</b>	<b>493,991</b>	<b>507,524</b>
<b>Total nonfarm liabilities</b>	<b>16,628</b>	<b>15,064</b>	<b>5,324</b>	<b>4,802</b>	<b>10,755</b>	<b>8,270</b>
<b>Total liabs excluding deferreds</b>	<b>512,357</b>	<b>531,460</b>	<b>275,027</b>	<b>308,546</b>	<b>504,747</b>	<b>515,794</b>
<b>Total deferred liabilities</b>	<b>12,588</b>	<b>13,510</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total liabilities</b>	<b>524,945</b>	<b>544,969</b>	<b>275,027</b>	<b>308,546</b>	<b>504,747</b>	<b>515,794</b>
<b>Retained earnings</b>	<b>568,739</b>	<b>676,866</b>	<b>423,976</b>	<b>460,761</b>	<b>471,298</b>	<b>665,720</b>
<b>Market valuation equity</b>	<b>1,288,910</b>	<b>1,372,027</b>	<b>947,447</b>	<b>962,480</b>	<b>1,045,766</b>	<b>1,170,038</b>
<b>Net worth (farm and nonfarm)</b>	<b>1,857,649</b>	<b>2,048,893</b>	<b>1,371,423</b>	<b>1,423,240</b>	<b>1,517,064</b>	<b>1,835,758</b>
<b>Net worth excluding deferreds</b>	<b>1,870,238</b>	<b>2,062,402</b>	<b>1,371,423</b>	<b>1,423,240</b>	<b>1,517,064</b>	<b>1,835,758</b>
<b>Net worth change</b>		<b>191,243</b>		<b>51,817</b>		<b>318,695</b>
<b>Ratio Analysis</b>						
Current farm liabilities / assets	54 %	46 %	40 %	43 %	49 %	34 %
Curr. & interm farm liab. / assets	36 %	33 %	25 %	23 %	34 %	27 %
Long term farm liab. / assets	17 %	17 %	17 %	21 %	24 %	23 %
Total debt to asset ratio	22 %	21 %	17 %	18 %	25 %	22 %
Debt to assets excl deferreds	22 %	20 %	17 %	18 %	25 %	22 %

Table 16

Statement Of Cash Flows  
**2007 MI Cash Grain (All Farms)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	77	19	20
Beginning cash (farm & nonfarm)	37,213	9,950	32,303
Cash From Operating Activities			
Gross cash farm income	567,604	330,194	699,264
Net nonfarm income	25,133	45,701	22,080
Total cash farm expense	-478,442	-280,630	-567,876
Apparent family living expense	-45,127	-36,846	-56,478
Income and social security tax	-3,321	-4,089	-5,522
Cash from operations	65,847	54,330	91,470
Cash From Investing Activities			
Sale of breeding livestock	239	80	-
Sale of machinery & equipment	6,253	7,449	2,490
Sale of titled vehicles	-	-	-
Sale of farm land	16,970	56,037	-
Sale of farm buildings	2,297	8,782	-
Sale of other farm assets	9,670	11,134	3,001
Sale of nonfarm assets	177	-	-
Purchase of breeding livestock	-753	-521	-127
Purchase of machinery & equip.	-62,411	-80,253	-49,503
Purchase of titled vehicles	-	-	-
Purchase of farm land	-14,913	-7,739	-15,835
Purchase of farm buildings	-13,466	-4,336	-23,000
Purchase of other farm assets	-10,127	-18,338	-2,053
Purchase of nonfarm assets	-6,186	0	-12,389
Cash from investing activities	-72,249	-27,707	-97,416
Cash From Financing Activities			
Money borrowed	197,365	81,701	261,129
Cash gifts and inheritances	8,524	4,139	94
Principal payments	-182,625	-54,258	-252,470
Dividends paid	-	-	-
Gifts given	-12,762	-34,060	-
Cash from financing activities	10,501	-2,479	8,753
Net change in cash balance	4,099	24,144	2,806
Ending cash (farm & nonfarm)	41,313	34,094	35,109

Table 17

Financial Standards Measures  
**2007 MI Cash Grain (All Farms)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	77	19	20
Liquidity			
Current ratio	2.20	2.31	2.90
Working capital	245,664	105,332	366,579
Solvency (market)			
Farm debt to asset ratio	24 %	22 %	25 %
Farm equity to asset ratio	76 %	78 %	75 %
Farm debt to equity ratio	32 %	28 %	33 %
Profitability (cost)			
Rate of return on farm assets	11.3 %	-5.0 %	23.0 %
Rate of return on farm equity	17.0 %	-17.9 %	39.9 %
Operating profit margin	18.2 %	-9.7 %	30.1 %
Net farm income	114,875	-22,924	233,192
Repayment Capacity			
Term debt coverage ratio	254 %	94 %	427 %
Capital replacement margin	96,331	-2,540	194,418
Efficiency			
Asset turnover rate (cost)	62.0 %	51.9 %	76.5 %
Operating expense ratio	69.0 %	87.3 %	62.3 %
Depreciation expense ratio	7.9 %	13.6 %	5.6 %
Interest expense ratio	4.9 %	6.7 %	3.7 %
Net farm income ratio	18.2 %	-7.6 %	28.3 %

Table 18

Operator and Labor Information  
**2007 MI Cash Grain (All Farms)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	77	19	20
Operator Information			
Average number of operators	1.3	1.2	1.4
Average age of operators	53.2	55.6	48.0
Average number of years farming	31.1	30.4	29.3
Results Per Operator			
Working capital	192,825	90,968	271,540
Total assets (market)	2,035,957	1,495,634	1,741,891
Total liabilities	427,754	266,472	382,070
Net worth (market)	1,608,203	1,229,162	1,359,821
Net worth excl deferred liabs	1,618,807	1,229,162	1,359,821
Gross farm income	495,968	260,096	610,323
Total farm expense	405,801	279,894	437,588
Net farm income	90,167	-19,798	172,735
Net nonfarm income	19,727	39,469	16,356
Family living & tax withdrawals	38,027	35,353	45,925
Total acres owned	352.9	333.6	270.4
Total crop acres	784.1	487.1	858.1
Crop acres owned	324.2	245.6	203.7
Crop acres cash rented	443.6	228.0	618.5
Crop acres share rented	16.4	13.5	35.9
Total pasture acres	7.6	31.8	0.6
Labor Analysis			
Number of farms	75	19	20
Total unpaid labor hours	2,694	1,974	2,755
Total hired labor hours	1,469	1,663	1,167
Total labor hours per farm	4,164	3,637	3,922
Unpaid hours per operator	2,103	1,705	2,041
Value of farm production / hour	145.49	79.59	194.90
Net farm income / unpaid hour	44.20	-11.61	84.64
Average hourly hired labor wage	18.35	17.69	25.07
Partnerships & LLCs			
Number of farms	12	1	2
Number of operators	2.0	-	-
Owner withdrawals per farm	-	-	-
Withdrawals per operator	-	-	-

Table 19

Financial Summary  
**2007 MI Cash Grain (All Farms)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	77	19	20
Income Statement			
Gross cash farm income	567,604	330,194	699,264
Total cash farm expense	478,442	280,630	567,876
Net cash farm income	89,162	49,564	131,388
Inventory change	75,614	-31,515	148,002
Depreciation and capital adjust	-49,902	-40,973	-46,198
Average net farm income	114,875	-22,924	233,192
Median net farm income	56,281	5,728	133,917
Profitability (cost)			
Labor and management earnings	86,277	-39,658	202,664
Rate of return on assets	11.3 %	-5.0 %	23.0 %
Rate of return on equity	17.0 %	-17.9 %	39.9 %
Operating profit margin	18.2 %	-9.7 %	30.1 %
Asset turnover rate	62.0 %	51.9 %	76.5 %
Profitability (market)			
Labor and management earnings	100,085	-77,091	292,627
Rate of return on assets	9.0 %	-1.2 %	19.8 %
Rate of return on equity	9.9 %	-3.4 %	24.8 %
Operating profit margin	31.7 %	-5.7 %	48.7 %
Asset turnover rate	28.3 %	20.9 %	40.7 %
Liquidity			
Ending current ratio	2.20	2.31	2.90
Ending working capital	245,664	105,332	366,579
End working capital to gross inc	43.3 %	31.9 %	52.4 %
Term debt coverage ratio	254.4 %	93.6 %	426.8 %
Expense as a percent of income	73.9 %	94.0 %	66.1 %
Interest as a percent of income	4.9 %	6.7 %	3.7 %
Solvency (cost)			
Number of farms	77	19	20
Ending farm assets	1,015,143	573,096	1,091,122
Ending farm liabilities	516,395	303,745	507,524
Ending total assets	1,208,325	769,307	1,181,514
Ending total liabilities	531,460	308,546	515,794
Ending net worth	676,866	460,761	665,720
Net worth change	108,126	36,784	194,422
Ending farm debt to asset ratio	51 %	53 %	47 %
Beg total debt to asset ratio	47 %	39 %	52 %
End total debt to asset ratio	44 %	40 %	44 %
Solvency (market)			
Number of farms	77	19	20
Ending farm assets	2,194,910	1,404,019	2,041,662
Ending farm liabilities	528,875	303,745	507,524
Ending total assets	2,593,862	1,731,787	2,351,552
Ending total liabilities	544,969	308,546	515,794
Ending net worth	2,048,893	1,423,240	1,835,758
Net worth change	191,243	51,817	318,695
Ending farm debt to asset ratio	24 %	22 %	25 %
Beg total debt to asset ratio	22 %	17 %	25 %
End total debt to asset ratio	21 %	18 %	22 %
Nonfarm Information			
Net nonfarm income	25,133	45,701	22,080
Farms reporting living expenses	10	2	1
Total family living expense	48,382	-	-
Total living, invest, & capital	52,311	-	-
Crop Acres			
Total acres owned	450	386	365
Total crop acres	999	564	1,158
Total crop acres owned	413	284	275
Total crop acres cash rented	565	264	835
Total crop acres share rented	21	16	48

**B) Average 43 Cash Grain Farms, 50 to 799 Acres**

Table 20                      Crop Production and Marketing Summary			
2007 MI Cash Grain (50-799 Acres)			
(Farms Sorted By Rate of Return on Assets - Mkt)			
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	43	11	11
Acreage Summary			
Total acres owned	332	297	294
Total crop acres	437	367	424
Crop acres owned	256	236	283
Crop acres cash rented	170	132	129
Crop acres share rented	11	-	11
Total pasture acres	17	64	1
Average Price Received (Cash Sales Only)			
Corn per bushel	3.20	-	3.09
Wheat, Winter per bushel	5.53	-	6.28
Soybeans per bushel	7.82	-	8.43
Straw per ton	36.92	-	-

Table 21

Farm Income Statement  
**2007 MI Cash Grain (50-799 Acres)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	43	11	11
Cash Farm Income			
Beans, Green	1,754	-	-
Beans, Navy	4,315	5,282	2,821
Cordwood	56	220	-
Corn	51,685	52,821	31,968
Corn Silage	3,989	4,091	11,410
Corn, Seed	1,544	-	-
Hay, Alfalfa	1,540	1,225	3,082
Hay, Mixed	3,471	5	-
Haylage, Mixed	4,283	-	-
Oats	1,629	388	2,485
Potatoes	1,038	4,058	-
Rye	136	-	9
Soybeans	38,186	25,677	43,733
Straw	3,109	123	359
Sugar Beets	7,295	-	19,079
Wheat, Winter	18,385	17,626	18,272
Oats, Seed	31	-	123
Wheat, Seed	618	-	2,416
Miscellaneous crop income	72	-	19
Beef Cow-Calf, Beef Calves	1,546	679	426
Beef, Custom Fed	824	-	-
Beef, Background Beef	558	-	676
Beef, Finish Beef Calves	3,620	984	4,440
Beef, Finish Yrlg Steers	1,555	-	-
Hogs, Finish Feeder Pigs	7,711	-	-
Sheep, Market Lambs, Mkt Lambs	1,954	1,763	2,060
Sheep, Market Lambs, Wool	50	129	-
Beef, Finish Cull Cows	131	512	-
Cull breeding livestock	226	111	371
Misc. livestock income	62	-	59
Direct & CC govt payments	3,674	3,952	4,946
Other government payments	3,787	795	1,749
Custom work income	4,244	2,459	4,691
Patronage dividends, cash	599	520	552
Insurance income	1,276	2,031	303
Other farm income	10,069	10,303	1,455
Gross Cash Farm Income	194,469	154,316	158,457



Table 21

Farm Income Statement (Continued)  
**2007 MI Cash Grain (50-799 Acres)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	43	11	11
Cash Farm Expense			
Seed	13,264	11,823	11,150
Fertilizer	31,518	32,547	30,248
Crop chemicals	9,560	5,774	8,739
Crop insurance	1,410	1,058	1,553
Drying fuel	444	-	576
Irrigation energy	118	-	-
Crop custom hire	93	222	88
Crop utilities	111	363	-
Crop hauling and trucking	344	574	695
Marketing	686	46	560
Crop miscellaneous	3,260	529	1,295
Feeder livestock purchase	9,808	2,733	3,768
Purchased feed	7,190	2,502	3,044
Veterinary	288	388	96
Livestock supplies	511	618	640
Livestock hauling and trucking	97	378	-
Interest	9,888	5,865	7,189
Packaging and supplies	701	569	1,510
Supplies	445	1,004	734
Fuel & oil	11,113	11,764	10,161
Repairs	11,096	11,221	10,581
Custom hire	5,357	1,435	4,283
Hired labor	8,354	9,198	4,337
Land rent	13,113	10,117	11,029
Machinery leases	864	1,098	303
Real estate taxes	6,200	4,576	5,248
Personal property taxes	58	32	172
Farm insurance	7,282	5,933	7,408
Utilities	4,425	2,581	2,490
Dues & professional fees	1,510	1,189	2,077
Hedging account deposits	591	1,357	261
Miscellaneous	4,231	3,637	2,349
Total cash expense	163,931	131,129	132,582
Net cash farm income	30,538	23,187	25,875
Inventory Changes			
Crops and feed	15,976	-17,801	25,128
Market livestock	-479	-3,324	8,145
Accounts receivable	4,146	6,201	-1,437
Prepaid expenses and supplies	4,839	4,669	7,269
Accounts payable	-673	-592	-286
Total inventory change	23,809	-10,848	38,820
Net operating profit	54,347	12,339	64,695
Depreciation and Other Capital Adjustments			
Breeding livestock	729	-299	3,237
Machinery and equipment	-19,579	-20,428	-15,354
Buildings and improvements	-6,745	-12,974	-4,645
Other farm capital	127	58	211
Total depr. and other capital adj	-25,469	-33,643	-16,551
Net farm income	28,879	-21,304	48,143

Table 22

Inventory Changes  
**2007 MI Cash Grain (50-799 Acres)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	43	10	11
Net cash farm income	30,538	16,846	25,875
Crops and Feed			
Ending inventory	91,369	45,496	85,062
Beginning inventory	75,393	60,018	59,933
Inventory change	15,976	-14,522	25,128
Market Livestock			
Ending inventory	14,915	13,190	9,255
Beginning inventory	15,394	16,847	1,109
Inventory change	-479	-3,657	8,145
Accts Receivable & Other Current Assets			
Ending inventory	17,203	21,889	15,344
Beginning inventory	13,058	13,268	16,781
Inventory change	4,146	8,621	-1,437
Prepaid Expenses and Supplies			
Ending inventory	15,421	8,963	14,453
Beginning inventory	10,582	3,827	7,184
Inventory change	4,839	5,136	7,269
Accounts Payable & Accrued Expenses			
Beginning inventory	7,062	5,786	8,773
Ending inventory	7,735	6,437	9,059
Inventory change	-673	-651	-286
Total inventory change	23,809	-5,073	38,820
Net operating profit	54,347	11,773	64,695

Table 23                      Depreciation and Other Capital Adjustments  
**2007 MI Cash Grain (50-799 Acres)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	43	10	11
Net operating profit	54,347	11,773	64,695
Breeding Livestock			
Ending inventory	10,495	29,605	6,336
Capital sales	35	152	-
Beginning inventory	9,623	29,926	2,868
Capital purchases	179	160	231
Depreciation, capital adjust.	729	-329	3,237
Machinery and Equipment			
Ending inventory	40,728	40,703	27,370
Capital sales	3,369	100	2,723
Beginning inventory	40,731	26,499	29,066
Capital purchases	22,946	32,780	16,381
Depreciation, capital adjust.	-19,579	-18,476	-15,354
Buildings and Improvements			
Ending inventory	42,039	23,449	52,162
Capital sales	-	-	-
Beginning inventory	40,149	29,446	49,758
Capital purchases	8,635	8,061	7,050
Depreciation, capital adjust.	-6,745	-14,058	-4,645
Other Capital Assets			
Ending inventory	13,350	11,179	3,653
Capital sales	7,580	1,000	0
Beginning inventory	19,017	10,915	2,920
Capital purchases	1,785	1,200	522
Depreciation, capital adjust.	127	64	211
Total depreciation, capital adj.	-25,469	-32,799	-16,551
Net farm income	28,879	-21,026	48,143

Table 24

Profitability Measures  
**2007 MI Cash Grain (50-799 Acres)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	43	10	11
Profitability (assets valued at cost)			
Net farm income	28,879	-21,026	48,143
Labor and management earnings	11,806	-35,232	30,816
Rate of return on assets	3.6 %	-10.8 %	8.0 %
Rate of return on equity	2.3 %	-17.5 %	10.1 %
Operating profit margin	8.1 %	-27.7 %	19.1 %
Asset turnover rate	43.8 %	38.9 %	41.9 %
Interest on farm net worth	17,072	14,206	17,328
Farm interest expense	9,694	4,176	7,501
Value of operator lbr and mgmt.	22,478	19,962	19,909
Return on farm assets	16,095	-36,812	35,735
Average farm assets	451,417	341,609	446,061
Return on farm equity	6,401	-40,988	28,235
Average farm equity	272,599	234,672	280,813
Value of farm production	197,843	132,991	186,719
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	43	10	11
Profitability (assets valued at market)			
Net farm income	98,694	-24,525	232,424
Labor and management earnings	33,880	-69,883	169,660
Rate of return on assets	6.7 %	-4.7 %	18.3 %
Rate of return on equity	7.1 %	-5.9 %	20.5 %
Operating profit margin	43.4 %	-30.3 %	117.8 %
Asset turnover rate	15.5 %	15.4 %	15.5 %
Interest on farm net worth	64,814	45,358	62,764
Farm interest expense	9,694	4,176	7,501
Value of operator lbr and mgmt.	22,478	19,962	19,909
Return on farm assets	85,910	-40,310	220,016
Average farm assets	1,278,651	862,904	1,203,644
Return on farm equity	76,216	-44,487	212,515
Average farm equity	1,078,267	755,966	1,038,395
Value of farm production	197,843	132,991	186,719

Table 25

Liquidity Measures  
**2007 MI Cash Grain (50-799 Acres)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	43	10	11
Liquidity (cash)			
Net cash farm income	30,538	16,846	25,875
Net nonfarm income	38,630	70,680	42,690
Family living and taxes	27,429	30,281	34,142
Principal due on long term debt	6,208	3,150	6,055
Cash available for interm. debt	35,531	54,095	28,368
Average intermediate debt	55,174	22,622	54,410
Years to turnover interm. debt	1.6	0.4	1.9
Expense as a % of income	84 %	89 %	84 %
Interest as a % of income	5 %	3 %	5 %
Working capital to gross income	62 %	72 %	75 %
Liquidity (accrual)			
Total accrual farm income	214,112	139,078	190,294
Total accrual operating expense	159,765	127,306	125,600
Net accrual operating income	54,347	11,773	64,695
Net nonfarm income	38,630	70,680	42,690
Family living and taxes	27,429	30,281	34,142
Principal due on long term debt	6,208	3,150	6,055
Available for intermediate debt	59,340	49,022	67,188
Average intermediate debt	55,174	22,622	54,410
Years to turnover interm. debt	0.9	0.5	0.8
Expense as a % of income	75 %	92 %	66 %
Interest as a % of income	5 %	3 %	4 %
Working capital to gross income	56 %	77 %	62 %

Table 26

Balance Sheet at Cost Values  
**2007 MI Cash Grain (50-799 Acres)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
Number of farms	43		10		11	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	23,812	36,069	6,899	46,315	43,246	51,008
Prepaid expenses & supplies	10,582	15,421	3,827	8,963	7,184	14,453
Growing crops	5,850	8,942	2,660	4,145	4,757	8,621
Accounts receivable	6,303	7,514	10,000	17,186	11,003	6,723
Hedging accounts	317	62	0	0	1,020	0
Crops held for sale or feed	75,393	91,369	60,018	45,496	59,933	85,062
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	15,394	14,915	16,847	13,190	1,109	9,255
Other current assets	588	685	608	558	0	0
Total current farm assets	138,238	174,976	100,858	135,853	128,253	175,121
<b>Intermediate Farm Assets</b>						
Breeding livestock	9,623	10,495	29,926	29,605	2,868	6,336
Machinery and equipment	40,591	40,705	26,499	40,703	28,520	27,277
Titled vehicles	140	24	0	0	545	93
Other intermediate assets	11,500	5,635	10,154	10,324	1,940	1,868
Total intermediate farm assets	61,854	56,858	66,579	80,632	33,874	35,574
<b>Long Term Farm Assets</b>						
Farm land	186,980	186,508	124,618	120,168	206,922	207,695
Buildings and improvements	40,149	42,039	29,446	23,449	49,758	52,162
Other long-term assets	7,517	7,715	761	855	979	1,784
Total long-term farm assets	234,646	236,261	154,825	144,472	257,660	261,642
Total Farm Assets	434,737	468,096	322,262	360,957	419,786	472,337
Total Nonfarm Assets	193,159	209,427	45,441	116,820	162,785	189,613
Total Assets	627,897	677,523	367,703	477,776	582,571	661,950
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	2,075	1,881	2,230	1,771	716	1,028
Accounts payable	4,987	5,854	3,555	4,666	8,057	8,032
Current notes	32,797	30,410	20,675	15,259	24,214	31,618
Government crop loans	0	0	0	0	0	0
Principal due on term debt	17,666	17,195	8,550	6,612	18,100	15,913
Total current farm liabilities	57,526	55,341	35,011	28,308	51,087	56,591
Total intermediate farm liabs	46,725	41,296	19,680	15,664	43,958	42,030
Total long term farm liabilities	78,432	78,315	54,428	60,785	67,190	69,641
Total farm liabilities	182,683	174,952	109,119	104,756	162,235	168,262
Total nonfarm liabilities	13,637	12,553	3,098	2,731	27,851	26,413
Total liabilities	196,320	187,506	112,217	107,487	190,086	194,676
Net worth (farm and nonfarm)	431,577	490,017	255,486	370,289	392,486	467,274
Net worth change		58,441		114,803		74,788
<b>Ratio Analysis</b>						
Current farm liabilities / assets	42 %	32 %	35 %	21 %	40 %	32 %
Curr. & interm farm liab. / assets	52 %	42 %	33 %	20 %	59 %	47 %
Long term farm liab. / assets	33 %	33 %	35 %	42 %	26 %	27 %
Total debt to asset ratio	31 %	28 %	31 %	22 %	33 %	29 %

Table 27

**Balance Sheet at Market Values**  
**2007 MI Cash Grain (50-799 Acres)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
Number of farms	43		10		11	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	23,812	36,069	6,899	46,315	43,246	51,008
Prepaid expenses & supplies	10,582	15,421	3,827	8,963	7,184	14,453
Growing crops	5,850	8,942	2,660	4,145	4,757	8,621
Accounts receivable	6,303	7,514	10,000	17,186	11,003	6,723
Hedging accounts	317	62	0	0	1,020	0
Crops held for sale or feed	75,393	91,369	60,018	45,496	59,933	85,062
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	15,394	14,915	16,847	13,190	1,109	9,255
Other current assets	588	685	608	558	0	0
<b>Total current farm assets</b>	<b>138,238</b>	<b>174,976</b>	<b>100,858</b>	<b>135,853</b>	<b>128,253</b>	<b>175,121</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	9,792	11,250	29,926	29,605	2,868	8,323
Machinery and equipment	209,860	221,483	142,311	157,204	188,593	203,133
Titled vehicles	4,421	4,058	0	0	10,818	10,864
Other intermediate assets	11,988	5,937	10,154	10,324	3,849	3,050
<b>Total intermediate farm assets</b>	<b>236,061</b>	<b>242,729</b>	<b>182,391</b>	<b>197,133</b>	<b>206,129</b>	<b>225,369</b>
<b>Long Term Farm Assets</b>						
Farm land	753,359	810,854	488,059	475,569	624,047	793,812
Buildings and improvements	91,667	95,440	73,237	71,092	125,821	125,973
Other long-term assets	6,959	7,020	761	855	979	1,784
<b>Total long-term farm assets</b>	<b>851,984</b>	<b>913,314</b>	<b>562,057</b>	<b>547,516</b>	<b>750,847</b>	<b>921,570</b>
<b>Total Farm Assets</b>	<b>1,226,283</b>	<b>1,331,019</b>	<b>845,305</b>	<b>880,502</b>	<b>1,085,229</b>	<b>1,322,059</b>
<b>Total Nonfarm Assets</b>	<b>398,232</b>	<b>428,285</b>	<b>132,311</b>	<b>209,378</b>	<b>248,797</b>	<b>263,816</b>
<b>Total Assets</b>	<b>1,624,515</b>	<b>1,759,304</b>	<b>977,617</b>	<b>1,089,880</b>	<b>1,334,026</b>	<b>1,585,875</b>
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	2,075	1,881	2,230	1,771	716	1,028
Accounts payable	4,987	5,854	3,555	4,666	8,057	8,032
Current notes	32,797	30,410	20,675	15,259	24,214	31,618
Government crop loans	0	0	0	0	0	0
Principal due on term debt	17,666	17,195	8,550	6,612	18,100	15,913
<b>Total current farm liabilities</b>	<b>57,526</b>	<b>55,341</b>	<b>35,011</b>	<b>28,308</b>	<b>51,087</b>	<b>56,591</b>
<b>Total intermediate farm liabs</b>	<b>46,725</b>	<b>41,296</b>	<b>19,680</b>	<b>15,664</b>	<b>43,958</b>	<b>42,030</b>
<b>Total long term farm liabilities</b>	<b>78,432</b>	<b>78,315</b>	<b>54,428</b>	<b>60,785</b>	<b>67,190</b>	<b>69,641</b>
<b>Total farm liabilities</b>	<b>182,683</b>	<b>174,952</b>	<b>109,119</b>	<b>104,756</b>	<b>162,235</b>	<b>168,262</b>
<b>Total nonfarm liabilities</b>	<b>13,637</b>	<b>12,553</b>	<b>3,098</b>	<b>2,731</b>	<b>27,851</b>	<b>26,413</b>
<b>Total liabs excluding deferreds</b>	<b>196,320</b>	<b>187,506</b>	<b>112,217</b>	<b>107,487</b>	<b>190,086</b>	<b>194,676</b>
<b>Total deferred liabilities</b>	<b>22,542</b>	<b>24,192</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total liabilities</b>	<b>218,862</b>	<b>211,697</b>	<b>112,217</b>	<b>107,487</b>	<b>190,086</b>	<b>194,676</b>
<b>Retained earnings</b>	<b>431,577</b>	<b>490,017</b>	<b>255,486</b>	<b>370,289</b>	<b>392,486</b>	<b>467,274</b>
<b>Market valuation equity</b>	<b>974,077</b>	<b>1,057,590</b>	<b>609,914</b>	<b>612,104</b>	<b>751,455</b>	<b>923,926</b>
<b>Net worth (farm and nonfarm)</b>	<b>1,405,653</b>	<b>1,547,607</b>	<b>865,400</b>	<b>982,393</b>	<b>1,143,940</b>	<b>1,391,200</b>
<b>Net worth excluding deferreds</b>	<b>1,428,195</b>	<b>1,571,798</b>	<b>865,400</b>	<b>982,393</b>	<b>1,143,940</b>	<b>1,391,200</b>
<b>Net worth change</b>		<b>141,954</b>		<b>116,993</b>		<b>247,259</b>
<b>Ratio Analysis</b>						
Current farm liabilities / assets	42 %	32 %	35 %	21 %	40 %	32 %
Curr. & interm farm liab. / assets	28 %	23 %	19 %	13 %	28 %	25 %
Long term farm liab. / assets	9 %	9 %	10 %	11 %	9 %	8 %
Total debt to asset ratio	13 %	12 %	11 %	10 %	14 %	12 %
Debt to assets excl deferreds	12 %	11 %	11 %	10 %	14 %	12 %

Table 28

Statement Of Cash Flows  
**2007 MI Cash Grain (50-799 Acres)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	43	10	11
Beginning cash (farm & nonfarm)	30,042	7,999	43,791
Cash From Operating Activities			
Gross cash farm income	194,469	148,636	158,457
Net nonfarm income	38,630	70,680	42,690
Total cash farm expense	-163,931	-131,790	-132,582
Apparent family living expense	-25,585	-26,317	-33,748
Income and social security tax	-1,844	-3,964	-394
Cash from operations	41,740	57,245	34,423
Cash From Investing Activities			
Sale of breeding livestock	35	152	-
Sale of machinery & equipment	3,369	100	2,723
Sale of titled vehicles	-	-	-
Sale of farm land	24,760	106,470	-
Sale of farm buildings	-	-	-
Sale of other farm assets	7,580	1,000	0
Sale of nonfarm assets	317	-	-
Purchase of breeding livestock	-179	-160	-231
Purchase of machinery & equip.	-22,946	-32,780	-16,381
Purchase of titled vehicles	-	-	-
Purchase of farm land	-6,134	-14,705	-1,518
Purchase of farm buildings	-8,635	-8,061	-7,050
Purchase of other farm assets	-1,785	-1,200	-522
Purchase of nonfarm assets	-6,486	-	-8,430
Cash from investing activities	-10,103	50,816	-31,408
Cash From Financing Activities			
Money borrowed	63,899	30,454	61,484
Cash gifts and inheritances	5,823	834	60
Principal payments	-73,031	-35,816	-57,342
Dividends paid	-	-	-
Gifts given	-15,666	-64,715	-
Cash from financing activities	-18,975	-69,244	4,202
Net change in cash balance	12,661	38,817	7,217
Ending cash (farm & nonfarm)	42,703	46,815	51,008



Table 29

Financial Standards Measures  
**2007 MI Cash Grain (50-799 Acres)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	43	10	11
Liquidity			
Current ratio	3.16	4.80	3.09
Working capital	119,636	107,545	118,530
Solvency (market)			
Farm debt to asset ratio	15 %	12 %	13 %
Farm equity to asset ratio	85 %	88 %	87 %
Farm debt to equity ratio	17 %	14 %	15 %
Profitability (cost)			
Rate of return on farm assets	3.6 %	-10.8 %	8.0 %
Rate of return on farm equity	2.3 %	-17.5 %	10.1 %
Operating profit margin	8.1 %	-27.7 %	19.1 %
Net farm income	28,879	-21,026	48,143
Repayment Capacity			
Term debt coverage ratio	284 %	461 %	339 %
Capital replacement margin	45,600	41,963	54,215
Efficiency			
Asset turnover rate (cost)	43.8 %	38.9 %	41.9 %
Operating expense ratio	70.1 %	88.5 %	62.1 %
Depreciation expense ratio	11.9 %	23.6 %	8.7 %
Interest expense ratio	4.5 %	3.0 %	3.9 %
Net farm income ratio	13.5 %	-15.1 %	25.3 %

Table 30

Operator and Labor Information  
**2007 MI Cash Grain (50-799 Acres)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	43	10	11
Operator Information			
Average number of operators	1.1	1.2	1.0
Average age of operators	54.5	58.5	40.3
Average number of years farming	33.0	32.4	25.1
Results Per Operator			
Working capital	109,454	89,621	118,530
Total assets (market)	1,609,576	908,233	1,585,875
Total liabilities	193,680	89,573	194,676
Net worth (market)	1,415,896	818,661	1,391,200
Net worth excl deferred liabs	1,438,028	818,661	1,391,200
Gross farm income	195,890	115,899	190,294
Total farm expense	169,469	133,421	142,151
Net farm income	26,421	-17,522	48,143
Net nonfarm income	35,342	58,900	42,690
Family living & tax withdrawals	25,094	25,234	34,142
Total acres owned	304.0	257.4	294.4
Total crop acres	399.9	288.6	424.0
Crop acres owned	234.6	199.3	283.4
Crop acres cash rented	155.3	89.3	129.5
Crop acres share rented	9.9	-	11.2
Total pasture acres	15.8	58.3	1.4
Labor Analysis			
Number of farms	41	10	10
Total unpaid labor hours	2,149	1,850	2,123
Total hired labor hours	538	460	311
Total labor hours per farm	2,687	2,310	2,434
Unpaid hours per operator	1,958	1,542	2,123
Value of farm production / hour	74.55	57.57	78.20
Net farm income / unpaid hour	15.06	-11.37	24.51
Average hourly hired labor wage	15.94	21.97	15.11

Table 31

Financial Summary  
**2007 MI Cash Grain (50-799 Acres)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	43	10	11
Income Statement			
Gross cash farm income	194,469	148,636	158,457
Total cash farm expense	163,931	131,790	132,582
Net cash farm income	30,538	16,846	25,875
Inventory change	23,809	-5,073	38,820
Depreciation and capital adjust	-25,469	-32,799	-16,551
Average net farm income	28,879	-21,026	48,143
Median net farm income	20,831	-10,823	46,843
Profitability (cost)			
Labor and management earnings	11,806	-35,232	30,816
Rate of return on assets	3.6 %	-10.8 %	8.0 %
Rate of return on equity	2.3 %	-17.5 %	10.1 %
Operating profit margin	8.1 %	-27.7 %	19.1 %
Asset turnover rate	43.8 %	38.9 %	41.9 %
Profitability (market)			
Labor and management earnings	33,880	-69,883	169,660
Rate of return on assets	6.7 %	-4.7 %	18.3 %
Rate of return on equity	7.1 %	-5.9 %	20.5 %
Operating profit margin	43.4 %	-30.3 %	117.8 %
Asset turnover rate	15.5 %	15.4 %	15.5 %
Liquidity			
Ending current ratio	3.16	4.80	3.09
Ending working capital	119,636	107,545	118,530
End working capital to gross inc	61.5 %	72.4 %	74.8 %
Term debt coverage ratio	284.4 %	460.7 %	338.7 %
Expense as a percent of income	74.6 %	91.5 %	66.0 %
Interest as a percent of income	4.5 %	3.0 %	3.9 %
Solvency (cost)			
Number of farms	43	10	11
Ending farm assets	468,096	360,957	472,337
Ending farm liabilities	174,952	104,756	168,262
Ending total assets	677,523	477,776	661,950
Ending total liabilities	187,506	107,487	194,676
Ending net worth	490,017	370,289	467,274
Net worth change	58,441	114,803	74,788
Ending farm debt to asset ratio	37 %	29 %	36 %
Beg total debt to asset ratio	31 %	31 %	33 %
End total debt to asset ratio	28 %	22 %	29 %
Solvency (market)			
Number of farms	43	10	11
Ending farm assets	1,331,019	880,502	1,322,059
Ending farm liabilities	197,300	104,756	168,262
Ending total assets	1,759,304	1,089,880	1,585,875
Ending total liabilities	211,697	107,487	194,676
Ending net worth	1,547,607	982,393	1,391,200
Net worth change	141,954	116,993	247,259
Ending farm debt to asset ratio	15 %	12 %	13 %
Beg total debt to asset ratio	13 %	11 %	14 %
End total debt to asset ratio	12 %	10 %	12 %
Nonfarm Information			
Net nonfarm income	38,630	70,680	42,690
Crop Acres			
Total acres owned	332	309	294
Total crop acres	437	346	424
Total crop acres owned	256	239	283
Total crop acres cash rented	170	107	129
Total crop acres share rented	11	-	11

**B) Average of 12 Cash Grain Farms, 800 to 1199 Acres**

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Table 32                      Crop Production and Marketing Summary  
                                  **2007 MI Cash Grain (800-1199 Acres)**  
                                  (Farms Sorted By Rate of Return on Assets - Mkt)

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	Avg. Of All Farms
Number of farms	12
Acreage Summary	
Total acres owned	525
Total crop acres	966
Crop acres owned	335
Crop acres cash rented	565
Crop acres share rented	65
Total pasture acres	-
Average Price Received (Cash Sales Only)	
Corn per bushel	3.34
Soybeans per bushel	7.63
Wheat, Winter per bushel	4.44

Table 33

Farm Income Statement  
**2007 MI Cash Grain (800-1199 Acres)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms
Number of farms	12
Cash Farm Income	
Beans, Green	1,425
Corn	170,105
Corn, Seed	67,254
Cucumbers	14,438
Hay, Alfalfa	346
Hay, Mixed	1,065
Potatoes	65,625
Soybeans	112,560
Straw	1,127
Sugar Beets	8,589
Wheat, Spring	351
Wheat, Winter	32,253
Beef Bulls	8,329
Beef Cow-Calf, Beef Calves	6,256
Beef, Finish Beef Calves	18,538
Hogs, Finish Feeder Pigs	132
Sheep, Market Lambs, Mkt Lambs	16,033
Sheep, Market Lambs, Wool	281
Cull breeding livestock	3,120
Direct & CC govt payments	9,089
Other government payments	17,690
Custom work income	110,292
Patronage dividends, cash	1,438
Insurance income	9,035
Other farm income	27,061
Gross Cash Farm Income	702,432

Table 33

Farm Income Statement (Continued)  
**2007 MI Cash Grain (800-1199 Acres)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms
Number of farms	12
Cash Farm Expense	
Seed	29,846
Fertilizer	91,140
Crop chemicals	43,201
Crop insurance	6,579
Drying fuel	896
Crop supplies	1,829
Crop utilities	1,304
Crop hauling and trucking	7,216
Crop marketing	5,091
Crop miscellaneous	1,220
Feeder livestock purchase	513
Purchased feed	15,018
Breeding fees	179
Veterinary	2,914
Livestock supplies	1,953
Livestock machinery leases	207
Livestock leases	243
Livestock hauling and trucking	70
Livestock marketing	1,242
Interest	45,400
Packaging and supplies	687
Supplies	1,499
Fuel & oil	49,969
Repairs	46,766
Custom hire	20,421
Hired labor	54,357
Land rent	77,079
Machinery leases	3,983
Real estate taxes	11,282
Farm insurance	14,207
Utilities	12,692
Dues & professional fees	4,572
Miscellaneous	21,586
Total cash expense	575,161
Net cash farm income	127,270
Inventory Changes	
Crops and feed	22,424
Market livestock	873
Accounts receivable	10,997
Prepaid expenses and supplies	4,278
Accounts payable	-17,702
Total inventory change	20,869
Net operating profit	148,139
Depreciation and Other Capital Adjustments	
Breeding livestock	40
Machinery and equipment	-65,279
Buildings and improvements	5,225
Other farm capital	-13,451
Total depr. and other capital adj	-73,465
Net farm income	74,674

Table 34

Inventory Changes  
**2007 MI Cash Grain (800-1199 Acres)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms
Number of farms	12
Net cash farm income	127,270
Crops and Feed	
Ending inventory	327,919
Beginning inventory	305,495
Inventory change	22,424
Market Livestock	
Ending inventory	35,698
Beginning inventory	34,826
Inventory change	873
Accts Receivable & Other Current Assets	
Ending inventory	34,562
Beginning inventory	23,565
Inventory change	10,997
Prepaid Expenses and Supplies	
Ending inventory	45,662
Beginning inventory	41,385
Inventory change	4,278
Accounts Payable & Accrued Expenses	
Beginning inventory	27,878
Ending inventory	45,580
Inventory change	-17,702
Total inventory change	20,869
Net operating profit	148,139

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Table 35                      Depreciation and Other Capital Adjustments  
                                    **2007 MI Cash Grain (800-1199 Acres)**  
                                    (Farms Sorted By Rate of Return on Assets - Mkt)

---

	Avg. Of All Farms
Number of farms	12
Net operating profit	148,139
Breeding Livestock	
Ending inventory	46,903
Capital sales	1,251
Beginning inventory	46,526
Capital purchases	1,588
Depreciation, capital adjust.	40
Machinery and Equipment	
Ending inventory	309,688
Capital sales	11,908
Beginning inventory	237,750
Capital purchases	149,126
Depreciation, capital adjust.	-65,279
Buildings and Improvements	
Ending inventory	88,617
Capital sales	13,904
Beginning inventory	91,444
Capital purchases	5,852
Depreciation, capital adjust.	5,225
Other Capital Assets	
Ending inventory	17,666
Capital sales	18,779
Beginning inventory	22,943
Capital purchases	26,953
Depreciation, capital adjust.	-13,451
Total depreciation, capital adj.	-73,465
Net farm income	74,674



Table 36

Profitability Measures  
**2007 MI Cash Grain (800-1199 Acres)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms
Number of farms	12
Profitability (assets valued at cost)	
Net farm income	74,674
Labor and management earnings	42,751
Rate of return on assets	5.0 %
Rate of return on equity	3.0 %
Operating profit margin	9.2 %
Asset turnover rate	54.7 %
Interest on farm net worth	31,923
Farm interest expense	50,703
Value of operator lbr and mgmt.	58,904
Return on farm assets	66,473
Average farm assets	1,318,967
Return on farm equity	15,770
Average farm equity	532,050
Value of farm production	721,233

	Avg. Of All Farms
Number of farms	12
Profitability (assets valued at market)	
Net farm income	166,097
Labor and management earnings	66,104
Rate of return on assets	6.4 %
Rate of return on equity	6.4 %
Operating profit margin	21.9 %
Asset turnover rate	29.4 %
Interest on farm net worth	99,993
Farm interest expense	50,703
Value of operator lbr and mgmt.	58,904
Return on farm assets	157,897
Average farm assets	2,453,466
Return on farm equity	107,194
Average farm equity	1,666,549
Value of farm production	721,233

Table 37

Liquidity Measures  
**2007 MI Cash Grain (800-1199 Acres)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms
Number of farms	12
Liquidity (cash)	
Net cash farm income	127,270
Net nonfarm income	14,934
Family living and taxes	68,396
Principal due on long term debt	34,059
Cash available for interm. debt	39,750
Average intermediate debt	222,564
Years to turnover interm. debt	5.6
Expense as a % of income	82 %
Interest as a % of income	6 %
Working capital to gross income	28 %
Liquidity (accrual)	
Total accrual farm income	736,725
Total accrual operating expense	588,585
Net accrual operating income	148,139
Net nonfarm income	14,934
Family living and taxes	68,396
Principal due on long term debt	34,059
Available for intermediate debt	60,619
Average intermediate debt	222,564
Years to turnover interm. debt	3.7
Expense as a % of income	80 %
Interest as a % of income	7 %
Working capital to gross income	27 %

Table 38

Balance Sheet at Cost Values  
**2007 MI Cash Grain (800-1199 Acres)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	
Number of farms	12	
	Beginning	Ending
<b>Assets</b>		
<b>Current Farm Assets</b>		
Cash and checking balance	29,335	17,518
Prepaid expenses & supplies	41,385	45,662
Growing crops	7,218	9,243
Accounts receivable	14,030	23,704
Hedging accounts	1,008	883
Crops held for sale or feed	305,495	327,919
Crops under government loan	0	0
Market livestock held for sale	34,826	35,698
Other current assets	1,308	731
<b>Total current farm assets</b>	<b>434,606</b>	<b>461,359</b>
<b>Intermediate Farm Assets</b>		
Breeding livestock	46,526	46,903
Machinery and equipment	236,244	308,182
Titled vehicles	1,506	1,506
Other intermediate assets	11,953	11,135
<b>Total intermediate farm assets</b>	<b>296,229</b>	<b>367,726</b>
<b>Long Term Farm Assets</b>		
Farm land	440,217	440,217
Buildings and improvements	91,444	88,617
Other long-term assets	10,990	6,532
<b>Total long-term farm assets</b>	<b>542,651</b>	<b>535,365</b>
<b>Total Farm Assets</b>	<b>1,273,485</b>	<b>1,364,450</b>
<b>Total Nonfarm Assets</b>	<b>198,979</b>	<b>201,904</b>
<b>Total Assets</b>	<b>1,472,464</b>	<b>1,566,354</b>
<b>Liabilities</b>		
<b>Current Farm Liabilities</b>		
Accrued interest	9,517	14,820
Accounts payable	18,361	30,759
Current notes	137,117	131,149
Government crop loans	0	0
Principal due on term debt	75,993	87,597
<b>Total current farm liabilities</b>	<b>240,989</b>	<b>264,326</b>
<b>Total intermediate farm liabs</b>	<b>166,734</b>	<b>185,090</b>
<b>Total long term farm liabilities</b>	<b>342,868</b>	<b>373,827</b>
<b>Total farm liabilities</b>	<b>750,591</b>	<b>823,243</b>
<b>Total nonfarm liabilities</b>	<b>2,260</b>	<b>994</b>
<b>Total liabilities</b>	<b>752,851</b>	<b>824,237</b>
<b>Net worth (farm and nonfarm)</b>	<b>719,613</b>	<b>742,117</b>
<b>Net worth change</b>		<b>22,504</b>
<b>Ratio Analysis</b>		
Current farm liabilities / assets	55 %	57 %
Curr. & interm farm liab. / assets	56 %	54 %
Long term farm liab. / assets	63 %	70 %
Total debt to asset ratio	51 %	53 %

Table 39

Balance Sheet at Market Values  
**2007 MI Cash Grain (800-1199 Acres)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	
Number of farms	12	
	Beginning	Ending
<b>Assets</b>		
Current Farm Assets		
Cash and checking balance	29,335	17,518
Prepaid expenses & supplies	41,385	45,662
Growing crops	7,218	9,243
Accounts receivable	14,030	23,704
Hedging accounts	1,008	883
Crops held for sale or feed	305,495	327,919
Crops under government loan	0	0
Market livestock held for sale	34,826	35,698
Other current assets	1,308	731
Total current farm assets	434,606	461,359
Intermediate Farm Assets		
Breeding livestock	46,526	44,201
Machinery and equipment	493,987	583,012
Titled vehicles	2,500	2,500
Other intermediate assets	11,953	11,135
Total intermediate farm assets	554,966	640,848
Long Term Farm Assets		
Farm land	1,185,145	1,252,498
Buildings and improvements	176,565	183,424
Other long-term assets	10,990	6,532
Total long-term farm assets	1,372,700	1,442,454
Total Farm Assets	2,362,272	2,544,660
Total Nonfarm Assets	406,571	408,353
Total Assets	2,768,843	2,953,013
<b>Liabilities</b>		
Current Farm Liabilities		
Accrued interest	9,517	14,820
Accounts payable	18,361	30,759
Current notes	137,117	131,149
Government crop loans	0	0
Principal due on term debt	75,993	87,597
Total current farm liabilities	240,989	264,326
Total intermediate farm liabs	166,734	185,090
Total long term farm liabilities	342,868	373,827
Total farm liabilities	750,591	823,243
Total nonfarm liabilities	2,260	994
Total liabs excluding deferreds	752,851	824,237
Total deferred liabilities	0	0
Total liabilities	752,851	824,237
Retained earnings	719,613	742,117
Market valuation equity	1,296,378	1,386,659
Net worth (farm and nonfarm)	2,015,991	2,128,776
Net worth excluding deferreds	2,015,991	2,128,776
Net worth change		112,785
<b>Ratio Analysis</b>		
Current farm liabilities / assets	55 %	57 %
Curr. & interm farm liab. / assets	41 %	41 %
Long term farm liab. / assets	25 %	26 %
Total debt to asset ratio	27 %	28 %
Debt to assets excl deferreds	27 %	28 %

Table 40

Statement Of Cash Flows  
**2007 MI Cash Grain (800-1199 Acres)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms
Number of farms	12
Beginning cash (farm & nonfarm)	29,335
Cash From Operating Activities	
Gross cash farm income	702,432
Net nonfarm income	14,934
Total cash farm expense	-575,161
Apparent family living expense	-64,899
Income and social security tax	-3,496
Cash from operations	73,809
Cash From Investing Activities	
Sale of breeding livestock	1,251
Sale of machinery & equipment	11,908
Sale of titled vehicles	-
Sale of farm land	-
Sale of farm buildings	13,904
Sale of other farm assets	18,779
Sale of nonfarm assets	-
Purchase of breeding livestock	-1,588
Purchase of machinery & equip.	-149,126
Purchase of titled vehicles	-
Purchase of farm land	-
Purchase of farm buildings	-5,852
Purchase of other farm assets	-26,953
Purchase of nonfarm assets	-8,333
Cash from investing activities	-146,010
Cash From Financing Activities	
Money borrowed	195,610
Cash gifts and inheritances	7,553
Principal payments	-141,946
Dividends paid	-
Gifts given	-833
Cash from financing activities	60,384
Net change in cash balance	-11,817
Ending cash (farm & nonfarm)	17,518

Table 41

Financial Standards Measures  
**2007 MI Cash Grain (800-1199 Acres)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms
Number of farms	12
Liquidity	
Current ratio	1.75
Working capital	197,033
Solvency (market)	
Farm debt to asset ratio	32 %
Farm equity to asset ratio	68 %
Farm debt to equity ratio	48 %
Profitability (cost)	
Rate of return on farm assets	5.0 %
Rate of return on farm equity	3.0 %
Operating profit margin	9.2 %
Net farm income	74,674
Repayment Capacity	
Term debt coverage ratio	115 %
Capital replacement margin	17,165
Efficiency	
Asset turnover rate (cost)	54.7 %
Operating expense ratio	73.0 %
Depreciation expense ratio	10.0 %
Interest expense ratio	6.9 %
Net farm income ratio	10.1 %

Table 42

Operator and Labor Information  
**2007 MI Cash Grain (800-1199 Acres)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms
Number of farms	12
Operator Information	
Average number of operators	1.4
Average age of operators	51.1
Average number of years farming	29.5
Results Per Operator	
Working capital	138,269
Total assets (market)	2,072,290
Total liabilities	578,412
Net worth (market)	1,493,878
Net worth excl deferred liabs	1,493,878
Gross farm income	517,000
Total farm expense	464,597
Net farm income	52,403
Net nonfarm income	10,480
Family living & tax withdrawals	47,997
Total acres owned	368.7
Total crop acres	677.9
Crop acres owned	235.3
Crop acres cash rented	396.8
Crop acres share rented	45.8
Total pasture acres	-
Labor Analysis	
Number of farms	12
Total unpaid labor hours	2,881
Total hired labor hours	3,265
Total labor hours per farm	6,146
Unpaid hours per operator	2,022
Value of farm production / hour	117.35
Net farm income / unpaid hour	25.92
Average hourly hired labor wage	16.55

Table 43

## Financial Summary

**2007 MI Cash Grain (800-1199 Acres)**

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

	Avg. Of All Farms
Number of farms	12
Income Statement	
Gross cash farm income	702,432
Total cash farm expense	575,161
Net cash farm income	127,270
Inventory change	20,869
Depreciation and capital adjust	-73,465
Average net farm income	74,674
Median net farm income	137,620
Profitability (cost)	
Labor and management earnings	42,751
Rate of return on assets	5.0 %
Rate of return on equity	3.0 %
Operating profit margin	9.2 %
Asset turnover rate	54.7 %
Profitability (market)	
Labor and management earnings	66,104
Rate of return on assets	6.4 %
Rate of return on equity	6.4 %
Operating profit margin	21.9 %
Asset turnover rate	29.4 %
Liquidity	
Ending current ratio	1.75
Ending working capital	197,033
End working capital to gross inc	28.1 %
Term debt coverage ratio	115.1 %
Expense as a percent of income	79.9 %
Interest as a percent of income	6.9 %
Solvency (cost)	
Number of farms	12
Ending farm assets	1,364,450
Ending farm liabilities	823,243
Ending total assets	1,566,354
Ending total liabilities	824,237
Ending net worth	742,117
Net worth change	22,504
Ending farm debt to asset ratio	60 %
Beg total debt to asset ratio	51 %
End total debt to asset ratio	53 %
Solvency (market)	
Number of farms	12
Ending farm assets	2,544,660
Ending farm liabilities	823,243
Ending total assets	2,953,013
Ending total liabilities	824,237
Ending net worth	2,128,776
Net worth change	112,785
Ending farm debt to asset ratio	32 %
Beg total debt to asset ratio	27 %
End total debt to asset ratio	28 %
Nonfarm Information	
Net nonfarm income	14,934
Crop Acres	
Total acres owned	525
Total crop acres	966
Total crop acres owned	335
Total crop acres cash rented	565
Total crop acres share rented	65



**C) Average 22 Cash Grain Farms, 1200 Plus Acres**

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Table 44                      Crop Production and Marketing Summary  
                                     **2007 MI Cash Grain (1200 Plus Acres)**  
                                     (Farms Sorted By Rate of Return on Assets - Mkt)

---

	Avg. Of All Farms	High 25%
Number of farms	22	6
Acreage Summary		
Total acres owned	638	345
Total crop acres	2,115	1,725
Crop acres owned	761	284
Crop acres cash rented	1,338	1,441
Crop acres share rented	16	-
Total pasture acres	-	-
Average Price Received (Cash Sales Only)		
Corn per bushel	3.19	-
Soybeans per bushel	7.99	-
Wheat, Winter per bushel	4.87	-

Table 45

Farm Income Statement  
**2007 MI Cash Grain (1200 Plus Acres)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	High 25%
Number of farms	22	6
Cash Farm Income		
Beans, Navy	4,050	14,849
Cordwood	328	-
Corn	367,299	321,107
Corn Silage	1,366	-
Corn, Seed	68,052	67,537
Cucumbers	38,827	70,865
Hay, Alfalfa	1,441	-
Hay, Mixed	1,969	2,232
Haylage, Mixed	1,260	4,620
Oats	223	-
Potatoes	17,776	65,177
Soybeans	297,731	347,596
Straw	731	1,500
Sugar Beets	13,980	51,261
Watermelon	1,576	5,778
Wheat, Winter	47,384	33,155
Miscellaneous crop income	8	-
Beef, Finish Beef Calves	42,951	-
Beef, Finish Yrlg Steers	67,905	-
Hogs, Farrow-Fin, Raised Hogs	9,963	-
Hogs, Feeder Pigs, Feeder Pigs	60	-
Hogs, Finish Feeder Pigs	4,402	-
Sheep, Market Lambs, Mkt Lambs	529	-
Hogs, Weaning to Finish	5,801	-
Cull breeding livestock	423	-
Misc. livestock income	6,887	-
Direct & CC govt payments	11,203	28,751
Other government payments	29,874	12,083
Custom work income	101,763	214,611
Patronage dividends, cash	1,805	9
Insurance income	17,871	11,202
Contract livestock income	641	-
Other farm income	57,291	13,501
Gross Cash Farm Income	1,223,370	1,265,836

Table 45

Farm Income Statement (Continued)  
**2007 MI Cash Grain (1200 Plus Acres)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	High 25%
Number of farms	22	6
Cash Farm Expense		
Seed	96,056	94,439
Fertilizer	162,944	154,255
Crop chemicals	64,631	79,345
Crop insurance	13,299	1,723
Drying fuel	7,295	-
Irrigation energy	3,959	5,070
Crop packaging and supplies	233	-
Crop custom hire	732	2,685
Crop utilities	610	-
Crop hauling and trucking	757	2,776
Crop marketing	1,720	3,245
Crop miscellaneous	2,186	758
Feeder livestock purchase	72,476	-
Purchased feed	18,194	11,217
Breeding fees	538	1,124
Veterinary	3,309	889
Livestock supplies	5,543	4,890
Livestock utilities	839	-
Livestock marketing	831	-
Interest	57,881	52,247
Packaging and supplies	742	1,950
Supplies	136	499
Fuel & oil	56,299	64,343
Repairs	67,186	68,447
Custom hire	36,397	27,689
Hired labor	57,762	39,204
Land rent	148,353	187,340
Machinery leases	18,723	2,550
Real estate taxes	11,870	9,084
Personal property taxes	106	202
Farm insurance	35,899	36,408
Utilities	20,823	14,753
Hauling and trucking	1,702	-
Dues & professional fees	12,174	10,041
Hedging account deposits	888	941
Miscellaneous	57,319	77,245
Total cash expense	1,040,411	955,359
Net cash farm income	182,959	310,477
Inventory Changes		
Crops and feed	128,658	146,545
Market livestock	-531	-
Accounts receivable	39,727	22,376
Prepaid expenses and supplies	43,490	45,561
Accounts payable	-4,614	-3,570
Total inventory change	206,730	210,912
Net operating profit	389,690	521,389
Depreciation and Other Capital Adjustments		
Breeding livestock	-2,114	-
Machinery and equipment	-65,749	-86,674
Buildings and improvements	-17,244	-11,575
Other farm capital	303	-
Total depr. and other capital adj	-84,804	-98,249
Net farm income	304,886	423,140

Table 46

Inventory Changes  
**2007 MI Cash Grain (1200 Plus Acres)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	High 25%
Number of farms	22	6
Net cash farm income	182,959	310,477
Crops and Feed		
Ending inventory	651,366	583,905
Beginning inventory	522,708	437,361
Inventory change	128,658	146,545
Market Livestock		
Ending inventory	70,058	-
Beginning inventory	70,589	-
Inventory change	-531	-
Accts Receivable & Other Current Assets		
Ending inventory	93,697	60,615
Beginning inventory	53,970	38,239
Inventory change	39,727	22,376
Prepaid Expenses and Supplies		
Ending inventory	119,571	112,926
Beginning inventory	76,081	67,364
Inventory change	43,490	45,561
Accounts Payable & Accrued Expenses		
Beginning inventory	35,366	10,103
Ending inventory	39,980	13,673
Inventory change	-4,614	-3,570
Total inventory change	206,730	210,912
Net operating profit	389,690	521,389

Table 47                      Depreciation and Other Capital Adjustments  
**2007 MI Cash Grain (1200 Plus Acres)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	High 25%
Number of farms	22	6
Net operating profit	389,690	521,389
Breeding Livestock		
Ending inventory	9,560	-
Capital sales	87	-
Beginning inventory	10,343	-
Capital purchases	1,418	-
Depreciation, capital adjust.	-2,114	-
Machinery and Equipment		
Ending inventory	236,159	188,546
Capital sales	8,806	7,450
Beginning inventory	218,466	178,106
Capital purchases	92,248	104,564
Depreciation, capital adjust.	-65,749	-86,674
Buildings and Improvements		
Ending inventory	79,471	72,377
Capital sales	455	-
Beginning inventory	70,108	47,267
Capital purchases	27,062	36,685
Depreciation, capital adjust.	-17,244	-11,575
Other Capital Assets		
Ending inventory	29,438	8,689
Capital sales	8,786	-
Beginning inventory	20,667	8,689
Capital purchases	17,255	-
Depreciation, capital adjust.	303	-
Total depreciation, capital adj.	-84,804	-98,249
Net farm income	304,886	423,140

Table 48

Profitability Measures  
**2007 MI Cash Grain (1200 Plus Acres)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	High 25%
Number of farms	22	6
Profitability (assets valued at cost)		
Net farm income	304,886	423,140
Labor and management earnings	255,576	390,085
Rate of return on assets	17.7 %	36.1 %
Rate of return on equity	32.6 %	71.3 %
Operating profit margin	23.9 %	30.6 %
Asset turnover rate	74.1 %	118.2 %
Interest on farm net worth	49,309	33,055
Farm interest expense	62,104	55,971
Value of operator lbr and mgmt.	56,828	44,041
Return on farm assets	310,161	435,070
Average farm assets	1,752,254	1,204,448
Return on farm equity	248,058	379,099
Average farm equity	759,771	531,412
Value of farm production	1,298,441	1,423,539
	Avg. Of All Farms	High 25%
Number of farms	22	6
Profitability (assets valued at market)		
Net farm income	398,718	527,259
Labor and management earnings	248,018	431,425
Rate of return on assets	11.5 %	23.8 %
Rate of return on equity	13.6 %	30.3 %
Operating profit margin	31.1 %	37.9 %
Asset turnover rate	37.1 %	62.7 %
Interest on farm net worth	150,700	95,833
Farm interest expense	62,104	55,971
Value of operator lbr and mgmt.	56,828	44,041
Return on farm assets	403,994	539,188
Average farm assets	3,504,150	2,270,254
Return on farm equity	341,890	483,217
Average farm equity	2,511,666	1,597,218
Value of farm production	1,298,441	1,423,539

Table 49

Liquidity Measures  
**2007 MI Cash Grain (1200 Plus Acres)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	High 25%
Number of farms	22	6
Liquidity (cash)		
Net cash farm income	182,959	310,477
Net nonfarm income	4,314	-2,798
Family living and taxes	78,649	92,532
Principal due on long term debt	37,325	22,590
Cash available for interm. debt	71,299	192,557
Average intermediate debt	190,450	170,642
Years to turnover interm. debt	2.7	0.9
Expense as a % of income	85 %	75 %
Interest as a % of income	5 %	4 %
Working capital to gross income	42 %	42 %
Liquidity (accrual)		
Total accrual farm income	1,391,224	1,434,757
Total accrual operating expense	1,001,534	913,368
Net accrual operating income	389,690	521,389
Net nonfarm income	4,314	-2,798
Family living and taxes	78,649	92,532
Principal due on long term debt	37,325	22,590
Available for intermediate debt	278,030	403,469
Average intermediate debt	190,450	170,642
Years to turnover interm. debt	0.7	0.4
Expense as a % of income	72 %	64 %
Interest as a % of income	4 %	4 %
Working capital to gross income	37 %	37 %

Table 50

Balance Sheet at Cost Values  
**2007 MI Cash Grain (1200 Plus Acres)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		High 25%	
Number of farms	22		6	
	Beginning	Ending	Beginning	Ending
<b>Assets</b>				
<b>Current Farm Assets</b>				
Cash and checking balance	55,527	50,983	46,882	38,831
Prepaid expenses & supplies	76,081	119,571	67,364	112,926
Growing crops	13,323	21,508	18,200	26,742
Accounts receivable	49,317	76,061	20,039	33,523
Hedging accounts	-8,716	-4,013	0	0
Crops held for sale or feed	522,708	651,366	437,361	583,905
Crops under government loan	0	0	0	0
Market livestock held for sale	70,589	70,058	0	0
Other current assets	45	141	0	350
Total current farm assets	778,876	985,676	589,846	796,277
<b>Intermediate Farm Assets</b>				
Breeding livestock	10,343	9,560	0	0
Machinery and equipment	215,907	233,681	178,106	188,546
Titled vehicles	2,559	2,477	0	0
Other intermediate assets	12,736	22,443	0	0
Total intermediate farm assets	241,545	268,162	178,106	188,546
<b>Long Term Farm Assets</b>				
Farm land	512,210	553,535	247,617	271,483
Buildings and improvements	70,108	79,471	47,267	72,377
Other long-term assets	7,931	6,995	8,689	8,689
Total long-term farm assets	590,249	640,000	303,573	352,549
Total Farm Assets	1,610,669	1,893,839	1,071,525	1,337,371
Total Nonfarm Assets	142,752	156,675	86,294	108,079
Total Assets	1,753,421	2,050,514	1,157,819	1,445,450
<b>Liabilities</b>				
<b>Current Farm Liabilities</b>				
Accrued interest	16,146	20,369	3,748	7,472
Accounts payable	19,220	19,611	6,355	6,202
Current notes	338,989	357,158	277,719	214,215
Government crop loans	0	0	0	0
Principal due on term debt	73,947	70,020	53,904	40,830
Total current farm liabilities	448,301	467,158	341,726	268,717
Total intermediate farm liabs	146,666	153,881	147,725	131,311
Total long term farm liabilities	373,610	395,351	197,642	258,951
Total farm liabilities	968,578	1,016,390	687,093	658,979
Total nonfarm liabilities	30,309	27,647	0	0
Total liabilities	998,887	1,044,037	687,093	658,979
Net worth (farm and nonfarm)	754,534	1,006,477	470,726	786,471
Net worth change		251,943		315,744
<b>Ratio Analysis</b>				
Current farm liabilities / assets	58 %	47 %	58 %	34 %
Curr. & interm farm liab. / assets	58 %	50 %	64 %	41 %
Long term farm liab. / assets	63 %	62 %	65 %	73 %
Total debt to asset ratio	57 %	51 %	59 %	46 %



Table 51

Balance Sheet at Market Values  
**2007 MI Cash Grain (1200 Plus Acres)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		High 25%	
Number of farms	22		6	
	Beginning	Ending	Beginning	Ending
<b>Assets</b>				
<b>Current Farm Assets</b>				
Cash and checking balance	55,527	50,983	46,882	38,831
Prepaid expenses & supplies	76,081	119,571	67,364	112,926
Growing crops	13,323	21,508	18,200	26,742
Accounts receivable	49,317	76,061	20,039	33,523
Hedging accounts	-8,716	-4,013	0	0
Crops held for sale or feed	522,708	651,366	437,361	583,905
Crops under government loan	0	0	0	0
Market livestock held for sale	70,589	70,058	0	0
Other current assets	45	141	0	350
<b>Total current farm assets</b>	<b>778,876</b>	<b>985,676</b>	<b>589,846</b>	<b>796,277</b>
<b>Intermediate Farm Assets</b>				
Breeding livestock	11,343	10,613	0	0
Machinery and equipment	740,351	787,225	632,072	678,156
Titled vehicles	14,709	14,090	22,092	16,667
Other intermediate assets	14,411	23,803	6,140	4,986
<b>Total intermediate farm assets</b>	<b>780,814</b>	<b>835,731</b>	<b>660,304</b>	<b>699,808</b>
<b>Long Term Farm Assets</b>				
Farm land	1,538,994	1,637,701	752,374	855,557
Buildings and improvements	209,034	226,548	74,059	94,905
Other long-term assets	7,931	6,995	8,689	8,689
<b>Total long-term farm assets</b>	<b>1,755,959</b>	<b>1,871,244</b>	<b>835,122</b>	<b>959,151</b>
<b>Total Farm Assets</b>	<b>3,315,649</b>	<b>3,692,651</b>	<b>2,085,272</b>	<b>2,455,237</b>
<b>Total Nonfarm Assets</b>	<b>337,966</b>	<b>336,491</b>	<b>281,283</b>	<b>304,934</b>
<b>Total Assets</b>	<b>3,653,615</b>	<b>4,029,142</b>	<b>2,366,554</b>	<b>2,760,170</b>
<b>Liabilities</b>				
<b>Current Farm Liabilities</b>				
Accrued interest	16,146	20,369	3,748	7,472
Accounts payable	19,220	19,611	6,355	6,202
Current notes	338,989	357,158	277,719	214,215
Government crop loans	0	0	0	0
Principal due on term debt	73,947	70,020	53,904	40,830
<b>Total current farm liabilities</b>	<b>448,301</b>	<b>467,158</b>	<b>341,726</b>	<b>268,717</b>
<b>Total intermediate farm liabs</b>	<b>146,666</b>	<b>153,881</b>	<b>147,725</b>	<b>131,311</b>
<b>Total long term farm liabilities</b>	<b>373,610</b>	<b>395,351</b>	<b>197,642</b>	<b>258,951</b>
<b>Total farm liabilities</b>	<b>968,578</b>	<b>1,016,390</b>	<b>687,093</b>	<b>658,979</b>
<b>Total nonfarm liabilities</b>	<b>30,309</b>	<b>27,647</b>	<b>0</b>	<b>0</b>
<b>Total liabs excluding deferreds</b>	<b>998,887</b>	<b>1,044,037</b>	<b>687,093</b>	<b>658,979</b>
<b>Total deferred liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total liabilities</b>	<b>998,887</b>	<b>1,044,037</b>	<b>687,093</b>	<b>658,979</b>
<b>Retained earnings</b>	<b>754,534</b>	<b>1,006,477</b>	<b>470,726</b>	<b>786,471</b>
<b>Market valuation equity</b>	<b>1,900,193</b>	<b>1,978,628</b>	<b>1,208,735</b>	<b>1,314,720</b>
<b>Net worth (farm and nonfarm)</b>	<b>2,654,728</b>	<b>2,985,105</b>	<b>1,679,461</b>	<b>2,101,191</b>
<b>Net worth excluding deferreds</b>	<b>2,654,728</b>	<b>2,985,105</b>	<b>1,679,461</b>	<b>2,101,191</b>
<b>Net worth change</b>		<b>330,378</b>		<b>421,729</b>
<b>Ratio Analysis</b>				
Current farm liabilities / assets	58 %	47 %	58 %	34 %
Curr. & interm farm liab. / assets	38 %	34 %	39 %	27 %
Long term farm liab. / assets	21 %	21 %	24 %	27 %
Total debt to asset ratio	27 %	26 %	29 %	24 %
Debt to assets excl deferreds	27 %	26 %	29 %	24 %

Table 52

## Statement Of Cash Flows

**2007 MI Cash Grain (1200 Plus Acres)**

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

	Avg. Of All Farms	High 25%
Number of farms	22	6
Beginning cash (farm & nonfarm)	55,527	46,882
Cash From Operating Activities		
Gross cash farm income	1,223,370	1,265,836
Net nonfarm income	4,314	-2,798
Total cash farm expense	-1,040,411	-955,359
Apparent family living expense	-72,538	-82,556
Income and social security tax	-6,111	-9,976
Cash from operations	108,624	215,147
Cash From Investing Activities		
Sale of breeding livestock	87	-
Sale of machinery & equipment	8,806	7,450
Sale of titled vehicles	-	-
Sale of farm land	11,001	-
Sale of farm buildings	455	-
Sale of other farm assets	8,786	-
Sale of nonfarm assets	-	-
Purchase of breeding livestock	-1,418	-
Purchase of machinery & equip.	-92,248	-104,564
Purchase of titled vehicles	-	-
Purchase of farm land	-40,209	-50,000
Purchase of farm buildings	-27,062	-36,685
Purchase of other farm assets	-17,255	-
Purchase of nonfarm assets	-4,427	-7,716
Cash from investing activities	-153,484	-191,515
Cash From Financing Activities		
Money borrowed	459,186	265,553
Cash gifts and inheritances	14,333	-
Principal payments	-419,021	-297,237
Dividends paid	-	-
Gifts given	-13,591	-
Cash from financing activities	40,906	-31,684
Net change in cash balance	-3,953	-8,051
Ending cash (farm & nonfarm)	51,574	38,831

Table 53

Financial Standards Measures  
**2007 MI Cash Grain (1200 Plus Acres)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	High 25%
Number of farms	22	6
Liquidity		
Current ratio	2.11	2.96
Working capital	518,519	527,560
Solvency (market)		
Farm debt to asset ratio	28 %	27 %
Farm equity to asset ratio	72 %	73 %
Farm debt to equity ratio	38 %	37 %
Profitability (cost)		
Rate of return on farm assets	17.7 %	36.1 %
Rate of return on farm equity	32.6 %	71.3 %
Operating profit margin	23.9 %	30.6 %
Net farm income	304,886	423,140
Repayment Capacity		
Term debt coverage ratio	321 %	648 %
Capital replacement margin	238,667	372,155
Efficiency		
Asset turnover rate (cost)	74.1 %	118.2 %
Operating expense ratio	67.5 %	59.8 %
Depreciation expense ratio	6.1 %	6.8 %
Interest expense ratio	4.5 %	3.9 %
Net farm income ratio	21.9 %	29.5 %

Table 54

Operator and Labor Information  
**2007 MI Cash Grain (1200 Plus Acres)**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	High 25%
Number of farms	22	6
Operator Information		
Average number of operators	1.5	1.3
Average age of operators	52.0	52.3
Average number of years farming	28.2	26.5
Results Per Operator		
Working capital	335,512	395,670
Total assets (market)	2,607,092	2,070,128
Total liabilities	675,553	494,234
Net worth (market)	1,931,539	1,575,893
Net worth excl deferred liabs	1,931,539	1,575,893
Gross farm income	900,204	1,076,068
Total farm expense	702,925	758,713
Net farm income	197,279	317,355
Net nonfarm income	2,792	-2,098
Family living & tax withdrawals	50,891	69,399
Total acres owned	412.5	258.8
Total crop acres	1,368.8	1,293.4
Crop acres owned	492.6	213.0
Crop acres cash rented	865.6	1,080.4
Crop acres share rented	10.6	-
Total pasture acres	-	-
Labor Analysis		
Number of farms	22	6
Total unpaid labor hours	3,608	3,583
Total hired labor hours	2,226	1,290
Total labor hours per farm	5,834	4,873
Unpaid hours per operator	2,335	2,688
Value of farm production / hour	222.56	292.11
Net farm income / unpaid hour	84.49	118.09
Average hourly hired labor wage	21.09	30.39

Table 55

## Financial Summary

**2007 MI Cash Grain (1200 Plus Acres)**

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

	Avg. Of All Farms	High 25%
Number of farms	22	6
Income Statement		
Gross cash farm income	1,223,370	1,265,836
Total cash farm expense	1,040,411	955,359
Net cash farm income	182,959	310,477
Inventory change	206,730	210,912
Depreciation and capital adjust	-84,804	-98,249
Average net farm income	304,886	423,140
Median net farm income	184,264	244,457
Profitability (cost)		
Labor and management earnings	255,576	390,085
Rate of return on assets	17.7 %	36.1 %
Rate of return on equity	32.6 %	71.3 %
Operating profit margin	23.9 %	30.6 %
Asset turnover rate	74.1 %	118.2 %
Profitability (market)		
Labor and management earnings	248,018	431,425
Rate of return on assets	11.5 %	23.8 %
Rate of return on equity	13.6 %	30.3 %
Operating profit margin	31.1 %	37.9 %
Asset turnover rate	37.1 %	62.7 %
Liquidity		
Ending current ratio	2.11	2.96
Ending working capital	518,519	527,560
End working capital to gross inc	42.4 %	41.7 %
Term debt coverage ratio	321.4 %	647.7 %
Expense as a percent of income	72.0 %	63.7 %
Interest as a percent of income	4.5 %	3.9 %
Solvency (cost)		
Number of farms	22	6
Ending farm assets	1,893,839	1,337,371
Ending farm liabilities	1,016,390	658,979
Ending total assets	2,050,514	1,445,450
Ending total liabilities	1,044,037	658,979
Ending net worth	1,006,477	786,471
Net worth change	251,943	315,744
Ending farm debt to asset ratio	54 %	49 %
Beg total debt to asset ratio	57 %	59 %
End total debt to asset ratio	51 %	46 %
Solvency (market)		
Number of farms	22	6
Ending farm assets	3,692,651	2,455,237
Ending farm liabilities	1,016,390	658,979
Ending total assets	4,029,142	2,760,170
Ending total liabilities	1,044,037	658,979
Ending net worth	2,985,105	2,101,191
Net worth change	330,378	421,729
Ending farm debt to asset ratio	28 %	27 %
Beg total debt to asset ratio	27 %	29 %
End total debt to asset ratio	26 %	24 %
Nonfarm Information		
Net nonfarm income	4,314	-2,798
Crop Acres		
Total acres owned	638	345
Total crop acres	2,115	1,725
Total crop acres owned	761	284
Total crop acres cash rented	1,338	1,441
Total crop acres share rented	16	-