



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

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

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

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search
<http://ageconsearch.umn.edu>
aesearch@umn.edu

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

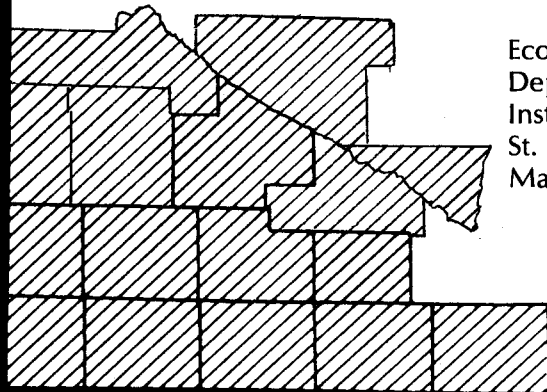
1985

annual report

Southwestern Minnesota Farm Management Association

COOPERATING AGENCIES:

University of Minnesota, Institute of Agriculture
County Extension Services of the 16 Southwestern Counties
Southwestern Minnesota Farm Management Association



Economic Report ER86-1
Department of Agricultural and Applied Economics
Institute of Agriculture
St. Paul, Minnesota 55108
May, 1986

1985 ANNUAL REPORT OF THE SOUTHWESTERN MINNESOTA
FARM BUSINESS MANAGEMENT ASSOCIATION

by

Kent D. Olson, Erlin J. Weness, Perry A. Fales, Dary E. Talley and Rann R. Loppnow*

INTRODUCTION

The Department of Agricultural and Applied Economics and the Minnesota Extension Service, University of Minnesota, are cooperating with the Southwestern Minnesota Farm Business Management Association in maintaining a farm management service. The predecessor of the Association was organized in the fall of 1939 by farmers in that part of the state for the purpose of studying the farm business through farm records.

This report is a summary of the individual farm records for 1985. It is valuable to both members and nonmembers of the Association and to others interested in agriculture. It shows the average situation and the high and low ranges. Whole-farm information as well as enterprise costs and returns are reported. Individual farmers can compare their operation to this information to find areas that need management attention and areas which have above-average performance.

In addition to this report, members receive an annual farm business analysis; on-farm instructional visits; end-of-year income tax planning and preparation; periodic meetings, tours, and seminars; a monthly newsletter; and other managerial and educational assistance. Each farmer pays an annual fee which covers a large part of the cost, with the balance defrayed by the Minnesota Extension Service and research programs of the University of Minnesota. The analysis of each individual farm was performed by the fieldman during the closeout procedure, using IBM-PC microcomputers and FINANX, release 6.0 software from the Center for Farm Financial Management within the Department of Agricultural and Applied Economics. The individual analyses were summarized at the Department of Agricultural and Applied Economics.

Of the 215 farms in the Southwestern Association, 191 submitted records at the time of this report. The data for 180 farms are shown in the tables on succeeding pages. The rest were omitted from the information in the tables because the records were not sufficient at the time this report was prepared. No claim is made as to whether the farmers who belong to the Association are or are not representative of southwestern Minnesota.

The tables in this report are similar to the tables which comprise the analysis received by each farm family who is a member of the Farm Business Management Association, with one exception: each individual analysis contains information on that farm business only, whereas the information in each table in this report is the average of the farm analyses included in that table.

The tables are divided into three major groups. Tables 1 through 9 present whole-farm information. Tables in the 10-x series provide information on crop enterprises. Tables in the 11-x series provide information on livestock enterprises. Table 12 contains information on the prices used in the analysis. A summary of the trends in the average whole-farm situation is presented in Table 13.

Tables 1 through 5 and 8 include the same number of farms, which were all of the farms whose records were judged to be of sufficient quality to be included in the overall report. Table 6, the Comparative Financial Statement, includes only sole proprietors. Tables 7 and 9 include only those farms with complete family living expense and non-farm income records, respectively. The number of farms included in each of the crop and livestock tables varies because all farms do not have the same enterprises. Also, some farmers' records were complete enough to be included in the whole-farm tables (Tables 1 through 5 and 8), but at times these same farmers' crop or livestock records were not complete enough to include in the respective crop or livestock tables.

*Olson is Assistant Professor of Farm and Financial Management; Weness, Fales and Talley are Area Farm Management Extension Agents and Fieldmen for the Association; Loppnow is Undergraduate Research Assistant; University of Minnesota, Twin Cities. The authors wish to thank the following people for their contributions to this report: Vernon Eidman and Kenneth Thomas of the Department of Agricultural and Applied Economics, University of Minnesota, for review; and Carol Hansen for secretarial support throughout this project.

SOUTHWESTERN MINNESOTA FARM MANAGEMENT ASSOCIATION

DISTRIBUTION OF MEMBERSHIP

1985

County	Number of Farm Units	Number of Records Submitted	Association Directors	County Extension Agent Agriculture
Cottonwood	36	30	Elton Goeman James Dick	Giles L. Roehl
Jackson	27	27	David Henkels Craig Rubis	Rodney B. Hamer
Martin	12	12	Clifford Vrieze	Floyd H. Bellin, Jr.
Murray	23	22	John Malone Case Vos	Reuben M. Boxrud
Nobles	39	35	M.J. Fellows, Sec.-Treas. Jim Knips Myron Grussing Tom Riley Raymond Goedtke	Arthur R. Frame
Pipestone	16	16	Randy Spronk Calvin Spronk	Robert E. Fritz
Redwood	30	29	Gary Hippe David Hicks	Wayne J. Hanson
Watonwan	10	8	Norman Engelbrecht	Gary J. Wyatt
Others*	<u>22</u>	<u>12</u>		
TOTAL	215	191		

*In 1984, the Association had members in Brown, Faribault, Lincoln, Lyon, Nicollet, Renville, Rock and Yellow Medicine counties.

1985 ANNUAL REPORT OF THE SOUTHWESTERN
MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION

TABLE OF CONTENTS

	Page
Introduction.....	1
Distribution of Membership.....	3
Table of Contents.....	4
Explanatory Notes for the Whole-farm Reports.....	5
Table 1 - Detailed Farm Profit or Loss Statement.....	9-10
Table 2 - Inventory Changes.....	11
Table 3 - Depreciation and Other Capital Adjustments.....	12
Table 4 - Farm Profit After Extraordinary Items.....	13
Table 5 - Profitability and Liquidity Analysis.....	14
Table 6 - Comparative Financial Statements.....	15
Table 7 - Household and Personal Expenses.....	16
Table 8 - Crop Production and Marketing Summary.....	17
Table 9 - Non-farm Income Summary.....	18
Explanatory Notes for Crops Tables.....	19
Table 10-1 - Corn on Owned Land.....	20
Table 10-2 - Corn on Cash Rent.....	21
Table 10-3 - Corn on Share Rent.....	22
Table 10-4 - Soybeans on Owned Land.....	23
Table 10-5 - Soybeans on Cash Rent.....	24
Table 10-6 - Soybeans on Share Rent.....	25
Table 10-7 - Oats on Owned Land.....	26
Table 10-8 - Oats on Cash Rent.....	27
Table 10-9 - Oats on Share Rent.....	28
Table 10-10 - Spring Wheat on Owned Land.....	29
Table 10-11 - Spring Wheat on Cash Rent.....	30
Table 10-12 - Spring Wheat on Share Rent.....	31
Table 10-13 - Corn Silage on Owned Land.....	32
Table 10-14 - Corn Silage on Cash Rent.....	33
Table 10-15 - Alfalfa Hay on Owned Land.....	34
Table 10-16 - Alfalfa Hay on Cash Rent.....	35
Table 10-17 - Set Aside Acres on Owned Land.....	36
Table 10-18 - Set Aside Acres on Cash Rent.....	37
Table 10-19 - Set Aside Acres on Share Rent.....	38
Explanatory Notes for Livestock Tables.....	39
Table 11-1 - Farrow-to-Finish Hogs, per litter.....	40
Table 11-2 - Farrow-to-Finish Hogs, per cwt. produced.....	41
Table 11-3 - Feeder Pig Production, per litter.....	42
Table 11-4 - Hog Finishing, per cwt. produced.....	43
Table 11-5 - Beef Finishing, per cwt. produced.....	44
Table 11-6 - Beef Finishing, per head.....	45
Table 11-7 - Beef Cow/Calf, per head.....	46
Table 11-8 - Beef Cow/Calf, per cwt. produced.....	47
Table 11-9 - Dairy Cows, per cow.....	48
Table 11-10 - Dairy Replacements & Feeder Stock, per dairy cow.....	49
Table 11-11 - Market Lambs, per cwt. produced.....	50
Table 12 - Prices Used in the Analysis.....	51
Table 13 - Summary by Years - Whole-Farm Analysis.....	52-53

EXPLANATORY NOTES FOR THE WHOLE-FARM REPORTS

Table 1. Detailed Farm Profit or Loss Statement

This statement is a summary of income, expenses, and resultant profit or loss from farming operations for calendar year 1985.

The first section of Table 1 lists cash farm income from all sources. There are three possible sources of cash income from crops. The first is income from cash sales. The second is income from crop enterprises labeled as "CCC or Reserve" or "Sealed," which refers to crops stored under government programs with the crop value treated as income for the year in which the crop was stored. If the crop value had not been entered as income when it was stored, then its entire value would be treated as income in the year it was sold. The third is "Net Government Sales," which refers to the difference between income credited in the year a crop was stored and the actual income received at the time it was sold. There are two categories of cash income from livestock sales. "Raised" steer, hogs, and lambs refer to animals raised from birth to market weight on the farm. "Finished" animals refers to those purchased as feeders and fed to market weight. The next to last item listed on the left side, "Government Payments" refers primarily to commodity storage and deficiency payments.

The second section of Table 1 lists cash expenses. "Labor" includes only labor hired. "Interest" includes only interest actually paid. No opportunity charges on farm equity capital or unpaid labor are included; this part of the table records only cash transactions.

The difference between "Gross Cash Farm Income" and "Total Cash Expense" is the "Net Cash Farm Income." This is net farm income on a cash basis.

The third and fourth sections of Table 1 deal with non-cash changes in the farm business. The "Inventory Changes" and "Depreciation and Other Capital Adjustments" sections are used to convert the cash income statement (Net Cash Farm Income) derived from the first two sections into an accrual income statement. The "bottom line", labeled "Profit or Loss," represents the return to the operator's and family's unpaid labor, management, and equity capital (net worth). In other words, it represents the return to all of the resources which are owned by the farm family and, hence, not purchased or paid a wage. However, it does not include any debt forgiveness or asset repossessions.

Table 2. Inventory Changes

This is the detailed statement of inventory changes which is summarized in Table 1. It includes beginning and ending inventories and the calculated changes.

Table 3. Depreciation and Other Capital Adjustments

This is the detailed statement of depreciation and other capital adjustments which is summarized in Table 1. It includes beginning and ending inventories, sales, purchases, and depreciation.

Table 4. Farm Profit After Extraordinary Items

The value of debts forgiven which exceeds the value of assets repossessed is technically income to the business. (Whether it is taxable or not depends upon the specific situation.) The average values of debts forgiven and assets repossessed are reported in Table 4 and used to adjust the "Profit or Loss" from Table 1. This is a new table in 1985.

Table 5. Profitability and Liquidity Analysis

Various measures of performance are calculated for the farms in this report. These include measures of profitability and liquidity. (Solvency measures are in Table 6.) The measures and their components are described below.

Profitability

"Labor and management earnings" equals "Profit and loss" from Table 1 minus an opportunity interest cost of 6% on farm net worth.

"Rate of return on investment" is the "Return to farm investment" divided by "Average farm investment."

"Rate of return on net worth" is the "Return to farm net worth" divided by "Average farm net worth."

"Net profit margin" is the "Return to farm investment" divided by "Value of farm production."

"Asset turnover rate" is the "Value of farm production" divided by "Average farm investment."

"Interest on farm net worth" is the "Average farm net worth" multiplied by a 6% opportunity interest cost charge.

"Farm interest paid" is the interest actually paid (from Table 1).

"Value of operator's labor and management" was evaluated using the suggested values listed in Table 12.

"Return to farm investment" is calculated by adding "Farm interest paid" and "Profit or loss" and then subtracting the "Value of operator's labor and management."

"Average farm investment" is the average of beginning and ending total farm assets.

"Return to farm net worth" is calculated by subtracting the "Value of operator's labor and management" from "Profit and loss."

"Average farm net worth" is the average of beginning and ending farm net worth.

"Value of farm production" is gross farm income minus feeder livestock purchased and adjusted for inventory changes in crops, market livestock and breeding livestock.

Liquidity: Cash Basis

"Cash available for intermediate debt service" is "Total net income" minus "Family living and taxes paid" and "Real estate principal payments."

"Average intermediate debt" is the average of beginning and ending intermediate farm liabilities.

"Years to turn over intermediate debt" is "Average intermediate debt" divided by "Cash available for intermediate debt service." If either the cash-based or accrual-based "Cash available for intermediate debt" is a negative number, debt repayment is not possible because of negative cash flow and "Years to turn over intermediate debt" cannot be calculated.

"Cash expense as a percent of income" is "Total cash expense" divided by "Gross cash farm income."

"Interest as a percent of income" is "Interest paid" divided by "Gross cash farm income."

Liquidity: Accrual Basis

"Cash available for intermediate debt service" on the accrual basis is calculated in the same way as the "Cash available for intermediate debt" on the cash basis, except that is adjusted for inventory changes.

"Cash expense as a percent of income" is "Total cash expense" divided by the sum of "Gross cash farm income" and "Inventory change."

"Interest as a percent of income" is the sum of "Interest paid" and accrued interest which is then divided by "Gross cash farm income."

Table 6. Comparative Financial Statement

The beginning and ending net worth statements and solvency measures are presented for sole proprietors in Table 6. Current assets are valued at market price at the time of the inventory which is January 1, 1985 and December 31, 1985, for the beginning and ending inventories, respectively. Intermediate and long-term assets that are depreciable are valued at cost remaining (amount remaining to be depreciated, plus salvage value). Raised breeding livestock is valued at conservative market replacement costs. Land is valued at conservative market price (by county average) for the Southwest Association and at cost basis for the Southeast Association.

"Current plus intermediate" roughly corresponds to "non-real estate" while "long term" roughly corresponds to "real estate" in reference to assets and liabilities.

Table 7. Household and Personal Expense

For those farms that kept records, the household and personal expenses are summarized in Table 7. The farms are grouped in the same ranking as in Table 1. Since not all farms keep these records, the numbers are different in each group. Averages are determined by the number of farms keeping these records.

Table 8. Crop Production and Marketing Summary

This table contains three sections. The first section reports average acreages by land use. The next two sections show average price received and average yields for major crops. These tables are sorted according to the whole-farm profit (or loss) while the crop tables are sorted by return to overhead costs.

Table 9. Nonfarm Income Summary

This table reports the income from nonfarm sources, but included in a farmer's total net income. Not all farms report this information.

TABLE I
 ***** DETAILED FARM PROFIT OR LOSS STATEMENT FOR 1985 *****
 Southwest Minnesota Farm Business Management Association
 (Farms Sorted According to Total Farm Profit/Loss)

	Average For Low 20%	Average For High 20%	Average For All Farms
***** Farm Income *****	Value	Value	Value
Number of farms	36	36	180
Corn	\$14,856	\$17,987	\$16,020
Corn-CCC or Reserve	24,071	15,511	19,892
Corn-Net Govt Sales	2,882	68	1,333
Oats	604	454	477
Spring wheat	55	873	439
Spring wheat-CCC or Reserve	81	431	184
Hay	859	140	291
Corn silage	196	---	47
Soybean	25,627	32,012	24,551
Soybean-CCC or Reserve	18,858	8,586	13,841
Soybean-Net Govt. Sales	1,691	- 113	1,380
Dry beans	---	567	125
Sweet corn	423	383	313
Peas	173	331	308
Other Crop Income	803	3,314	1,364
Milk	2,569	22,940	11,945
Raised Market Hogs	26,711	52,143	25,696
Feeder Pigs	1,122	86	883
Beef Calves	591	123	287
Raised Market Lambs	191	---	126
Eggs	13,103	442	2,709
Horses	221	---	62
Hogs/Pigs	9,169	16,258	11,742
Hogs Finished	33,032	7,994	14,124
Beef Finished	157,106	39,570	58,223
Background Beef	---	---	383
Dairy Beef	---	1,273	607
Turkeys	---	16,710	3,342
Broilers	---	---	154
Dairy Repl and Feeders	821	993	814
Cull Livestock	7,338	9,200	6,415
Other Livestock Income	1,008	3	1,188
Machine Work Income	1,635	1,474	1,781
Patronage Dividends	250	655	350
Govt Payments	16,079	14,158	12,811
Hedge Acct Cash Withdrawl	3,248	436	759
Other Farm Income	3,068	3,052	2,909
Gross Cash Farm Income	\$368,441	\$268,053	\$237,875

TABLE 1 (cont.)
 ***** DETAILED FARM PROFIT OR LOSS STATEMENT FOR 1985 *****
 Southwest Minnesota Farm Business Management Association
 (Farms Sorted According to Total Farm Profit/Loss)

	Average For Low 20%	Average For High 20%	Average For All Farms
-----	-----	-----	-----
** Cash Expense **	Value	Value	Value
-----	-----	-----	-----
Number of farms	36	36	180
Hired Labor	\$12,651	\$6,965	\$5,706
Repairs	\$11,917	\$10,817	\$9,589
Interest	\$51,196	\$19,403	\$26,700
Land Rent	\$22,317	\$19,083	\$18,894
Mach., Bldg. Leases	\$1,630	\$1,456	\$1,689
Feed Purchased	\$54,831	\$44,998	\$34,717
Seed	\$8,113	\$7,858	\$6,831
Fertilizer	\$8,224	\$7,874	\$7,397
Crop Chemicals	\$8,460	\$7,702	\$6,732
Machinery Hire	\$3,378	\$3,851	\$2,925
Supplies	\$2,282	\$3,165	\$2,099
Breeding Fees	\$49	\$411	\$175
Vet. and Medicine	\$2,636	\$3,671	\$2,234
Fuel, Oil & Drying	\$12,090	\$9,947	\$9,363
Real Estate Taxes	\$4,008	\$3,586	\$2,948
Crop Insurance	\$2,491	\$2,070	\$2,012
Farm Insurance	\$2,277	\$1,594	\$1,397
Utilities	\$3,652	\$3,541	\$2,927
Crop Marketing	\$2,103	\$739	\$1,037
Livestock Marketing	\$549	\$403	\$505
Feeder Lvstck. Purch.	\$99,736	\$18,729	\$35,668
Misc. Farm Expense	\$2,005	\$1,987	\$1,633
Misc. Crop Expense	\$769	\$782	\$1,309
Cash Paid into Hedging Accts	\$4,104	\$1,065	\$1,378
Total Cash Expense	\$321,469	\$181,695	\$185,864
Net Cash Farm Income	\$46,972	\$86,357	\$52,011
Inventory Changes			

Feed and Grain	-\$17,170	\$7,622	-\$2,878
Market Livestock	-\$26,654	-\$8,805	-\$10,991
Supplies and Prepaid Exp.	-\$2,420	-\$1,998	-\$2,028
Accounts Receivable	\$30	\$4,004	\$967
Accounts Payable	-\$1,604	-\$1,468	-\$125
Total Inventory Change	-\$47,818	-\$645	-\$15,056
Net Operating Profit	-\$846	\$85,712	\$36,955
Depreciation and Other Capital Adjustments			

Breeding Livestock	-\$5,416	-\$1,470	-\$2,598
Machinery and Equipment	-\$23,300	-\$20,760	-\$18,720
Buildings and Improvements	-\$13,080	-\$13,844	-\$10,221
Stock and Other	-\$832	\$513	\$70
Total Depreciation and Other Capital Adjustments	-\$42,628	-\$35,562	-\$31,469
Profit or Loss	-\$43,474	\$50,151	\$5,487

TABLE 2
 ***** INVENTORY CHANGES FOR 1985 *****
 Southwest Minnesota Farm Business Management Association
 (Farms Sorted According to Total Farm Profit/Loss)

	Average For Low 20%	Average For High 20%	Average For All Farms
	-----	-----	-----
Number of farms	36	36	180
Net cash farm income	\$46,972	\$86,357	\$52,011
Feed and grain			
Ending inventory	\$74,972	\$98,747	\$72,544
Beginning inventory	\$92,141	\$91,125	\$75,422
Inventory change	-\$17,170	\$7,622	-\$2,878
Market livestock			
Ending inventory	\$87,209	\$49,560	\$41,976
Beginning inventory	\$113,863	\$58,365	\$52,967
Inventory change	-\$26,654	-\$8,805	-\$10,991
Supplies and Prepaid Exp.			
Ending inventory	\$863	\$1,397	\$1,208
Beginning inventory	\$3,284	\$3,396	\$3,236
Inventory change	-\$2,420	-\$1,998	-\$2,028
Accounts receivable			
Ending inventory	\$1,799	\$9,123	\$3,423
Beginning inventory	\$1,768	\$5,119	\$2,456
Inventory change	\$30	\$4,004	\$967
Accounts payable			
Beginning inventory	\$4,676	\$4,797	\$4,244
Ending inventory	\$6,280	\$6,265	\$4,368
Inventory change	-\$1,604	-\$1,468	-\$125
Total inventory change	-\$47,818	-\$645	-\$15,056
Net operating profit	-\$846	\$85,712	\$36,955

TABLE 3

***** DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS FOR 1985 *****
 Southwest Minnesota Farm Business Management Association
 (Farms Sorted According to Total Farm Profit/Loss)

	Average For Low 20%	Average For High 20%	Average For All Farms
	-----	-----	-----
Number of farms	36	36	180
Net operating profit	-\$846	\$85,712	\$36,955
Breeding livestock			
End inventory	\$11,450	\$27,767	\$15,474
Beginning inventory	\$15,574	\$26,406	\$16,721
Purchases	\$1,292	\$2,830	\$1,351
Beg. inventory + purchases	\$16,865	\$29,237	\$18,072
Depreciation, capital adj.	-\$5,416	-\$1,470	-\$2,598
Machinery and equipment			
End inventory	\$61,196	\$45,231	\$45,793
Sales	\$1,526	\$49	\$636
Ending inventory + sales	\$62,722	\$45,280	\$46,430
Beginning inventory	\$78,119	\$53,793	\$56,378
Purchases	\$7,902	\$12,247	\$8,771
Beg. inventory + purchases	\$86,022	\$66,040	\$65,149
Depreciation, capital adj.	-\$23,300	-\$20,760	-\$18,720
Buildings and improvements			
End inventory	\$76,157	\$70,642	\$59,476
Sales	\$163	\$0	\$214
Ending inventory + sales	\$76,319	\$70,642	\$59,690
Beginning inventory	\$87,221	\$77,197	\$66,625
Purchases	\$2,179	\$7,289	\$3,286
Beg. inventory + purchases	\$89,400	\$84,486	\$69,911
Depreciation, capital adj.	-\$13,080	-\$13,844	-\$10,221
Stock and other			
End inventory	\$6,820	\$8,564	\$6,112
Sales	\$0	\$0	\$22
Ending inventory + sales	\$6,820	\$8,564	\$6,134
Beginning inventory	\$7,652	\$8,044	\$6,013
Purchases	\$0	\$8	\$51
Beg. inventory + purchases	\$7,652	\$8,052	\$6,064
Depreciation, capital adj.	-\$832	\$513	\$70
Land			
End inventory	\$209,432	\$219,777	\$177,603
Sales	\$3,556	\$104	\$1,429
Ending inventory + sales	\$212,987	\$219,881	\$179,032
Beginning inventory	\$224,605	\$221,260	\$181,720
Purchases	\$3,452	\$7,026	\$4,585
Beg. inventory + purchases	\$228,057	\$228,286	\$186,304
Total depreciation, capital adj.	-\$42,628	-\$35,562	-\$31,469
Profit or loss	-\$43,474	\$50,151	\$5,487

TABLE 4
 ***** FARM PROFIT AFTER EXTRAORDINARY ITEMS FOR 1985 *****
 Southwest Minnesota Farm Business Management Association
 (Average of all farms reporting)

Number of farms	180
Total cash income	\$237,875
Total cash expense	\$185,864
Total inventory change	-\$15,056
Depreciation & other capital adjustments	-\$31,469
Profit or loss (Before Repossessions & Debts Forgiven)	\$5,487
Debts forgiven	
Farm accounts payable forgiven	\$265
Current farm loans forgiven	\$2,892
Intermediate farm loans forgiven	\$1,367
Long term farm loans forgiven	\$15,813
Nonfarm debts forgiven	\$446
Total debts forgiven	\$20,784 *
Asset repossessions	
Value of breeding livestock repossessed	\$0
Value of machinery & equipment repossessed	\$89
Value of buildings repossessed	\$1,342
Value of land repossessed	\$7,273
Value of other assets repossessed	\$698
Total repossessions	\$9,402 **
Profit or loss (After Repossessions & Debts Forgiven)	\$16,869

* For the 24 farms which debts forgiven, the average debt forgiven is \$155,880 per farm.

** For the 11 farms which had assets repossessed, the average value of assets repossessed is \$153,851 per farm.

TABLE 5
 ***** PROFITABILITY AND LIQUIDITY ANALYSIS FOR 1985 *****
 Southwest Minnesota Farm Business Management Association
 (Farms Sorted According To Profit/Loss)

	Average For Low 20%	Average For High 20%	Average For All Farms
Number of Farms	36	36	180
** Profitability **			
Labor and management earnings	-\$51,209	\$29,100	-\$5,860
Rate of return on investment %	-1	10	4
Rate of return on net worth %	-42	10	-4
Net profit margin %	-2	22	10
Asset turnover rate %	37	43	40
Interest on farm net worth	\$7,735	\$21,050	\$11,346
Farm interest paid	\$51,196	\$19,403	\$26,700
Value of operator labor and mgmt	\$14,167	\$19,583	\$15,584
Return to farm investment	-\$3,467	\$54,940	\$18,466
Average farm investment	\$591,701	\$572,132	\$459,873
Return to farm net worth	-\$54,663	\$35,538	-\$8,233
Average farm net worth	\$128,912	\$350,841	\$189,104
Value of farm production	\$219,466	\$246,672	\$185,740
** Liquidity **			
-- Cash Basis --			
Net Farm Income -- Cash	\$46,972	\$86,357	\$52,011
Non Farm Income	\$11,145	\$8,921	\$8,445
Total Net Income	\$58,117	\$95,279	\$60,456
Family Living and Taxes Paid	\$23,611	\$40,456	\$27,011
Real estate principal payments	\$15,018	\$7,307	\$11,267
Cash available for interm. debt	\$19,489	\$47,516	\$22,178
Average intermediate debt	\$80,758	\$19,517	\$37,890
Years to turn over interm. debt	4.14	0.41	1.71
Cash expense as a % of income	87	68	78
Interest as a % of income	14	7	11
-- Accrual Basis --			
Inventory Change - Income Items	-\$43,793	\$2,822	-\$12,900
Inventory Change - Expense Items	\$4,024	\$3,467	\$2,155
Total Farm Expense	\$325,493	\$185,162	\$188,020
Net Farm Income -- Accrual	-\$846	\$85,712	\$36,955
Non Farm Income	\$11,145	\$8,921	\$8,445
Total Net Income	\$10,300	\$94,634	\$45,401
Family Living and Taxes Paid	\$23,611	\$40,456	\$27,011
Real estate principal payments	\$15,018	\$7,307	\$11,267
Cash available for interm. debt	-\$28,329	\$46,872	\$7,123
Average intermediate debt	\$80,758	\$19,517	\$37,890
Years to turn over interm. debt	**	0.42	5.32
Cash expense as a % of income	100	68	84
Interest as a % of income	16	8	12

** Income insufficient to meet debt securing requirements.

TABLE 6
***** COMPARATIVE FINANCIAL STATEMENTS FOR 1985 *****
Southwest Minnesota Farm Business Management Association
(Farms Sorted According to Total Farm Profit/Loss)

	Average For Low 20%		Average For High 20%		Average For All Farms	
Number of farms	32		32		160	
Assets	Beginning	Ending	Beginning	Ending	Beginning	Ending
Current Farm Assets						
Cash	\$10,305	\$15,877	\$24,391	\$42,127	\$15,001	\$20,452
Prepaid Expenses and Supplies	\$3,242	\$734	\$4,944	\$2,101	\$3,510	\$1,283
Growing Crops	\$0	\$0	\$0	\$0	\$0	\$3
Accounts Receivable	\$1,046	\$1,042	\$4,913	\$4,536	\$2,177	\$2,317
Hedging accounts	\$227	\$235	\$0	\$125	\$197	\$187
Crops Held for Sale/Feed	\$78,157	\$60,649	\$85,772	\$94,492	\$71,183	\$68,277
Livestock Held for Sale	\$88,872	\$74,414	\$57,809	\$50,695	\$47,627	\$39,263
Total Current Farm Assets	\$181,848	\$152,950	\$177,829	\$194,076	\$139,695	\$131,782
Intermediate Farm Assets						
Breeding Livestock	\$14,450	\$10,124	\$17,059	\$18,291	\$14,875	\$13,498
Machinery and Equipment	\$68,563	\$51,610	\$46,903	\$41,914	\$51,363	\$41,806
Other Interm. Assets	\$1,871	\$1,056	\$2,712	\$2,754	\$2,543	\$2,474
Total Interm. Farm Assets	\$84,884	\$62,790	\$66,673	\$62,958	\$68,782	\$57,778
Total Cur. + Interm. Farm Assets	\$266,732	\$215,740	\$244,502	\$257,034	\$208,477	\$189,560
Long Term Farm Assets						
Buildings and Improvements	\$69,750	\$60,229	\$67,986	\$59,976	\$62,902	\$55,613
Farm Land	\$232,411	\$215,342	\$230,556	\$227,738	\$188,998	\$184,136
Other Long Term Assets	\$4,475	\$4,354	\$4,484	\$4,436	\$3,300	\$3,363
Total Long Term Farm Assets	\$306,637	\$279,925	\$303,027	\$292,150	\$255,200	\$243,112
Total Farm Assets	\$573,369	\$495,665	\$547,528	\$549,184	\$463,677	\$432,672
Non Farm Assets	\$83,345	\$81,078	\$109,520	\$109,902	\$76,224	\$75,880
Total Assets	\$656,714	\$576,743	\$657,048	\$659,086	\$539,901	\$508,552
Liabilities						
Current Farm Liabilities						
Accounts Payable	\$2,972	\$6,259	\$5,397	\$6,275	\$4,317	\$4,580
Current Notes	\$116,137	\$98,040	\$64,826	\$53,319	\$68,046	\$55,571
Total Current Farm Liabilities	\$119,109	\$104,299	\$70,222	\$59,594	\$72,363	\$60,151
Intermediate Farm Liabilities	\$83,771	\$79,593	\$23,542	\$22,189	\$39,646	\$36,050
Total Cur. + Interm. Liabilities	\$202,880	\$183,892	\$93,764	\$81,783	\$112,008	\$96,202
Long Term Farm Liabilities	\$260,342	\$223,790	\$143,944	\$130,841	\$171,755	\$152,960
Total Farm Liabilities	\$463,222	\$407,682	\$237,708	\$212,624	\$283,764	\$249,162
Non Farm Liabilities	\$5,616	\$5,470	\$3,042	\$700	\$6,798	\$5,869
Total Liabilities	\$468,838	\$413,152	\$240,749	\$213,325	\$290,561	\$255,031
Net Worth	\$187,876	\$163,592	\$416,299	\$445,762	\$249,340	\$253,521
Net Worth Change		-\$24,285		\$29,463		\$4,181
Solvency Measures						
Cur.+Int. Liab/Asset (Percent)	76	85	38	32	54	51
Long Term Liab/Asset (Percent)	85	80	48	45	67	63
Total Liability/Asset (Percent)	71	72	37	32	54	50

TABLE 7
 ***** HOUSEHOLD AND PERSONAL EXPENSES, 1985 *****
 Southwest Minnesota Farm Business Management Association
 (Farms Sorted According to Total Farm Profit/Loss)

	Average For Low 20%	Average For High 20%	Average For All Farms
	-----	-----	-----
Number of farms	17	20	96
Food and meals	\$4,072	\$3,523	\$3,936
Medical care and health insurance	\$2,608	\$2,575	\$2,587
Church and charities	\$1,212	\$1,766	\$1,204
Operating and supplies	\$1,410	\$793	\$1,121
Clothing and clothing materials	\$1,296	\$1,249	\$1,222
Gifts and special events	\$1,206	\$838	\$1,007
Personal share of auto and truck	\$1,795	\$1,225	\$1,266
Personal care and spending	\$831	\$699	\$889
Education	\$569	\$504	\$527
Recreation	\$936	\$658	\$940
Upkeep on dwelling	\$108	\$80	\$86
Furnishings and equipment	\$841	\$617	\$848
Household real estate taxes	\$21	\$36	\$18
Dwelling rent	\$88	\$19	\$56
Telephone and electricity	\$1,034	\$835	\$851
Life insurance payments	\$1,699	\$1,361	\$1,243
Income taxes	\$1,329	\$7,365	\$3,644
Total cash living expenses	\$21,053	\$32,598	\$23,206
Family living from the farm	\$425	\$498	\$346
Total family living	\$21,478	\$33,096	\$23,552
Household capital purchases	\$235	\$76	\$173
Personal vehicles, other nonfarm purchases	\$223	\$200	\$299
Nonfarm real estate purchased	\$25	\$659	\$1,632
Savings	\$174	\$10,307	\$3,390
Total family uses of cash	\$21,710	\$43,840	\$28,701

TABLE 8
 **** CROP PRODUCTION AND MARKETING SUMMARY, 1985 ****
 Southwest Minnesota Farm Business Management Association
 (Farms Sorted According to Total Farm Profit/Loss)

	Average For Low 20%	Average For High 20%	Average For All Farms
	-----	-----	-----
Number of farms	36	36	180
Total acres owned	313	310	249
Total crop acres	644	594	552
Crop acres owned	268	270	212
Crop acres cash rented	241	263	237
Crop acres share rented	135	61	103
Total pasture acres	0	0	0

AVERAGE PRICE RECEIVED

 (cash sales only)

Corn/bu.	\$2.38	\$2.35	\$2.35
Oats/bu.	\$1.70	\$1.39	\$1.52
Spring wheat/bu.	\$3.13	\$3.14	\$2.94
Corn Silage/ton.	\$20.14	---	\$16.52
Soybean/bu.	\$5.41	\$5.32	\$5.38
Sweet Corn/tons	\$44.18	\$45.90	\$41.61
Hay/ton	\$47.50	\$60.24	\$49.26
Stover/ton.	\$20.51	\$6.41	\$8.92

AVERAGE YIELD PER ACRE

 (OWNED LAND ONLY)

Corn	117.60	131.63	124.46
Soybeans	33.30	36.10	34.76
Oats	76.46	89.45	79.12
Spring Wheat	62.60	63.10	66.18

TABLE 9
 ***** NONFARM INCOME SUMMARY FOR 1985 *****
 Southwest Minnesota Farm Business Management Association
 (Farms Sorted According to Total Farm Profit/Loss)

	Average For Low 20%	Average For High 20%	Average For All Farms
	-----	-----	-----
Number of farms	36	36	180
Wages	\$3,818	\$1,100	\$2,452
Net nonfarm business income	\$3,178	\$3,089	\$1,306
Rental income	\$13	\$91	\$386
Interest and dividends	\$2,082	\$3,729	\$1,773
Tax refunds	\$1,344	\$472	\$659
Other nonfarm income	\$711	\$441	\$1,871
Total nonfarm income	\$11,145	\$8,921	\$8,445

EXPLANATORY NOTES FOR CROPS TABLES

The "Crop Enterprise Analysis" tables show the average physical production, gross return, direct costs, overhead costs, and net returns per acre. Costs are broken down into different categories. Also, some efficiency measures are calculated.

There are potentially three tables for each crop depending on the farmer's tenure on the land. The crop tables may be for (1) owned land, (2) cash rented land, or (3) share rented land. It is possible for an individual farm to have data in all three tables if all three land tenure categories are represented in that farm business.

Farms are classified into low 20% or high 20% on the basis of returns to overhead costs. The classification is done separately for each table, i.e., an individual farm may be in the low 20% for one crop, the high 20% for a second, and the middle 60% for a third. When there are less than 25 total farms with any particular crop and farmer's tenure, only overall averages are presented. When there are less than five farms with a particular crop and tenure, that table is not included in the report.

The items listed on the left-hand side of each table are broken into several sections. The first set of items deals with the calculation of gross return per acre. The second and third sets of items deal with direct and overhead costs, respectively, from which "Net Return per Acre" is calculated. This is followed by "Net cash flow generated for principal payments, taxes, and family living" which is calculated as "Net return per acre" plus "Depreciation." (All overhead costs except depreciation are assumed to be cash costs.) The last set of items is economic efficiency measures which provide useful standards or goals for individual managers.

Several cost items, such as "utilities," "hired labor," and "interest paid," are listed under both "direct" and "overhead" costs. There will be entries in both cost categories only if the farm records have been kept in enough detail to permit assigning costs specifically to that crop. "Direct Lease Payments" refers to non-land inputs or resources leased and used only in that crop enterprise and not listed elsewhere under direct costs; the most common example is the lease of equipment that is crop specific. "Land Rent" is listed as a separate category and is assigned as a direct cost for each crop enterprise because it is identifiable with the specific crop. In the case of double cropping, one-half of the rent is charged to each crop. Machinery lease payments are for leased machinery used on more than one crop. Interest payments are likewise divided into those incurred directly for a specific crop and those that are not.

The "unit" referred to in the "Value per unit" and the efficiency measures at the bottom is the unit of measurement for the principal product from this enterprise. It is "bushel" for corn, soybeans, wheat and oats. It is "ton" for corn silage and hay. It is "dollar" for pasture and set aside. For pasture, "dollar" is the imputed value per acre based on the value per head per month, as given in Table 12. For set aside, "dollar" is the estimated cash deficiency payment received from the government.

TABLE 10-1
 ***** Crop Enterprise Analysis *****
 Southwest Minnesota Farm Business Management Association
 Farms Sorted According to Return to Overhead per Acre

CORN ON OWNED LAND
(BU)

	Average For Low 20%	Average For High 20%	Average For All Farms
	-----	-----	-----
Number of fields	26	26	133
Number of farms	25	25	127
Acres	124.52	133.62	118.65
Yield per acre	102.52	141.75	124.48
Operator share of yield %	100	100	100
Value per unit	\$2.35	\$2.35	\$2.35
Crop product return/acre	\$240.93	\$333.49	\$292.56
Other crop income/acre	\$0.13	\$0.10	\$0.11
Gross return per acre	\$241.06	\$333.68	\$292.69
Direct costs			
Seed	\$20.03	\$20.89	\$20.05
Fertilizer	\$36.87	\$35.58	\$36.22
Chemicals	\$18.11	\$17.20	\$17.00
Crop insurance	\$2.27	\$2.00	\$2.51
Custom hire	\$2.50	\$1.58	\$2.53
Fuel and oil	\$11.84	\$11.35	\$11.11
Repairs	\$19.46	\$13.43	\$17.13
Drying	\$13.20	\$9.84	\$11.84
Marketing	\$2.07	\$0.00	\$0.92
Misc. crop expense	\$1.44	\$1.41	\$1.38
Operating interest	\$13.30	\$9.53	\$11.53
Total direct costs	\$141.08	\$122.81	\$132.21
Return to overhead	\$99.98	\$210.87	\$160.48
Overhead costs (as allocated by farmers)			
Overhead utilities	\$1.69	\$2.65	\$2.17
Overhead hired labor	\$6.26	\$7.02	\$5.95
Farm insurance	\$1.85	\$1.29	\$1.45
Machinery lease pymts.	\$0.19	\$0.95	\$0.66
Real Estate Taxes	\$11.89	\$13.26	\$12.04
Misc. Farm Expense	\$1.86	\$1.95	\$1.97
Interest Paid	\$50.72	\$78.83	\$64.45
Depreciation	\$43.47	\$42.50	\$42.31
Total overhead costs	\$117.93	\$148.44	\$131.01
Total listed costs per acre	\$259.01	\$271.26	\$263.22
Net return per acre	-\$17.95	\$62.42	\$29.47
Net cash flow generated for principal payments, taxes, and family living	\$25.51	\$104.92	\$71.79
Total Direct cost/unit	\$1.38	\$0.87	\$1.06
Total listed cost/unit	\$2.53	\$1.91	\$2.11
Return over listed cost/unit	-\$0.18	\$0.44	\$0.24
Break even yield/acre	110.22	115.26	112.04

TABLE 10-2

***** Crop Enterprise Analysis *****
 Southwest Minnesota Farm Business Management Association
 Farms Sorted According to Return to Overhead per Acre

CORN ON CASH RENT
 (BU)

	Average For Low 20%	Average For High 20%	Average For All Farms
	-----	-----	-----
Number of fields	35	32	162
Number of farms	24	24	120
Acres	163.25	142.13	142.39
Yield per acre	108.23	138.98	124.63
Operator share of yield %	100	100	100
Value per unit	\$2.35	\$2.34	\$2.35
Crop product return/acre	\$254.34	\$325.87	\$292.88
Other crop income/acre	\$0.00	\$0.23	\$0.22
Gross return per acre	\$254.35	\$326.23	\$293.25
Direct costs			
Seed	\$20.02	\$19.62	\$19.87
Fertilizer	\$37.27	\$31.17	\$36.63
Chemicals	\$18.90	\$16.22	\$16.90
Crop insurance	\$2.76	\$1.69	\$2.45
Custom hire	\$4.20	\$3.06	\$3.52
Fuel and oil	\$9.61	\$9.68	\$11.00
Repairs	\$17.44	\$13.85	\$15.21
Drying	\$14.99	\$8.60	\$12.02
Marketing	\$2.92	\$0.00	\$1.25
Land rent	\$93.74	\$83.80	\$87.95
Misc. crop expense	\$3.81	\$1.66	\$1.89
Operating interest	\$14.72	\$7.27	\$14.28
Total direct costs	\$240.40	\$196.63	\$222.96
Return to overhead	\$13.95	\$129.59	\$70.30
Overhead costs (as allocated by farmers)			
Overhead utilities	\$1.88	\$1.89	\$2.08
Overhead hired labor	\$3.55	\$6.63	\$6.61
Farm insurance	\$1.07	\$1.28	\$1.20
Machinery lease pymts.	\$1.02	\$0.62	\$0.92
Real Estate Taxes	\$0.00	\$0.00	\$0.00
Misc. Farm Expense	\$1.33	\$2.00	\$1.93
Interest Paid	\$3.70	\$5.53	\$4.33
Depreciation	\$34.98	\$41.16	\$36.24
Total overhead costs	\$47.52	\$59.11	\$53.32
Total listed costs per acre	\$287.92	\$255.74	\$276.27
Net return per acre	-\$33.57	\$70.49	\$16.98
Net cash flow generated for principal payments, taxes, and family living	\$1.41	\$111.65	\$53.22
Total Direct cost/unit	\$2.22	\$1.41	\$1.79
Total listed cost/unit	\$2.66	\$1.84	\$2.22
Return over listed cost/unit	-\$0.31	\$0.51	\$0.14
Break even yield/acre	122.52	109.00	117.58

TABLE 10-3
 ***** Crop Enterprise Analysis *****
 Southwest Minnesota Farm Business Management Association
 Farms Sorted According to Return to Overhead per Acre

CORN ON SHARE RENT
(BU)

	Average For Low 20%	Average For High 20%	Average For All Farms
Number of fields	20	16	95
Number of farms	15	15	73
Acres	84.89	98.38	119.86
Yield per acre	102.97	122.63	119.35
Operator share of yield %	56	58	57
Value per unit	\$2.35	\$2.35	\$2.35
Crop product return/acre	\$242.47	\$288.17	\$280.20
Other crop income/acre	\$0.00	\$0.34	\$0.06
Gross return per acre	\$136.05	\$167.73	\$160.05
Direct costs			
Seed	\$17.21	\$15.15	\$16.73
Fertilizer	\$21.98	\$19.19	\$24.34
Chemicals	\$11.03	\$10.10	\$11.85
Crop insurance	\$2.44	\$0.77	\$2.27
Custom hire	\$12.58	\$0.61	\$2.79
Fuel and oil	\$12.74	\$8.58	\$11.11
Repairs	\$15.96	\$9.26	\$13.55
Drying	\$9.87	\$6.04	\$8.55
Marketing	\$3.79	\$0.00	\$0.77
Misc. crop expense	\$0.61	\$1.22	\$0.81
Operating interest	\$20.80	\$2.79	\$9.08
Total direct costs	\$129.00	\$73.72	\$101.86
Return to overhead	\$7.05	\$94.01	\$58.20
Overhead costs (as allocated by farmers)			
Overhead utilities	\$2.43	\$1.61	\$1.95
Overhead hired labor	\$4.16	\$5.25	\$4.15
Farm insurance	\$1.82	\$0.54	\$1.15
Machinery lease pymts.	\$1.28	\$4.05	\$2.33
Real Estate Taxes	\$0.00	\$0.00	\$0.00
Misc. Farm Expense	\$1.78	\$1.00	\$1.76
Interest Paid	\$3.04	\$4.40	\$4.50
Depreciation	\$32.81	\$36.24	\$36.93
Total overhead costs	\$47.31	\$53.10	\$52.77
Total listed costs per acre	\$176.31	\$126.81	\$154.62
Net return per acre	-\$40.26	\$40.92	\$5.43
Net cash flow generated for principal payments, taxes, and family living	-\$7.46	\$77.15	\$42.36
Total Direct cost/unit	\$2.22	\$1.04	\$1.49
Total listed cost/unit	\$3.04	\$1.79	\$2.26
Return over listed cost/unit	-\$0.69	\$0.58	\$0.08
Break even yield/acre	132.74	93.20	115.00

TABLE 10-4
 ***** Crop Enterprise Analysis *****
 Southwest Minnesota Farm Business Management Association
 Farms Sorted According to Return to Overhead per Acre

SOYBEANS ON OWNED LAND
(BU)

	Average For Low 20%	Average For High 20%	Average For All Farms
Number of fields	25	27	133
Number of farms	25	25	126
Acres	104.41	105.68	118.87
Yield per acre	30.05	40.15	34.68
Operator share of yield %	100	100	100
Value per unit	\$5.00	\$5.19	\$5.03
Crop product return/acre	\$150.25	\$208.42	\$174.55
Other crop income/acre	\$1.39	\$1.23	\$3.71
Gross return per acre	\$151.63	\$208.73	\$178.30
Direct costs			
Seed	\$10.01	\$9.39	\$9.84
Fertilizer	\$1.00	\$1.25	\$1.92
Chemicals	\$16.08	\$12.73	\$13.99
Crop insurance	\$3.48	\$3.45	\$4.64
Custom hire	\$2.85	\$0.79	\$1.89
Fuel and oil	\$9.51	\$9.32	\$8.76
Repairs	\$17.02	\$14.17	\$13.42
Marketing	\$1.52	\$0.16	\$0.66
Misc. crop expense	\$1.50	\$1.51	\$1.51
Operating interest	\$17.06	\$5.44	\$9.01
Total direct costs	\$80.05	\$58.21	\$65.66
Return to overhead	\$71.58	\$150.53	\$112.64
Overhead costs (as allocated by farmers)			
Overhead utilities	\$1.15	\$2.09	\$1.54
Overhead hired labor	\$6.29	\$7.18	\$4.96
Farm insurance	\$1.48	\$1.75	\$1.32
Machinery lease pymts.	\$0.24	\$0.18	\$0.62
Real Estate Taxes	\$11.05	\$14.87	\$12.45
Misc. Farm Expense	\$1.77	\$2.42	\$1.88
Interest Paid	\$49.18	\$67.11	\$62.06
Depreciation	\$29.35	\$40.15	\$36.19
Total overhead costs	\$100.52	\$135.73	\$121.02
Total listed costs per acre	\$180.57	\$193.94	\$186.68
Net return per acre	-\$28.93	\$14.79	-\$8.38
Net cash flow generated for principal payments, taxes, and family living	\$0.42	\$54.94	\$27.81
Total Direct cost/unit	\$2.66	\$1.45	\$1.89
Total listed cost/unit	\$6.01	\$4.83	\$5.38
Return over listed cost/unit	-\$0.96	\$0.37	-\$0.24
Break even yield/acre	36.11	37.97	37.17

TABLE 10-5

***** Crop Enterprise Analysis *****
 Southwest Minnesota Farm Business Management Association
 Farms Sorted According to Return to Overhead per Acre

SOYBEANS ON CASH RENT
 (BU)

	Average For Low 20%	Average For High 20%	Average For All Farms
	-----	-----	-----
Number of fields	35	30	170
Number of farms	24	24	118
Acres	159.45	98.22	143.25
Yield per acre	31.10	38.03	34.12
Operator share of yield %	100	100	100
Value per unit	\$5.00	\$5.09	\$5.01
Crop product return/acre	\$155.51	\$193.69	\$170.88
Other crop income/acre	\$1.57	\$2.45	\$2.29
Gross return per acre	\$157.08	\$195.90	\$173.17
Direct costs			
Seed	\$10.49	\$9.84	\$10.35
Fertilizer	\$0.97	\$1.42	\$1.88
Chemicals	\$12.58	\$12.84	\$13.90
Crop insurance	\$6.91	\$2.08	\$5.67
Custom hire	\$5.73	\$2.01	\$2.95
Fuel and oil	\$9.52	\$10.34	\$8.56
Repairs	\$15.42	\$13.88	\$12.26
Marketing	\$1.10	\$0.02	\$0.62
Land rent	\$97.36	\$66.49	\$86.59
Misc. crop expense	\$2.76	\$2.74	\$1.91
Operating interest	\$16.69	\$6.11	\$9.60
Total direct costs	\$179.54	\$127.76	\$154.18
Return to overhead	-\$22.46	\$68.14	\$18.99
Overhead costs (as allocated by farmers)			
Overhead utilities	\$2.23	\$1.67	\$1.53
Overhead hired labor	\$5.96	\$7.63	\$5.83
Farm insurance	\$1.27	\$1.07	\$1.06
Machinery lease pymts.	\$0.29	\$0.03	\$0.76
Real Estate Taxes	\$0.00	\$0.00	\$0.00
Misc. Farm Expense	\$1.57	\$1.34	\$1.55
Interest Paid	\$2.63	\$1.98	\$3.80
Depreciation	\$22.76	\$37.70	\$28.48
Total overhead costs	\$36.70	\$51.42	\$43.02
Total listed costs per acre	\$216.24	\$179.18	\$197.20
Net return per acre	-\$59.17	\$16.72	-\$24.03
Net cash flow generated for principal payments, taxes, and family living	-\$36.41	\$54.42	\$4.45
Total Direct cost/unit	\$5.77	\$3.36	\$4.52
Total listed cost/unit	\$6.95	\$4.71	\$5.78
Return over listed cost/unit	-\$1.90	\$0.44	-\$0.70
Break even yield/acre	43.25	34.39	39.16

TABLE 10-6
 ***** Crop Enterprise Analysis *****
 Southwest Minnesota Farm Business Management Association
 Farms Sorted According to Return to Overhead per Acre

SOYBEANS ON SHARE RENT
 (BU)

	Average For Low 20%	Average For High 20%	Average For All Farms
Number of fields	19	15	91
Number of farms	14	14	72
Acres	96.44	91.79	115.72
Yield per acre	29.62	38.07	33.72
Operator share of yield %	53	60	58
Value per unit	\$5.00	\$5.00	\$5.00
Crop product return/acre	\$148.09	\$190.34	\$168.60
Other crop income/acre	\$0.53	\$2.56	\$0.57
Gross return per acre	\$78.80	\$116.99	\$97.79
Direct costs			
Seed	\$11.72	\$10.14	\$9.34
Fertilizer	\$0.29	\$0.91	\$0.94
Chemicals	\$13.82	\$9.01	\$10.73
Crop insurance	\$7.66	\$5.12	\$5.01
Custom hire	\$2.63	\$0.34	\$1.69
Fuel and oil	\$7.85	\$8.24	\$8.71
Repairs	\$11.03	\$10.55	\$10.89
Marketing	\$2.63	\$0.03	\$0.53
Misc. crop expense	\$0.67	\$1.07	\$1.37
Operating interest	\$12.77	\$2.98	\$6.68
Total direct costs	\$71.09	\$48.39	\$55.89
Return to overhead	\$7.72	\$68.60	\$41.90
Overhead costs (as allocated by farmers)			
Overhead utilities	\$1.53	\$1.33	\$1.27
Overhead hired labor	\$3.65	\$4.44	\$4.11
Farm insurance	\$1.20	\$1.12	\$1.03
Machinery lease pymts.	\$1.16	\$1.71	\$2.51
Real Estate Taxes	\$0.00	\$0.00	\$0.00
Misc. Farm Expense	\$1.89	\$1.97	\$1.63
Interest Paid	\$3.42	\$5.39	\$4.13
Depreciation	\$24.39	\$30.12	\$29.22
Total overhead costs	\$37.25	\$46.09	\$43.90
Total listed costs per acre	\$108.33	\$94.48	\$99.79
Net return per acre	-\$29.53	\$22.51	-\$2.00
Net cash flow generated for principal payments, taxes, and family living	-\$5.14	\$52.64	\$27.22
Total Direct cost/unit	\$4.51	\$2.11	\$2.87
Total listed cost/unit	\$6.87	\$4.12	\$5.13
Return over listed cost/unit	-\$1.87	\$0.98	-\$0.10
Break even yield/acre	40.72	31.36	34.61

TABLE 10-7
 ***** Crop Enterprise Analysis *****
 Southwest Minnesota Farm Business Management Association
 Farms Sorted According to Return to Overhead per Acre

OATS ON OWNED LAND
(BU)

	Average For Low 20%	Average For High 20%	Average For All Farms
	-----	-----	-----
Number of fields	7	7	36
Number of farms	7	7	36
Acres	13.14	11.61	17.31
Yield per acre	67.50	84.36	78.88
Operator share of yield %	100	100	100
Value per unit	\$1.00	\$1.00	\$1.00
Crop product return/acre	\$67.52	\$84.39	\$78.90
Other crop income/acre	\$4.95	\$84.59	\$49.31
Gross return per acre	\$72.46	\$168.95	\$128.19
Direct costs			
Seed	\$14.00	\$6.16	\$9.06
Fertilizer	\$6.45	\$8.19	\$7.34
Chemicals	\$0.82	\$0.16	\$0.94
Crop insurance	\$0.00	\$0.32	\$0.16
Custom hire	\$8.41	\$1.26	\$5.01
Fuel and oil	\$8.68	\$4.14	\$6.74
Repairs	\$8.10	\$3.64	\$9.01
Misc. crop expense	\$0.07	\$0.47	\$1.99
Operating interest	\$4.43	\$1.23	\$5.17
Total direct costs	\$50.96	\$25.57	\$45.41
Return to overhead	\$21.50	\$143.38	\$82.78
Overhead costs (as allocated by farmers)			
Overhead utilities	\$1.62	\$0.71	\$1.20
Overhead hired labor	\$2.75	\$2.47	\$3.35
Farm insurance	\$0.95	\$0.56	\$0.96
Machinery lease pymts.	\$0.00	\$1.63	\$0.21
Real Estate Taxes	\$11.76	\$7.40	\$9.84
Misc. Farm Expense	\$1.62	\$1.50	\$1.67
Interest Paid	\$31.15	\$84.15	\$38.11
Depreciation	\$29.78	\$17.71	\$21.90
Total overhead costs	\$79.63	\$116.13	\$77.25
Total listed costs per acre	\$130.58	\$141.70	\$122.65
Net return per acre	-\$58.13	\$27.26	\$5.54
Net cash flow generated for principal payments, taxes, and family living	-\$28.35	\$44.97	\$27.44
Total Direct cost/unit	\$0.75	\$0.30	\$0.58
Total listed cost/unit	\$1.93	\$1.68	\$1.55
Return over listed cost/unit	-\$0.86	\$0.32	\$0.07
Break even yield/acre	130.56	141.65	122.62

TABLE 10-8
 ***** Crop Enterprise Analysis *****
 Southwest Minnesota Farm Business Management Association
 Farms Sorted According to Return to Overhead per Acre

OATS ON CASH RENT
 (BU)

	Average For Low 20%	Average For High 20	Average For All Farms
Number of fields	6	6	30
Number of farms	6	6	29
Acres	16.57	25.50	23.79
Yield per acre	64.20	90.28	77.87
Operator share of yield %	100	100	100
Value per unit	\$1.00	\$1.00	\$1.00
Crop product return/acre	\$64.19	\$90.28	\$77.88
Other crop income/acre	\$26.30	\$83.11	\$55.99
Gross return per acre	\$90.51	\$173.39	\$133.86
Direct costs			
Seed	\$19.50	\$7.64	\$11.50
Fertilizer	\$13.90	\$7.94	\$9.58
Chemicals	\$0.00	\$1.44	\$1.16
Crop insurance	\$0.55	\$0.00	\$0.57
Custom hire	\$14.96	\$4.35	\$7.24
Fuel and oil	\$5.04	\$3.71	\$5.73
Repairs	\$5.72	\$4.29	\$7.47
Land rent	\$99.58	\$72.76	\$70.89
Misc. crop expense	\$0.55	\$0.44	\$2.58
Operating interest	\$6.69	\$0.64	\$5.72
Total direct costs	\$166.49	\$103.21	\$122.47
Return to overhead	-\$75.98	\$70.18	\$11.40
Overhead costs (as allocated by farmers)			
Overhead utilities	\$2.37	\$0.50	\$1.25
Overhead hired labor	\$5.97	\$1.02	\$2.35
Farm insurance	\$1.30	\$0.49	\$0.61
Machinery lease pymts.	\$0.60	\$0.00	\$0.28
Real Estate Taxes	\$0.00	\$0.00	\$0.00
Misc. Farm Expense	\$1.56	\$0.93	\$1.41
Interest Paid	\$0.85	\$3.62	\$1.73
Depreciation	\$17.21	\$13.28	\$16.88
Total overhead costs	\$29.87	\$19.85	\$24.50
Total listed costs per acre	\$196.35	\$123.07	\$146.97
Net return per acre	-\$105.85	\$50.33	-\$13.11
Net cash flow generated for principal payments, taxes, and family living	-\$88.64	\$63.61	\$3.77
Total Direct cost/unit	\$2.59	\$1.14	\$1.57
Total listed cost/unit	\$3.06	\$1.36	\$1.89
Return over listed cost/unit	-\$1.65	\$0.56	-\$0.17
Break even yield/acre	196.39	123.07	146.95

TABLE 10-9
 ***** Crop Enterprise Analysis *****
 Southwest Minnesota Farm Business Management Association
 Average of all Farms Reporting

OATS ON SHARE RENT
 (BU)

Number of fields	9
Number of farms	9
Acres	23.67
Yield per acre	92.53
Operator share of yield %	50
Value per unit	\$1.00
Crop product return/acre	\$92.51
Other crop income/acre	\$42.81
Gross return per acre	\$87.51
Direct costs	
Seed	\$5.99
Fertilizer	\$4.17
Chemicals	\$1.13
Custom hire	\$7.14
Fuel and oil	\$4.39
Repairs	\$4.68
Misc. crop expense	\$0.34
Operating interest	\$3.01
Total direct costs	\$30.85
Return to overhead	\$56.65
Overhead costs	
(as allocated by farmers)	
Overhead utilities	\$0.28
Overhead hired labor	\$1.67
Farm insurance	\$0.37
Machinery lease pymts.	\$0.94
Real Estate Taxes	\$0.00
Misc. Farm Expense	\$0.53
Interest Paid	\$4.12
Depreciation	\$93.24
Total overhead costs	\$101.14
Total listed costs per acre	\$132.00
Net return per acre	-\$44.49
Net cash flow generated for principal payments, taxes, and family living	\$48.75
Total Direct cost/unit	\$0.66
Total listed cost/unit	\$2.83
Return over listed cost/unit	-\$0.95
Break even yield/acre	262.13

TABLE 10-10
 ***** Crop Enterprise Analysis *****
 Southwest Minnesota Farm Business Management Association
 Average of all Farms Reporting

SPRING WHEAT ON OWNED LAND
 (BU)

Number of fields	13
Number of farms	13
Acres	22.08
Yield per acre	65.58
Operator share of yield %	100
Value per unit	\$3.50
Crop product return/acre	\$229.51
Other crop income/acre	\$27.35
Gross return per acre	\$256.90
Direct costs	
Seed	\$12.19
Fertilizer	\$20.91
Chemicals	\$2.06
Crop insurance	\$1.05
Custom hire	\$2.34
Fuel and oil	\$5.93
Repairs	\$7.09
Special hired labor	\$0.12
Marketing	\$3.14
Misc. crop expense	\$0.46
Operating interest	\$5.19
Total direct costs	\$60.47
Return to overhead	\$196.42
Overhead costs	
(as allocated by farmers)	
Overhead utilities	\$0.90
Overhead hired labor	\$3.93
Farm insurance	\$1.00
Machinery lease pymts.	\$0.17
Real Estate Taxes	\$10.76
Misc. Farm Expense	\$1.19
Interest Paid	\$31.90
Depreciation	\$18.02
Total overhead costs	\$67.86
Total listed costs per acre	\$128.34
Net return per acre	\$128.56
Net cash flow generated for principal payments, taxes, and family living	\$146.58
Total Direct cost/unit	\$0.92
Total listed cost/unit	\$1.96
Return over listed cost/unit	\$1.96
Break even yield/acre	36.67

TABLE 10-11
 ***** Crop Enterprise Analysis *****
 Southwest Minnesota Farm Business Management Association
 Average of all Farms Reporting

SPRING WHEAT ON CASH RENT
 (BU)

Number of fields	9
Number of farms	9
Acres	23.22
Yield per acre	56.97
Operator share of yield %	100
Value per unit	\$3.50
Crop product return/acre	\$199.42
Other crop income/acre	\$10.23
Gross return per acre	\$209.63
Direct costs	
Seed	\$10.80
Fertilizer	\$19.73
Chemicals	\$2.66
Crop insurance	\$0.42
Custom hire	\$0.85
Fuel and oil	\$5.99
Repairs	\$8.51
Marketing	\$1.85
Land rent	\$70.49
Misc. crop expense	\$1.16
Operating interest	\$3.33
Total direct costs	\$125.80
Return to overhead	\$83.83
Overhead costs	
(as allocated by farmers)	
Overhead utilities	\$0.96
Overhead hired labor	\$1.53
Farm insurance	\$0.51
Machinery lease pymts.	\$0.56
Real Estate Taxes	\$0.00
Misc. Farm Expense	\$0.75
Interest Paid	\$1.58
Depreciation	\$25.24
Total overhead costs	\$31.12
Total listed costs per acre	\$156.92
Net return per acre	\$52.71
Net cash flow generated for principal payments, taxes, and family living	\$77.95
Total Direct cost/unit	\$2.21
Total listed cost/unit	\$2.75
Return over listed cost/unit	\$0.93
Break even yield/acre	44.83

TABLE 10-12
 ***** Crop Enterprise Analysis *****
 Southwest Minnesota Farm Business Management Association
 Average of all Farms Reporting

SPRING WHEAT ON SHARE RENT
 (BU)

Number of fields	9
Number of farms	8
Acres	22.36
Yield per acre	60.55
Operator share of yield %	58
Value per unit	\$3.46
Crop product return/acre	\$209.76
Other crop income/acre	\$9.98
Gross return per acre	\$131.03
Direct costs	
Seed	\$11.22
Fertilizer	\$11.27
Chemicals	\$3.90
Crop insurance	\$1.67
Custom hire	\$3.72
Fuel and oil	\$6.81
Repairs	\$8.91
Special hired labor	\$0.14
Marketing	\$2.25
Operating interest	\$6.10
Total direct costs	\$55.98
Return to overhead	\$75.05
Overhead costs	
(as allocated by farmers)	
Overhead utilities	\$1.21
Overhead hired labor	\$2.90
Farm insurance	\$0.57
Machinery lease pymts.	\$0.30
Real Estate Taxes	\$0.00
Misc. Farm Expense	\$1.53
Interest Paid	\$6.71
Depreciation	\$41.58
Total overhead costs	\$54.79
Total listed costs per acre	\$110.77
Net return per acre	\$20.26
Net cash flow generated for principal payments, taxes, and family living	\$61.84
Total Direct cost/unit	\$1.60
Total listed cost/unit	\$3.17
Return over listed cost/unit	\$0.58
Break even yield/acre	57.35

TABLE 10-13
 ***** Crop Enterprise Analysis *****
 Southwest Minnesota Farm Business Management Association
 Farms Sorted According to Return to Overhead per Acre

CORN SILAGE ON OWNED LAND
 (TON)

	Average For Low 20%	Average For High 20%	Average For All Farms
	-----	-----	-----
Number of fields	7	7	33
Number of farms	7	7	33
Acres	43.96	26.53	33.56
Yield per acre	12.58	21.78	17.18
Operator share of yield %	100	100	100
Value per unit	\$18.00	\$18.00	\$18.00
Crop product return/acre	\$226.49	\$391.96	\$309.26
Other crop income/acre	\$0.00	\$0.00	\$0.00
Gross return per acre	\$226.50	\$391.98	\$309.25
Direct costs			
Seed	\$18.50	\$18.33	\$18.95
Fertilizer	\$37.21	\$27.20	\$31.60
Chemicals	\$15.84	\$18.70	\$17.68
Custom hire	\$7.39	\$0.95	\$6.44
Fuel and oil	\$13.87	\$12.18	\$14.05
Repairs	\$17.60	\$15.20	\$18.26
Misc. crop expense	\$0.50	\$0.00	\$1.63
Operating interest	\$21.36	\$10.16	\$11.93
Total direct costs	\$132.29	\$102.71	\$120.56
Return to overhead	\$94.21	\$289.27	\$188.69
Overhead costs (as allocated by farmers)			
Overhead utilities	\$1.03	\$1.82	\$1.50
Overhead hired labor	\$11.52	\$4.58	\$7.53
Farm insurance	\$0.85	\$0.87	\$0.94
Machinery lease pymts.	\$0.83	\$1.38	\$0.77
Real Estate Taxes	\$12.70	\$8.44	\$10.41
Misc. Farm Expense	\$0.97	\$1.59	\$1.41
Interest Paid	\$54.17	\$56.79	\$52.85
Depreciation	\$34.15	\$37.74	\$45.47
Total overhead costs	\$116.24	\$113.20	\$120.88
Total listed costs per acre	\$248.52	\$215.92	\$241.44
Net return per acre	-\$22.02	\$176.06	\$67.81
Net cash flow generated for principal payments, taxes, and family living	\$12.13	\$213.81	\$113.28
Total Direct cost/unit	\$10.51	\$4.72	\$7.02
Total listed cost/unit	\$19.75	\$9.92	\$14.05
Return over listed cost/unit	-\$1.75	\$8.09	\$3.95
Break even yield/acre	13.81	12.00	13.41

TABLE 10-14
 ***** Crop Enterprise Analysis *****
 Southwest Minnesota Farm Business Management Association
 Farms Sorted According to Return to Overhead per Acre

CORN SILAGE ON CASH RENT
 (TON)

	Average For Low 20%	Average For High 20%	Average For All Farms
	-----	-----	-----
Number of fields	6	6	28
Number of farms	6	6	28
Acres	49.33	22.25	31.82
Yield per acre	13.97	24.92	18.47
Operator share of yield %	100	100	100
Value per unit	\$18.00	\$18.00	\$18.00
Crop product return/acre	\$251.42	\$448.56	\$332.45
Other crop income/acre	\$0.00	\$0.00	\$0.00
Gross return per acre	\$251.40	\$448.56	\$332.44
Direct costs			
Seed	\$20.28	\$19.74	\$19.73
Fertilizer	\$34.27	\$32.26	\$33.25
Chemicals	\$22.38	\$21.97	\$18.84
Crop insurance	\$1.74	\$1.08	\$1.18
Custom hire	\$1.21	\$15.32	\$4.38
Fuel and oil	\$9.93	\$13.27	\$12.31
Repairs	\$16.96	\$20.58	\$17.20
Land rent	\$91.50	\$45.02	\$76.46
Misc. crop expense	\$0.72	\$0.14	\$1.09
Operating interest	\$11.87	\$16.32	\$21.45
Total direct costs	\$210.86	\$185.70	\$205.90
Return to overhead	\$40.54	\$262.86	\$126.53
Overhead costs (as allocated by farmers)			
Overhead utilities	\$2.34	\$2.18	\$1.96
Overhead hired labor	\$10.14	\$3.56	\$8.43
Farm insurance	\$1.92	\$0.53	\$1.34
Machinery lease pymts.	\$0.00	\$0.00	\$0.33
Real Estate Taxes	\$0.00	\$0.00	\$0.00
Misc. Farm Expense	\$1.65	\$1.52	\$1.68
Interest Paid	\$7.29	\$1.03	\$6.41
Depreciation	\$50.81	\$47.85	\$41.02
Total overhead costs	\$74.16	\$56.67	\$61.17
Total listed costs per acre	\$285.01	\$242.36	\$267.07
Net return per acre	-\$33.61	\$206.20	\$65.37
Net cash flow generated for principal payments, taxes, and family living	\$17.20	\$254.04	\$106.38
Total Direct cost/unit	\$15.10	\$7.45	\$11.15
Total listed cost/unit	\$20.41	\$9.73	\$14.46
Return over listed cost/unit	-\$2.41	\$8.27	\$3.54
Break even yield/acre	15.83	13.46	14.84

TABLE 10-15
 ***** Crop Enterprise Analysis *****
 Southwest Minnesota Farm Business Management Association
 Farms Sorted According to Return to Overhead per Acre

ALFALFA HAY ON OWNED LAND
 (TON)

	Average For Low 20%	Average For High 20%	Average For All Farms
Number of fields	8	8	40
Number of farms	8	8	40
Acres	27.30	16.00	22.07
Yield per acre	2.66	6.24	4.08
Operator share of yield %	100	100	100
Value per unit	\$60.00	\$60.00	\$60.00
Crop product return/acre	\$159.36	\$374.11	\$244.94
Other crop income/acre	\$4.12	\$0.00	\$1.02
Gross return per acre	\$163.48	\$374.11	\$245.96
Direct costs			
Seed	\$11.77	\$24.32	\$14.59
Fertilizer	\$26.11	\$15.72	\$17.35
Chemicals	\$1.14	\$0.00	\$0.28
Custom hire	\$27.17	\$4.31	\$10.09
Fuel and oil	\$13.95	\$11.64	\$11.77
Repairs	\$13.48	\$14.54	\$16.14
Misc. crop expense	\$1.85	\$1.64	\$2.62
Operating interest	\$15.70	\$8.04	\$8.40
Total direct costs	\$111.18	\$80.21	\$81.23
Return to overhead	\$52.31	\$293.90	\$164.72
Overhead costs (as allocated by farmers)			
Overhead utilities	\$8.93	\$1.38	\$3.16
Overhead hired labor	\$12.86	\$4.11	\$6.82
Farm insurance	\$1.97	\$0.77	\$1.22
Machinery lease pymts.	\$7.60	\$1.55	\$2.97
Real Estate Taxes	\$11.05	\$9.98	\$10.06
Misc. Farm Expense	\$4.10	\$1.86	\$2.24
Interest Paid	\$53.52	\$68.75	\$59.05
Depreciation	\$59.10	\$37.12	\$39.10
Total overhead costs	\$159.14	\$125.53	\$124.61
Total listed costs per acre	\$270.32	\$205.74	\$205.85
Net return per acre	-\$106.84	\$168.38	\$40.11
Net cash flow generated for principal payments, taxes, and family living	-\$47.73	\$205.50	\$79.21
Total Direct cost/unit	\$41.86	\$12.86	\$19.90
Total listed cost/unit	\$101.78	\$33.00	\$50.42
Return over listed cost/unit	-\$40.22	\$27.00	\$9.83
Break even yield/acre	4.51	3.43	3.43

TABLE 10-16

***** Crop Enterprise Analysis *****
 Southwest Minnesota Farm Business Management Association
 Farms Sorted According to Return to Overhead per Acre

ALFALFA HAY ON CASH RENT
 (TON)

	Average For Low 20%	Average For High 20%	Average For All Farms
Number of fields	7	7	39
Number of farms	7	7	34
Acres	9.94	25.86	26.95
Yield per acre	2.28	5.09	4.23
Operator share of yield %	100	100	100
Value per unit	\$60.02	\$59.99	\$60.01
Crop product return/acre	\$136.57	\$305.18	\$253.93
Other crop income/acre	\$0.00	\$0.00	\$0.00
Gross return per acre	\$136.53	\$305.21	\$253.90
Direct costs			
Seed	\$16.59	\$22.76	\$16.46
Fertilizer	\$15.12	\$23.68	\$19.10
Chemicals	\$0.00	\$0.00	\$0.69
Custom hire	\$7.45	\$0.59	\$5.25
Fuel and oil	\$6.20	\$10.23	\$9.65
Repairs	\$7.48	\$12.78	\$12.80
Special hired labor	\$2.01	\$2.09	\$1.12
Land rent	\$63.06	\$57.94	\$77.01
Misc. crop expense	\$0.00	\$0.84	\$1.51
Operating interest	\$14.86	\$8.19	\$12.04
Total direct costs	\$132.77	\$139.10	\$155.61
Return to overhead	\$3.76	\$166.11	\$98.28
Overhead costs (as allocated by farmers)			
Overhead utilities	\$4.13	\$0.73	\$1.74
Overhead hired labor	\$5.25	\$4.44	\$3.96
Farm insurance	\$1.46	\$0.49	\$0.80
Machinery lease pymts.	\$3.64	\$1.60	\$0.67
Real Estate Taxes	\$0.00	\$0.00	\$0.00
Misc. Farm Expense	\$1.68	\$1.29	\$1.49
Interest Paid	\$3.15	\$3.91	\$2.43
Depreciation	\$25.49	\$26.32	\$35.14
Total overhead costs	\$44.80	\$38.77	\$46.23
Total listed costs per acre	\$177.58	\$177.87	\$201.84
Net return per acre	-\$41.05	\$127.34	\$52.06
Net cash flow generated for principal payments, taxes, and family living	-\$15.55	\$153.66	\$87.19
Total Direct cost/unit	\$58.33	\$27.35	\$36.77
Total listed cost/unit	\$78.02	\$34.97	\$47.69
Return over listed cost/unit	-\$18.03	\$25.04	\$12.30
Break even yield/acre	2.96	2.96	3.36

TABLE 10-17
 ***** Crop Enterprise Analysis *****
 Southwest Minnesota Farm Business Management Association
 Farms Sorted According to Return to Overhead per Acre

SET ASIDE ACRES ON OWNED LAND
 (\$)

	Average For Low 20%	Average For High 20%	Average For All Farms
Number of fields	22	21	101
Number of farms	20	20	98
Acres	20.82	18.45	16.52
Yield per acre	297.44	521.29	413.99
Operator share of yield %	100	100	100
Value per unit	\$1.00	\$1.00	\$1.00
Crop product return/acre	\$297.44	\$521.29	\$413.98
Other crop income/acre	\$0.00	\$0.00	\$0.00
Gross return per acre	\$297.44	\$521.29	\$413.99
Direct costs			
Seed	\$2.82	\$4.45	\$3.74
Fertilizer	\$0.47	\$0.46	\$0.39
Chemicals	\$0.94	\$0.11	\$0.60
Fuel and oil	\$2.56	\$2.86	\$2.95
Repairs	\$3.34	\$4.61	\$4.64
Misc. crop expense	\$0.58	\$0.21	\$0.32
Operating interest	\$2.04	\$2.58	\$2.23
Total direct costs	\$12.75	\$15.32	\$14.88
Return to overhead	\$284.69	\$505.97	\$399.12
Overhead costs (as allocated by farmers)			
Overhead utilities	\$0.32	\$0.94	\$0.72
Overhead hired labor	\$0.92	\$1.59	\$1.69
Farm insurance	\$0.72	\$0.65	\$0.74
Machinery lease pymts.	\$2.27	\$0.93	\$0.95
Real Estate Taxes	\$9.34	\$11.30	\$10.11
Misc. Farm Expense	\$0.70	\$1.20	\$1.61
Interest Paid	\$30.34	\$59.57	\$58.09
Depreciation	\$14.40	\$13.67	\$14.86
Total overhead costs	\$58.99	\$89.84	\$88.79
Total listed costs per acre	\$71.73	\$105.16	\$103.67
Net return per acre	\$225.71	\$416.13	\$310.33
Net cash flow generated for principal payments, taxes, and family living	\$240.10	\$429.80	\$325.19
Total Direct cost/unit	\$0.04	\$0.03	\$0.04
Total listed cost/unit	\$0.24	\$0.20	\$0.25
Return over listed cost/unit	\$0.76	\$0.80	\$0.75
Break even yield/acre	71.73	105.16	103.67

TABLE 10-18
 ***** Crop Enterprise Analysis *****
 Southwest Minnesota Farm Business Management Association
 Farms Sorted According to Return to Overhead per Acre

SET ASIDE ACRES ON CASH RENT
 (\$)

	Average For Low 20%	Average For High 20%	Average For All Farms
Number of fields	22	26	128
Number of farms	21	21	107
Acres	21.58	13.84	19.27
Yield per acre	339.35	505.54	428.42
Operator share of yield %	100	100	100
Value per unit	\$1.00	\$1.00	\$1.00
Crop product return/acre	\$339.37	\$505.47	\$428.46
Other crop income/acre	\$0.00	\$0.00	\$1.24
Gross return per acre	\$339.35	\$505.54	\$429.67
Direct costs			
Seed	\$3.70	\$4.23	\$3.54
Chemicals	\$1.78	\$0.37	\$0.89
Fuel and oil	\$3.28	\$2.41	\$3.34
Repairs	\$4.80	\$3.80	\$4.70
Land rent	\$82.97	\$75.79	\$86.24
Misc. crop expense	\$0.48	\$0.29	\$0.41
Operating interest	\$4.41	\$3.91	\$3.16
Total direct costs	\$101.42	\$90.82	\$102.28
Return to overhead	\$237.93	\$414.72	\$327.39
Overhead costs (as allocated by farmers)			
Overhead utilities	\$0.28	\$1.40	\$1.08
Overhead hired labor	\$1.99	\$3.20	\$4.41
Farm insurance	\$1.28	\$0.99	\$0.88
Machinery lease pymts.	\$6.33	\$1.29	\$1.79
Real Estate Taxes	\$0.00	\$0.00	\$0.00
Misc. Farm Expense	\$0.71	\$1.30	\$1.36
Interest Paid	\$4.82	\$2.03	\$2.84
Depreciation	\$20.44	\$11.60	\$14.10
Total overhead costs	\$35.85	\$21.81	\$26.45
Total listed costs per acre	\$137.27	\$112.63	\$128.73
Net return per acre	\$202.09	\$392.91	\$300.93
Net cash flow generated for principal payments, taxes, and family living	\$222.53	\$404.51	\$315.03
Total Direct cost/unit	\$0.30	\$0.18	\$0.24
Total listed cost/unit	\$0.40	\$0.22	\$0.30
Return over listed cost/unit	\$0.60	\$0.78	\$0.70
Break even yield/acre	137.26	112.64	128.72

TABLE 10-19
 ***** Crop Enterprise Analysis *****
 Southwest Minnesota Farm Business Management Association
 Farms Sorted According to Return to Overhead per Acre

SET ASIDE ACRES ON SHARE RENT
 (\$)

	Average For Low 20%	Average For High 20%	Average For All Farms
Number of fields	16	13	73
Number of farms	12	12	61
Acres	13.61	14.25	13.90
Yield per acre	305.55	503.01	428.17
Operator share of yield %	54	62	57
Value per unit	\$1.00	\$1.00	\$1.00
Crop product return/acre	\$305.51	\$503.01	\$428.02
Other crop income/acre	\$0.00	\$0.00	\$0.34
Gross return per acre	\$161.93	\$311.70	\$243.38
Direct costs			
Seed	\$1.85	\$3.05	\$3.18
Chemicals	\$1.84	\$0.25	\$0.51
Fuel and oil	\$2.96	\$2.24	\$2.83
Repairs	\$3.79	\$2.30	\$3.25
Misc. crop expense	\$0.13	\$0.14	\$0.13
Operating interest	\$5.78	\$2.26	\$2.49
Total direct costs	\$16.34	\$10.24	\$12.39
Return to overhead	\$145.58	\$301.46	\$230.99
Overhead costs (as allocated by farmers)			
Overhead utilities	\$1.46	\$0.33	\$0.82
Overhead hired labor	\$1.09	\$1.03	\$1.69
Farm insurance	\$0.51	\$0.76	\$0.56
Machinery lease pymts.	\$0.31	\$4.87	\$1.43
Real Estate Taxes	\$0.00	\$0.00	\$0.00
Misc. Farm Expense	\$1.33	\$0.96	\$1.30
Interest Paid	\$5.50	\$2.01	\$2.77
Depreciation	\$9.42	\$9.87	\$9.88
Total overhead costs	\$19.61	\$19.84	\$18.45
Total listed costs per acre	\$35.95	\$30.08	\$30.84
Net return per acre	\$125.98	\$281.63	\$212.54
Net cash flow generated for principal payments, taxes, and family living	\$135.39	\$291.50	\$222.42
Total Direct cost/unit	\$0.10	\$0.03	\$0.05
Total listed cost/unit	\$0.22	\$0.10	\$0.13
Return over listed cost/unit	\$0.76	\$0.90	\$0.87
Break even yield/acre	66.34	48.45	54.08

EXPLANATORY NOTES FOR LIVESTOCK TABLES

The "Livestock Enterprise Analysis" tables show the average physical production, gross returns, direct costs, overhead costs, and net returns per budget unit. Costs are broken down into different categories. Also, some efficiency measures are calculated. The unit for each table is identified in the title.

Farms are divided into low 20% and high 20% on the basis of returns to overhead costs. The classification is done separately for each livestock enterprise except dairy, where the "all dairy" table is the sum of the "dairy cows" and "other dairy" tables, and the classification groups are copied from the "dairy cows" table. (The "dairy cows" enterprise contains only the milking herd.)

The items listed on the left-hand side of each table are broken into several sections. The first set of items deals with the calculation of gross or total return. The next two sets of items specify the direct and overhead costs. The "Net Return" to the enterprise is calculated from this information. The "Net cash flow for principal payments, taxes, and family living" is calculated by adding "Depreciation" (a noncash cost) to and subtracting "Home Use," "Fed," and "Butchered" (noncash income) from "Net Return." The bottom section of each livestock table contains both economic and technical efficiency measures, which are particularly useful to individual managers in assessing their performance as compared to their peers.

"Lbs. feed per lb. of gain" is the lbs. of total feed divided by "Gross production." The total feed is calculated by adding total pounds of feed. For some feedstuffs, these pounds per unit are used: corn, 56; oats, 32; barley, 48; grain sorghum, 56; wheat, 60; millet, 48; haylage, 1000; corn silage, 666.67; oatlage, 1000; and sorghum silage, 666.67.

TABLE 11-1
***** LIVESTOCK ENTERPRISE ANALYSIS *****
SOUTHWEST MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION
FARMS SORTED ACCORDING TO RETURN TO OVERHEAD PER CWT PRODUCED

FARROW TO FINISH HOGS - PER LITTER

NUMBER OF FARMS	AVERAGE FOR LOW 20%		AVERAGE FOR HIGH 20%		AVERAGE FOR ALL FARMS	
	9 QUANTITY	VALUE	9 QUANTITY	VALUE	45 QUANTITY	VALUE
MARKET HOG SALES LBS	1244.56	\$557.26	1508.86	\$699.43	1503.19	\$676.95
TRANSFERRED OUT LBS	0.00	\$0.00	1.56	\$1.29	1.62	\$1.34
BUTCHERED LBS	2.60	\$1.03	3.68	\$1.43	2.30	\$0.94
CULL SALES LBS	162.58	\$58.37	169.45	\$61.95	190.93	\$69.60
LESS PURCHASES LBS	25.02	\$18.16	12.25	\$15.04	13.96	\$13.99
LESS TRANSFERRED IN LBS	0.00	\$0.00	10.16	\$6.70	5.64	\$4.42
CHANGE IN INVENTORY LBS	23.29	-\$9.72	82.94	\$34.15	0.54	-\$21.61
GROSS PRODUCTION LBS	1408.01	\$588.77	1744.09	\$776.52	1678.98	\$708.81
OTHER INCOME		\$0.00		\$0.00		\$0.00
TOTAL RETURN		\$588.77		\$776.52		\$708.81
DIRECT COSTS						
CORN BU	88.21	\$213.54	85.36	\$205.44	89.98	\$215.36
OATS BU	0.96	\$1.47	0.18	\$0.25	0.81	\$1.09
OTHER GRAIN LB	0.00	\$1.03	70.58	\$8.69	28.82	\$3.22
PROTEIN, MINERALS, ETC LB	1,339.12	\$202.92	1,448.97	\$187.52	1,412.27	\$188.65
COMPLETE RATION LB	172.61	\$18.32	192.29	\$15.29	324.77	\$34.21
ALFALFA HAY LB	38.05	\$1.30	0.27	\$0.01	8.60	\$0.29
VET. AND MEDICINE		\$26.48		\$19.82		\$21.97
SUPPLIES		\$20.50		\$9.06		\$15.73
MARKETING		\$0.25		\$3.53		\$1.66
FUEL AND OIL		\$10.27		\$11.54		\$12.13
REPAIRS		\$18.06		\$16.43		\$18.55
SPEC. HIRED LABOR		\$1.60		\$0.08		\$0.39
MACHINERY HIRE		\$19.49		\$3.98		\$6.48
DIRECT UTILITIES		\$0.00		\$0.54		\$0.14
DIRECT LEASE PAYMENTS		\$1.29		\$4.08		\$1.35
BEDDING		\$1.45		\$0.27		\$3.41
OPERATING INTEREST		\$21.87		\$6.00		\$14.51
OTHER DIRECT EXPENSES		\$0.00		\$0.00		\$0.39
TOTAL DIRECT COSTS		\$559.83		\$492.52		\$539.52
RETURN TO OVERHEAD		\$28.94		\$284.00		\$169.29
ALLOCATED OVERHEADS						
OVERHEAD UTILITIES		\$16.48		\$13.66		\$17.61
REAL ESTATE TAXES		\$2.26		\$3.23		\$2.76
FARM INSURANCE		\$2.81		\$3.60		\$4.89
OVERHEAD HIRED LABOR		\$22.25		\$50.11		\$27.39
OVERHEAD LEASE PAYMENTS		\$0.00		\$2.54		\$2.38
MISC FARM EXPENSE		\$2.48		\$8.25		\$5.61
INTEREST		\$19.46		\$41.71		\$26.64
DEPRECIATION		\$42.75		\$64.96		\$62.79
TOTAL OVERHEAD COSTS		\$108.49		\$188.06		\$150.07
TOTAL LISTED COSTS		\$668.33		\$680.58		\$689.59
NET RETURN		-\$79.56		\$95.94		\$19.21
NET CASH FLOW GENERATED FOR PRINCIPAL PAYMENTS, INCOME TAXES, AND FAMILY LIVING EXPENSES		-\$37.84		\$152.00		\$77.37
OTHER INFORMATION						
NUMBER OF LITTERS FARROWED	175.22		204.67		157.62	
NUMBER OF LITTERS PER CRATE	7.07		9.85		7.35	
PIGS BORN PER LITTER	9.30		9.42		9.27	
PIGS WEANED PER LITTER	7.76		8.30		7.78	
LBS. FEED PER LB. OF GAIN	4.63		3.83		4.12	
AVG. WT. / MARKET HOG SOLD (LBS.)	207.25		219.80		223.12	
AVG. PRICE/CWT. / MARKET HOG SOLD	\$44.78		\$46.36		\$45.03	

TABLE 11-2
***** LIVESTOCK ENTERPRISE ANALYSIS *****
SOUTHWEST MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION
FARMS SORTED ACCORDING TO RETURN TO OVERHEAD PER CWT PRODUCED

FARROW TO FINISH HOGS - PER CWT PRODUCED

NUMBER OF FARMS	AVERAGE FOR LOW 20%		AVERAGE FOR HIGH 20%		AVERAGE FOR ALL FARMS	
	9		9		45	
	QUANTITY	VALUE	QUANTITY	VALUE	QUANTITY	VALUE
MARKET HOG SALES LBS	88.39	\$39.58	86.51	\$40.10	89.53	\$40.32
TRANSFERRED OUT LBS	0.00	\$0.00	0.09	\$0.07	0.10	\$0.08
BUTCHERED LBS	0.18	\$0.07	0.21	\$0.08	0.14	\$0.06
CULL SALES LBS	11.55	\$4.15	9.72	\$3.55	11.37	\$4.15
LESS PURCHASES LBS	1.78	\$1.29	0.70	\$0.86	0.83	\$0.83
LESS TRANSFERRED IN LBS	0.00	\$0.00	0.58	\$0.38	0.34	\$0.26
CHANGE IN INVENTORY LBS	1.65	-\$0.69	4.75	\$1.96	0.03	-\$1.29
GROSS PRODUCTION LBS	100.00	\$41.82	100.00	\$44.52	100.00	\$42.22
OTHER INCOME		\$0.00		\$0.00		\$0.00
TOTAL RETURN		\$41.82		\$44.52		\$42.22
DIRECT COSTS						
CORN BU	6.27	\$15.17	4.89	\$11.78	5.36	\$12.83
OATS BU	0.07	\$0.10	0.01	\$0.01	0.05	\$0.07
OTHER GRAIN LB	0.00	\$0.07	4.05	\$0.50	1.72	\$0.19
PROTEIN, MINERALS, ETC LB	95.11	\$14.41	83.08	\$10.75	84.11	\$11.24
COMPLETE RATION LB	12.26	\$1.30	11.03	\$0.88	19.34	\$2.04
ALFALFA HAY LB	2.70	\$0.09	0.02	\$0.00	0.51	\$0.02
VET. AND MEDICINE		\$1.88		\$1.14		\$1.31
SUPPLIES		\$1.46		\$0.52		\$0.94
MARKETING		\$0.02		\$0.20		\$0.10
FUEL AND OIL		\$0.73		\$0.66		\$0.72
REPAIRS		\$1.28		\$0.94		\$1.10
SPEC. HIRED LABOR		\$0.11		\$0.00		\$0.02
MACHINERY HIRE		\$1.38		\$0.23		\$0.39
DIRECT UTILITIES		\$0.00		\$0.03		\$0.01
DIRECT LEASE PAYMENTS		\$0.09		\$0.23		\$0.08
BEDDING		\$0.10		\$0.02		\$0.20
OPERATING INTEREST		\$1.55		\$0.34		\$0.86
OTHER DIRECT EXPENSES		\$0.00		\$0.00		\$0.02
TOTAL DIRECT COSTS		\$39.76		\$28.24		\$32.13
RETURN TO OVERHEAD		\$2.06		\$16.28		\$10.08
ALLOCATED OVERHEADS						
OVERHEAD UTILITIES		\$1.17		\$0.78		\$1.05
REAL ESTATE TAXES		\$0.16		\$0.19		\$0.16
FARM INSURANCE		\$0.20		\$0.21		\$0.29
OVERHEAD HIRED LABOR		\$1.58		\$2.87		\$1.63
OVERHEAD LEASE PAYMENTS		\$0.00		\$0.15		\$0.14
MISC FARM EXPENSE		\$0.18		\$0.47		\$0.33
INTEREST		\$1.38		\$2.39		\$1.59
DEPRECIATION		\$3.04		\$3.72		\$3.74
TOTAL OVERHEAD COSTS		\$7.71		\$10.78		\$8.94
TOTAL LISTED COSTS		\$47.47		\$39.02		\$41.07
NET RETURN		-\$5.65		\$5.50		\$1.14
NET CASH FLOW GENERATED FOR PRINCIPAL PAYMENTS, INCOME TAXES, AND FAMILY LIVING EXPENSES		-\$2.69		\$8.72		\$4.61
OTHER INFORMATION						
NUMBER OF LITTERS FARROWED	175.22		204.67		157.62	
NUMBER OF LITTERS PER CRATE	7.07		9.85		7.35	
PIGS BORN PER LITTER	9.30		9.42		9.27	
PIGS WEANED PER LITTER	7.76		8.30		7.78	
LBS. FEED PER LB. OF GAIN	4.63		3.83		4.12	
AVG. WT. / MARKET HOG SOLD (LBS.)	207.25		219.80		223.12	
AVG. PRICE/CWT. / MARKET HOG SOLD	\$44.78		\$46.36		\$45.03	

TABLE 11-3
 ***** LIVESTOCK ENTERPRISE ANALYSIS *****
 SOUTHWEST FARM BUSINESS MANAGEMENT ASSOCIATION
 AVERAGE OF ALL FARMS

FEEDER PIG PRODUCTION - PER LITTER

NUMBER OF FARMS	7	
	QUANTITY	VALUE
	-----	-----
FEEDER PIG SALES HD	4.19	\$179.41
TRANSFERRED OUT HD	2.91	131.41
BUTCHERED HD	0.01	\$0.95
CULL SALES HD	0.34	\$59.88
LESS PURCHASES HD	0.07	16.82
LESS TRANSFERRED IN HD	0.25	27.52
CHANGE IN INVENTORY HD	0.44	\$6.52
GROSS PRODUCTION	514.34	\$333.83
OTHER INCOME		\$0.00
TOTAL RETURN		\$333.83
DIRECT COSTS		
CORN BU	30.93	\$73.00
OATS BU	1.14	\$1.50
PROTEIN, MINERALS, ETC LB	531.71	\$72.66
VET. AND MEDICINE		\$14.46
SUPPLIES		\$5.70
MARKETING		\$0.38
FUEL AND OIL		\$7.61
REPAIRS		\$8.05
SPEC. HIRED LABOR		\$9.60
MACHINERY HIRE		\$1.55
DIRECT LEASE PAYMENTS		\$3.57
BEDDING		\$3.40
OPERATING INTEREST		\$14.06
TOTAL DIRECT COSTS		\$215.55
RETURN TO OVERHEAD		\$118.29
ALLOCATED OVERHEADS		
OVERHEAD UTILITIES		\$12.10
REAL ESTATE TAXES		\$0.35
FARM INSURANCE		\$2.42
OVERHEAD HIRED LABOR		\$1.61
MISC FARM EXPENSE		\$0.00
OVERHEAD LEASE PAYMENTS		\$3.89
INTEREST		\$24.32
DEPRECIATION		\$36.84
TOTAL OVERHEAD COSTS		\$81.53
TOTAL LISTED COSTS		\$297.08
NET RETURN		\$36.76
NET CASH FLOW GENERATED FOR PRINCIPAL PAYMENTS, INCOME TAXES, AND FAMILY LIVING EXPENSES		\$72.65
OTHER INFORMATION		
NUMBER OF LITTERS FARROWED	123.00	
NUMBER OF LITTERS PER SOW	1.44	
NUMBER OF LITTERS PER CRATE	7.30	
PIGS BORN PER LITTER	10.11	
PIGS WEANED PER LITTER	7.73	
AVG. PRICE PER PIG SOLD	\$42.81	
AVG. WT. PER PIG SOLD (LB)	52.54	

TABLE 11-4
 ***** LIVESTOCK ENTERPRISE ANALYSIS *****
 SOUTHWEST FARM BUSINESS MANAGEMENT ASSOCIATION
 FARMS SORTED ACCORDING TO RETURN TO OVERHEAD PER CWT PRODUCED

HOG FINISHING - PER CWT PRODUCED

NUMBER OF FARMS	AVERAGE FOR LOW 20%		AVERAGE FOR HIGH 20%		AVERAGE FOR ALL FARMS	
	QUANTITY	VALUE	QUANTITY	VALUE	QUANTITY	VALUE
SALES LBS	119.37	\$54.25	115.27	\$53.86	117.61	\$53.02
TRANSFERRED OUT LBS	0.00	\$0.00	0.00	\$0.00	1.60	\$0.94
BUTCHERED LBS	0.08	\$0.04	0.09	\$0.04	0.16	\$0.07
CULL SALES LBS	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00
LESS PURCHASES LBS	19.06	\$21.34	26.63	\$23.29	21.85	\$20.64
LESS TRANSFERRED IN LBS	0.00	\$0.00	0.00	\$0.00	3.79	\$2.63
CHANGE IN INVENTORY LBS	-0.38	-\$2.71	11.27	\$11.86	6.27	\$2.66
GROSS PRODUCTION LBS	100.00	\$30.25	100.00	\$42.48	100.00	\$33.41
OTHER INCOME		\$0.00		\$0.00		\$0.01
TOTAL RETURN		\$30.25		\$42.48		\$33.42
DIRECT COSTS						
CORN BU	5.12	\$12.41	5.24	\$12.62	4.82	\$11.51
OATS BU	0.22	\$0.30	0.06	\$0.08	0.10	\$0.13
PROTEIN, MINERALS, ETC LB	70.84	\$9.48	70.09	\$8.79	64.84	\$8.43
COMPLETE RATION LB	38.16	\$3.13	N/A	N/A	56.83	\$3.35
VET. AND MEDICINE		\$0.26		\$0.55		\$0.44
SUPPLIES		\$0.52		\$0.16		\$0.29
FUEL AND OIL		\$0.45		\$0.61		\$0.46
REPAIRS		\$0.60		\$0.50		\$0.51
MACHINERY HIRE		\$0.40		\$0.92		\$0.99
DIRECT LEASE PAYMENTS		\$0.01		\$0.13		\$0.05
BEDDING		\$0.10		\$0.04		\$0.13
OPERATING INTEREST		\$4.05		\$2.06		\$2.35
OTHER DIRECT EXPENSES		\$0.00		\$0.00		\$0.08
TOTAL DIRECT COSTS		\$31.70		\$26.48		\$28.73
RETURN TO OVERHEAD		-\$1.45		\$16.01		\$4.69
ALLOCATED OVERHEADS						
OVERHEAD UTILITIES		\$0.29		\$0.70		\$0.44
REAL ESTATE TAXES		\$0.14		\$0.10		\$0.11
FARM INSURANCE		\$0.13		\$0.31		\$0.16
OVERHEAD HIRED LABOR		\$0.38		\$0.21		\$0.23
OVERHEAD LEASE PAYMENTS		\$0.04		\$0.22		\$0.05
MISC FARM EXPENSE		\$0.17		\$0.34		\$0.17
INTEREST		\$0.68		\$2.06		\$0.99
DEPRECIATION		\$2.52		\$2.65		\$2.24
TOTAL OVERHEAD COSTS		\$4.35		\$6.59		\$4.38
TOTAL LISTED COSTS		\$36.05		\$33.07		\$33.11
NET RETURN		-\$5.80		\$9.42		\$0.31
NET CASH FLOW GENERATED FOR PRINCIPAL PAYMENTS, INCOME TAXES, AND FAMILY LIVING EXPENSES		-\$3.31		\$12.02		\$2.47
OTHER INFORMATION						
NUMBER PURCHASED	1,462.40		773.00		922.16	
NUMBER SOLD	1,419.80		691.20		922.20	
PERCENTAGE DEATH LOSS	1.95		3.76		2.21	
EFFECTIVE DAILY GAIN	1.20		1.39		1.35	
LB FEED PER LB. GAIN	4.03		3.65		3.95	
AVG. WT. PER HEAD SOLD	232		230		233	
AVG. PRICE PAID PER HEAD	\$40.24		\$41.53		\$40.83	
AVG. PRICE RECD PER CWT.	\$45.45		\$46.73		\$45.08	

TABLE 11-5
 ***** LIVESTOCK ENTERPRISE ANALYSIS *****
 SOUTHWEST MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION
 FARMS SORTED ACCORDING TO RETURN TO OVERHEAD PER CWT PRODUCED

BEEF FINISHING - PER CWT PRODUCED

NUMBER OF FARMS	AVERAGE FOR LOW 20%		AVERAGE FOR HIGH 20%		AVERAGE FOR ALL FARMS	
	10 QUANTITY	VALUE	10 QUANTITY	VALUE	48 QUANTITY	VALUE
SALES LBS	315.25	\$174.05	266.03	\$148.88	267.39	\$151.93
TRANSFERRED OUT LBS	0.23	\$0.09	0.00	\$0.00	1.08	\$0.69
BUTCHERED LBS	0.93	\$0.52	1.25	\$0.72	1.01	\$0.57
CULL SALES LBS	0.00	\$0.00	0.00	\$0.00	0.04	\$0.02
LESS PURCHASES LBS	98.19	\$57.15	134.50	\$74.91	116.43	\$69.82
LESS TRANSFERRED IN LBS	3.67	\$1.79	0.55	\$0.35	4.80	\$2.97
CHANGE IN INVENTORY LBS	-114.55	-\$77.94	-32.22	-\$22.53	-48.30	-\$34.72
GROSS PRODUCTION LBS	100.00	\$37.77	100.00	\$51.81	100.00	\$45.70
OTHER INCOME		\$0.00		\$0.00		\$0.01
TOTAL RETURN		\$37.77		\$51.81		\$45.71
DIRECT COSTS						
CORN BU	14.25	\$34.27	5.97	\$14.37	10.38	\$24.79
OATS BU	0.02	\$0.03	0.02	\$0.03	0.06	\$0.08
OTHER GRAIN LB	6.05	\$0.50	---	---	0.81	\$0.07
PROTEIN, MINERALS, ETC LB	42.22	\$6.08	50.90	\$6.39	45.93	\$5.59
ALFALFA HAY LB	68.30	\$2.11	35.77	\$1.09	45.71	\$1.47
MIXED HAY LB	78.98	\$0.95	4.44	\$0.12	14.04	\$0.22
GRASS HAY LB	3.21	\$0.10	6.22	\$0.10	5.30	\$0.13
ALFALFA HAYLAGE LB	---	---	129.33	\$2.37	48.12	\$0.90
CORN SILAGE LB	713.12	\$7.09	826.32	\$8.28	744.07	\$7.25
PASTURE DAYS	0.07	\$0.16	---	---	0.01	\$0.02
VET. AND MEDICINE		\$0.62		\$0.82		\$0.70
SUPPLIES		\$0.19		\$1.29		\$0.47
MARKETING		\$1.09		\$0.00		\$0.15
FUEL AND OIL		\$1.84		\$0.84		\$0.97
REPAIRS		\$2.12		\$1.29		\$1.16
MACHINERY HIRE		\$1.25		\$0.72		\$1.07
DIRECT LEASE PAYMENTS		\$0.23		\$0.00		\$0.03
BEDDING		\$1.35		\$0.06		\$0.34
OPERATING INTEREST		\$7.28		\$5.15		\$4.78
OTHER DIRECT EXPENSES		\$0.00		\$0.00		\$0.44
TOTAL DIRECT COSTS		\$67.75		\$43.24		\$50.82
RETURN TO OVERHEAD		-\$29.98		\$8.57		-\$5.11
ALLOCATED OVERHEADS						
OVERHEAD UTILITIES		\$0.83		\$0.74		\$0.73
REAL ESTATE TAXES		\$0.77		\$0.21		\$0.32
FARM INSURANCE		\$0.85		\$0.29		\$0.50
OVERHEAD HIRED LABOR		\$1.16		\$0.47		\$1.35
OVERHEAD LEASE PAYMENTS		\$0.21		\$0.00		\$0.04
MISC FARM EXPENSE		\$0.43		\$0.22		\$0.33
INTEREST		\$6.44		\$1.58		\$2.03
DEPRECIATION		\$8.26		\$4.78		\$4.96
TOTAL OVERHEAD COSTS		\$18.96		\$8.28		\$10.26
TOTAL LISTED COSTS		\$86.71		\$51.52		\$61.08
NET RETURN		-\$48.94		\$0.29		-\$15.37
NET CASH FLOW GENERATED FOR PRINCIPAL PAYMENTS, INCOME TAXES, AND FAMILY LIVING EXPENSES		-\$41.20		\$4.35		-\$10.98
OTHER INFORMATION						
NUMBER PURCHASED	150.20		260.80		243.73	
NUMBER SOLD	261.50		353.05		328.03	
PERCENTAGE DEATH LOSS	0.94		0.44		0.53	
EFFECTIVE DAILY GAIN	1.83		2.05		2.11	
LBS. FEED PER LB. OF GAIN	12.59		7.89		9.84	
AVG. WT. PER HEAD PURCHASED	569.42		697.04		643.98	
AVG. WT. PER HEAD SOLD	1,050.13		1,018.40		1,098.95	
AVG. PRICE PAID PER CWT	\$58.21		\$55.69		\$59.97	
AVG. PRICE RECEIVED PER CWT.	\$55.21		\$55.96		\$56.82	

TABLE 11-6
***** LIVESTOCK ENTERPRISE ANALYSIS *****
SOUTHWEST MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION
FARMS SORTED ACCORDING TO RETURN TO OVERHEAD PER CWT PRODUCED

BEEF FINISHING - PER HEAD

NUMBER OF FARMS	AVERAGE FOR LOW 20%		AVERAGE FOR HIGH 20%		AVERAGE FOR ALL FARMS	
	10 QUANTITY	VALUE	10 QUANTITY	VALUE	48 QUANTITY	VALUE
SALES LBS	1,050.13	\$579.76	1,018.40	\$569.94	1,098.95	\$624.41
TRANSFERRED OUT LBS	0.76	\$0.31	0.00	\$0.00	4.43	\$2.85
BUTCHERED LBS	3.10	\$1.72	4.78	\$2.76	4.16	\$2.32
CULL SALES LBS	0.00	\$0.00	0.00	\$0.00	0.17	\$0.10
LESS PURCHASES LBS	327.06	\$190.38	514.91	\$286.77	478.49	\$286.96
LESS TRANSFERRED IN LBS	12.24	\$5.97	2.12	\$1.32	19.73	\$12.22
CHANGE IN INVENTORY LBS	-381.59	-\$259.63	-123.34	-\$86.25	-198.51	-\$142.70
GROSS PRODUCTION LBS	333.11	\$125.81	382.82	\$198.35	410.99	\$187.81
OTHER INCOME		\$0.00		\$0.00		\$0.03
TOTAL RETURN		\$125.81		\$198.35		\$187.84
DIRECT COSTS						
CORN BU	47.45	\$114.17	22.85	\$55.00	42.67	\$101.87
OATS BU	0.08	\$0.11	0.08	\$0.11	0.24	\$0.32
OTHER GRAIN LB	20.16	\$1.65	---	---	3.35	\$0.27
PROTEIN, MINERALS, ETC LB	140.65	\$20.27	194.88	\$24.46	188.76	\$22.96
ALFALFA HAY LB	227.53	\$7.02	136.92	\$4.16	187.27	\$6.05
MIXED HAY LB	263.10	\$3.17	17.00	\$0.47	57.69	\$0.89
GRASS HAY LB	10.71	\$0.32	23.79	\$0.40	21.78	\$0.55
ALFALFA HAYLAGE LB	---	---	495.13	\$9.07	197.77	\$3.71
CORN SILAGE LB	2,375.53	\$23.62	3,163.38	\$31.71	3,058.01	\$29.78
PASTURE DAYS	0.24	\$0.54	---	---	0.04	\$0.09
VET. AND MEDICINE		\$2.06		\$3.16		\$2.87
SUPPLIES		\$0.63		\$4.93		\$1.93
MARKETING		\$3.65		\$0.00		\$0.61
FUEL AND OIL		\$6.11		\$3.21		\$3.99
REPAIRS		\$7.06		\$4.92		\$4.78
MACHINERY HIRE		\$4.17		\$2.76		\$4.40
DIRECT LEASE PAYMENTS		\$0.76		\$0.00		\$0.13
BEDDING		\$4.50		\$0.23		\$1.42
OPERATING INTEREST		\$24.25		\$19.70		\$19.63
OTHER DIRECT EXPENSES		\$0.00		\$0.00		\$1.77
TOTAL DIRECT COSTS		\$225.69		\$165.55		\$208.85
RETURN TO OVERHEAD		-\$99.88		\$32.80		-\$21.01
ALLOCATED OVERHEADS						
OVERHEAD UTILITIES		\$2.77		\$2.83		\$2.99
REAL ESTATE TAXES		\$2.57		\$0.79		\$1.31
FARM INSURANCE		\$2.84		\$1.09		\$2.06
OVERHEAD HIRED LABOR		\$3.86		\$1.79		\$5.54
OVERHEAD LEASE PAYMENTS		\$0.69		\$0.00		\$0.18
MISC FARM EXPENSE		\$1.44		\$0.83		\$1.36
INTEREST		\$21.46		\$6.05		\$8.33
DEPRECIATION		\$27.52		\$18.30		\$20.40
TOTAL OVERHEAD COSTS		\$63.16		\$31.69		\$42.18
TOTAL LISTED COSTS		\$288.84		\$197.24		\$251.03
NET RETURN		-\$163.03		\$1.11		-\$63.18
NET CASH FLOW GENERATED FOR PRINCIPAL PAYMENTS, INCOME TAXES, AND FAMILY LIVING EXPENSES		-\$137.24		\$16.66		-\$45.11
OTHER INFORMATION						
NUMBER PURCHASED	150.20		260.80		243.73	
NUMBER SOLD	261.50		353.05		328.03	
PERCENTAGE DEATH LOSS	0.94		0.44		0.53	
EFFECTIVE DAILY GAIN	1.83		2.05		2.11	
LBS. FEED PER LB. OF GAIN	12.59		7.89		9.84	
AVG. WT. PER HEAD PURCHASED	569.42		697.04		643.98	
AVG. WT. PER HEAD SOLD	1,050.13		1,018.40		1,098.95	
AVG. PRICE PAID PER CWT	\$58.21		\$55.69		\$59.97	
AVG. PRICE RECEIVED PER CWT.	\$55.21		\$55.96		\$56.82	

TABLE 11-7
 ***** LIVESTOCK ENTERPRISE ANALYSIS *****
 SOUTHWEST FARM BUSINESS MANAGEMENT ASSOCIATION
 AVERAGE OF ALL FARMS

BEEF COW / CALF - PER HEAD

NUMBER OF FARMS	15	
	QUANTITY	VALUE
	-----	-----
BEEF CALF SALES	43.21	\$27.01
CALVES TRANSFERRED OUT	368.76	\$235.58
BUTCHERED	0.00	\$0.00
CULL SALES	199.44	\$82.31
LESS PURCHASES	110.05	50.47
LESS TRANSFERRED IN	89.32	54.98
CHANGE IN INVENTORY	13.31	-\$1.20
GROSS PRODUCTION	425.33	\$238.24
OTHER INCOME		\$0.00
TOTAL RETURN		\$238.24
DIRECT COSTS		
CORN BU	6.64	\$15.92
OATS BU	1.17	\$1.57
PROTEIN, MINERALS, ETC LB	99.49	\$14.49
COMPLETE RATION LB	3.82	\$0.24
ALFALFA HAY LB	1,363.64	\$39.87
MIXED HAY LB	491.42	\$10.44
GRASS HAY LB	280.92	\$7.72
CORN SILAGE LB	4,566.91	\$45.66
STOVER LB	763.75	\$4.67
PASTURE DAYS	20.22	\$29.32
BREEDING		\$1.30
VET. AND MEDICINE		\$11.32
SUPPLIES		\$6.37
FUEL AND OIL		\$7.84
REPAIRS		\$6.80
MACHINERY HIRE		\$2.35
BEDDING		\$5.43
OPERATING INTEREST		\$8.83
TOTAL DIRECT COSTS		\$220.14
RETURN TO OVERHEAD		\$18.10
ALLOCATED OVERHEADS		
OVERHEAD UTILITIES		\$5.39
REAL ESTATE TAXES		\$2.17
FARM INSURANCE		\$2.25
OVERHEAD HIRED LABOR		\$13.01
OVERHEAD LEASE PAYMENTS		\$0.00
MISC FARM EXPENSE		\$2.59
INTEREST		\$6.75
DEPRECIATION		\$28.06
TOTAL OVERHEAD COSTS		\$60.22
TOTAL LISTED COSTS		\$280.36
NET RETURN		-\$42.12
NET CASH FLOW GENERATED FOR PRINCIPAL PAYMENTS, INCOME TAXES, AND FAMILY LIVING EXPENSES		-\$14.21
OTHER INFORMATION		
AVERAGE NUMBER OF COWS	68.37	
CALVING PERCENTAGE	98.09	
WEANING PERCENTAGE	91.29	
CULLING RATE %	16.19	
AVG. WT. PER CALF SOLD	583.03	
AVG. PRICE/CWT./CALF SOLD	\$62.51	

TABLE 11-8
 ***** LIVESTOCK ENTERPRISE ANALYSIS *****
 SOUTHWEST FARM BUSINESS MANAGEMENT ASSOCIATION
 AVERAGE OF ALL FARMS

BEEF COW / CALF - PER CWT PRODUCED

NUMBER OF FARMS	15 QUANTITY	VALUE
BEEF CALF SALES	10.16	\$6.35
CALVES TRANSFERRED OUT	86.70	\$55.39
BUTCHERED	0.00	\$0.00
CULL SALES	46.89	\$19.35
LESS PURCHASES	25.87	11.87
LESS TRANSFERRED IN	21.00	12.93
CHANGE IN INVENTORY	3.13	-\$0.28
GROSS PRODUCTION	100.00	\$56.01
OTHER INCOME		\$0.00
TOTAL RETURN		\$56.01
DIRECT COSTS		
CORN BU	1.56	\$3.74
OATS BU	0.27	\$0.37
PROTEIN, MINERALS, ETC LB	23.39	\$3.41
COMPLETE RATION LB	0.90	\$0.06
ALFALFA HAY LB	320.55	\$9.37
MIXED HAY LB	115.52	\$2.45
GRASS HAY LB	66.04	\$1.82
CORN SILAGE LB	1,073.56	\$10.73
STOVER LB	179.54	\$1.10
PASTURE DAYS	4.75	\$6.89
BREEDING		\$0.30
VET. AND MEDICINE		\$2.66
SUPPLIES		\$1.50
FUEL AND OIL		\$1.84
REPAIRS		\$1.60
MACHINERY HIRE		\$0.55
BEDDING		\$1.28
OPERATING INTEREST		\$2.08
TOTAL DIRECT COSTS		\$51.76
RETURN TO OVERHEAD		\$4.26
ALLOCATED OVERHEADS		
OVERHEAD UTILITIES		\$1.27
REAL ESTATE TAXES		\$0.51
FARM INSURANCE		\$0.53
OVERHEAD HIRED LABOR		\$3.06
OVERHEAD LEASE PAYMENTS		\$0.00
MISC FARM EXPENSE		\$0.61
INTEREST		\$1.59
DEPRECIATION		\$6.60
TOTAL OVERHEAD COSTS		\$14.16
TOTAL LISTED COSTS		\$65.92
NET RETURN		-\$9.90
NET CASH FLOW GENERATED FOR PRINCIPAL PAYMENTS, INCOME TAXES, AND FAMILY LIVING EXPENSES		-\$3.34
OTHER INFORMATION		
AVERAGE NUMBER OF COWS	68.37	
CALVING PERCENTAGE	98.09	
WEANING PERCENTAGE	91.29	
CULLING RATE %	16.19	
AVG. WT. PER CALF SOLD	583.03	
AVG. PRICE/CWT./CALF SOLD	\$62.51	

TABLE 11-9
 ***** LIVESTOCK ENTERPRISE ANALYSIS *****
 SOUTHWEST MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION
 AVERAGE OF ALL FARMS

DAIRY COWS - PER COW

NUMBER OF FARMS	20 QUANTITY	VALUE
MILK SOLD LBS	15,274.58	\$1,841.91
MILK USED IN THE HOME LBS	41.69	\$8.33
MILK FED LBS	314.45	\$43.83
BULL CALVES, OTHR SALES HD	0.01	\$5.84
BUTCHERED HD	0.01	\$1.60
TRANSFERRED OUT HD	0.00	\$0.72
CULL SALES HD	0.36	\$174.85
LESS PURCHASES HD	0.03	\$23.61
LESS TRANSFERRED IN HD	0.38	\$234.87
CHANGE IN INVENTORY HD	0.01	\$25.42
GROSS PRODUCTION		\$1,844.00
OTHER INCOME		\$57.95
TOTAL RETURN		\$1,901.95
DIRECT COSTS		
CORN BU	113.49	\$269.26
OATS BU	11.57	\$14.91
PROTEIN, MINERALS, ETC LB	1,416.26	\$180.13
COMPLETE RATION LB	214.46	\$16.34
ALFALFA HAY LB	3,281.44	\$112.59
GRASS HAY LB	82.48	\$1.44
ALFALFA HAYLAGE LB	4,305.69	\$93.57
CORN SILAGE LB	8,846.46	\$87.59
SORGHUM SILAGE LB	297.98	\$2.18
BREEDING		\$16.24
VET. AND MEDICINE		\$38.26
SUPPLIES		\$112.71
MARKETING		\$3.36
FUEL AND OIL		\$25.97
REPAIRS		\$47.31
SPEC. HIRED LABOR		\$36.87
MACHINERY HIRE		\$69.11
DIRECT LEASE PAYMENTS		\$24.48
BEDDING		\$12.58
OPERATING INTEREST		\$47.45
OTHER DIRECT EXPENSE		\$3.71
TOTAL DIRECT COSTS		\$1218.76
RETURN TO OVERHEAD		\$683.19
ALLOCATED OVERHEADS		
OVERHEAD UTILITIES		\$42.93
REAL ESTATE TAXES		\$4.14
FARM INSURANCE		\$11.36
OVERHEAD HIRED LABOR		\$29.53
LEASE PAYMENTS		\$45.92
MISC. FARM EXPENSE		\$9.35
INTEREST		\$79.32
DEPRECIATION		\$133.87
TOTAL OVERHEAD COSTS		\$356.42
TOTAL LISTED COSTS		\$1575.18
NET RETURN		\$326.77
NET CASH FLOW GENERATED FOR		
PRINCIPAL PAYMENTS, INCOME TAXES,		
AND FAMILY LIVING EXPENSES		\$406.88
OTHER INFORMATION		
AVERAGE NUMBER OF COWS	48.49	
MILK PRODUCED PER COW (LB.)	15,630.72	
PERCENT OF BARN CAPACITY	101.89	
PERCENT BUTTERFAT IN MILK	3.45	
CULLING RATE %	36.19	
LBS. MILK/ LB. CONCENTRATE	1.87	
AVERAGE PRICE PER CWT. MILK	\$12.06	

TABLE 11-10
 ***** LIVESTOCK ENTERPRISE ANALYSIS *****
 SOUTHWEST MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION
 AVERAGE OF ALL FARMS

DAIRY REPLACEMENTS AND FEEDER STOCK PER DAIRY COW		
NUMBER OF FARMS	22	
	QUANTITY	VALUE
	-----	-----
SALES HD	0.43	\$127.40
BUTCHERED HD	0.01	\$3.22
TRANSFERRED OUT HD	0.47	\$249.85
CULL SALES HD	0.03	\$7.94
LESS PURCHASES HD	0.04	\$10.29
LESS TRANSFERRED IN HD	0.00	\$0.60
CHANGE IN INVENTORY HD	0.02	-\$3.09
GROSS PRODUCTION		\$374.43
OTHER INCOME		\$0.00
TOTAL RETURN		\$374.43
DIRECT COSTS		
CORN BU	28.82	\$67.68
OATS BU	6.06	\$8.05
OTHER GRAIN LB	132.98	\$0.33
PROTEIN, MINERALS, ETC LB	205.88	\$31.71
COMPLETE RATION LB	1,695.57	\$5.95
ALFALFA HAY LB	1,656.36	\$65.77
GRASS HAY LB	212.42	\$4.25
ALFALFA HAYLAGE LB	961.94	\$24.07
CORN SILAGE LB	7,248.20	\$72.31
SORGHUM SILAGE LB	249.55	\$1.83
STOVER LB	89.80	\$1.80
PASTURE DAYS	3.18	\$2.68
MILK LB	228.16	\$32.09
BREEDING		\$5.14
VET. AND MEDICINE		\$7.68
SUPPLIES		\$7.56
FUEL AND OIL		\$9.51
REPAIRS		\$15.46
SPEC. HIRED LABOR		\$0.25
MACHINERY HIRE		\$2.13
DIRECT UTILITIES		\$0.32
DIRECT LEASE PAYMENTS		\$4.06
BEDDING		\$7.84
OPERATING INTEREST		\$11.89
OTHER DIRECT EXPENSES		\$2.37
TOTAL DIRECT COSTS		\$398.65
RETURN TO OVERHEAD		-\$24.22
ALLOCATED OVERHEADS		
OVERHEAD UTILITIES		\$13.88
REAL ESTATE TAXES		\$1.41
FARM INSURANCE		\$4.40
OVERHEAD HIRED LABOR		\$9.93
LEASE PAYMENTS		\$10.91
MISC. FARM EXPENSE		\$3.44
INTEREST		\$20.41
DEPRECIATION		\$58.06
TOTAL OVERHEAD COSTS		\$122.44
TOTAL LISTED COSTS		\$521.09
NET RETURN		-\$146.66
NET CASH FLOW FOR		
PRINCIPAL PMNTS, TAXES		
AND FAMILY LIVING		-\$92.48
--- OTHER INFORMATION ---		
NUMBER PURCHASED / TRANSFERRED IN %	4.49	
NUMBER SOLD / TRANSFERRED OUT %	94.21	
PERCENTAGE DEATH LOSS	8.60	

TABLE 11-11
 ***** LIVESTOCK ENTERPRISE ANALYSIS *****
 SOUTHWEST FARM BUSINESS MANAGEMENT ASSOCIATION
 AVERAGE OF ALL FARMS

MARKET LAMBS - PER CWT PRODUCED

NUMBER OF FARMS	8	
	QUANTITY	VALUE
	-----	-----
LAMB SALES LBS	116.76	\$76.58
TRANSFERRED OUT LBS	4.57	\$3.81
BUTCHERED LBS	0.57	\$0.10
CULL SALES LBS	11.82	\$2.23
LESS PURCHASES LBS	31.83	\$16.45
LESS TRANSFERRED IN LBS	0.00	\$0.00
CHANGE IN INVENTORY LBS	-1.89	-\$0.99
GROSS PRODUCTION LBS	100.00	\$65.27
OTHER INCOME		\$5.69
TOTAL RETURN		\$70.96
DIRECT COSTS		
CORN BU	4.79	\$10.96
OATS BU	2.19	\$3.03
PROTEIN, MINERALS, ETC LB	38.91	\$5.96
COMPLETE RATION LB	34.21	\$2.51
ALFALFA HAY LB	331.70	\$10.80
MIXED HAY LB	186.32	\$4.34
GRASS HAY LB	161.88	\$3.24
PASTURE DAYS	0.37	\$0.38
VET. AND MEDICINE		\$1.56
SUPPLIES		\$2.03
FUEL AND OIL		\$1.59
REPAIRS		\$1.54
SPEC. HIRED LABOR		\$0.18
MACHINERY HIRE		\$2.96
BEDDING		\$0.37
OPERATING INTEREST		\$0.76
TOTAL DIRECT COSTS		\$52.23
RETURN TO OVERHEAD		\$18.73
ALLOCATED OVERHEADS		
OVERHEAD UTILITIES		\$2.81
REAL ESTATE TAXES		\$0.22
FARM INSURANCE		\$0.53
OVERHEAD HIRED LABOR		\$1.10
OVERHEAD LEASE PAYMENTS		\$0.53
MISC FARM EXPENSE		\$0.87
INTEREST		\$0.73
DEPRECIATION		\$8.25
TOTAL OVERHEAD COSTS		\$15.04
TOTAL LISTED COSTS		\$67.26
NET RETURN		\$3.69
NET CASH FLOW GENERATED FOR PRINCIPAL PAYMENTS, INCOME TAXES, AND FAMILY LIVING EXPENSES		\$11.85
OTHER INFORMATION		
AVERAGE NUMBER OF EWES	19.00	
LAMBING PERCENTAGE	144.86	
WEANING PERCENTAGE	129.44	
CULLING RATE %	17.11	
AVG. WT. PER LAMB SOLD	112.42	
AVG. PRICE / CWT. / LAMB SOLD	\$65.58	

TABLE 12
PRICES USED IN ANALYSIS
SOUTHWESTERN FARM BUSINESS MANAGEMENT ASSOCIATION, 1985

<u>Item</u>	<u>Beginning Inventory</u>	<u>Feed</u>	<u>Harvest</u>	<u>Ending Inventory</u>
			(\$/unit)	
corn/bu.	2.50	2.40	2.35	2.25
not in the ASCS program			2.15	
oats/bu.	1.60	1.35	1.00	1.10
barley/bu.	2.30	2.30	2.30	2.30
wheat/bu.	3.50	3.50	3.50	3.50
soybeans/bu.	5.75	0	5.00	5.00
flax/bu.	5.00	0	5.00	5.00
sunflower/cwt.	10.00	0	10.00	10.00
rye/bu.	3.00	0	2.70	3.00
alfalfa hay/ton	70.00	70.00	60.00	70.00
all other hay/ton	50.00	55.00	50.00	50.00
corn silage/ton	20.00	20.00	18.00	20.00
grass silage/ton	17.00	15.00	14.00	17.00
oats silage/ton	17.00	15.00	14.00	17.00
oats straw/bale	1.25	1.25	1.25	1.25
deficiency payment/bu.	.35			.20
set aside income/bu. of corn			.45	(ASCS yield x corn acres planted x de- ficiency payment)
green chop/ton		13.00		
cornstalks/ton		8.00		

<u>Pasture Rates</u>	<u>\$/head/mo.</u>
cows	8.00
calves	4.00
hogs	1.00
sheep	1.25
lambs	.70

Board for hired labor \$6.00/day or \$1.50/meal

Value of milk used in the home \$.40/qt. or \$1.60/gal.

Value of operator's labor \$15,000

Suggested Land Values:

<u>County</u>	<u>Conservative Land Value</u>
Cottonwood	800
Jackson	800
Faribault	1,000
Martin	900
Murray	450
Nobles	600
Pipestone	350
Redwood	600
Watsonwan	800

TABLE 13
***** SUMMARY BY YEARS - WHOLE FARM ANALYSIS *****
Southwest Minnesota Farm Business Management Association
(Yearly Average of all Farms Reporting)

	1980	1981	1982	1983	1984	1985
Number of farms	170	172	180	182	168	180
** Profitability **						
Labor and management earnings	16,210	-25,623	13,491	4,818	-8,158	-5,860
Rate of return on investment %	N/A	N/A	N/A	6	4	4
Rate of return on net worth %	N/A	N/A	N/A	3	-2	-4
Net profit margin %	N/A	N/A	N/A	19	11	10
Asset turnover rate %	N/A	N/A	N/A	31	35	40
Interest on farm net worth	N/A	N/A	N/A	23,005	18,033	11,346
Farm interest paid	19,830	26,187	30,317	27,769	29,498	26,700
Value of operator labor and mgmt	N/A	N/A	N/A	16,588	16,161	15,584
Return to farm investment	N/A	N/A	N/A	39,004	23,209	18,466
Average farm investment	669,178	764,947	577,432	647,601	594,300	459,873
Return to farm net worth	29,398	26,798	11,667	11,235	-6,289	-8,233
Average farm net worth	531,410	621,151	428,324	383,419	300,552	189,104
Value of farm production	148,445	114,372	147,570	201,051	206,568	185,740
** Liquidity **						
-- Cash Basis --						
Net cash farm income	44,915	52,690	43,155	59,639	41,872	52,011
Non farm income	4,568	7,087	9,419	8,725	8,169	8,445
Total net income	49,483	59,777	52,574	68,365	50,040	60,456
Family living and taxes paid	18,937	26,613	27,212	24,801	24,261	27,011
Real estate principal payments	N/A	N/A	N/A	11,686	13,081	11,267
Cash available for interm. debt	N/A	N/A	N/A	31,878	12,698	22,178
Average intermediate debt	N/A	N/A	N/A	106,584	89,921	37,890
Years to turn over interm. debt	N/A	N/A	N/A	3	7	2
Cash expense as a % of income	96	98	96	74	84	78
Interest as a % of income	8	10	12	12	11	11
-- Accrual Basis --						
Inventory change	45,447	-3,557	15,320	-1,304	1,234	-15,056
Cash available for interm. debt	N/A	N/A	N/A	30,574	13,932	7,123
Years to turn over interm. debt	N/A	N/A	N/A	3	6	5
Cash expense as a % of income	81	98	90	75	83	82
Interest as a % of income	7	10	11	12	11	12
Gross Cash Farm Income	238,105	263,013	248,606	251,287	259,338	237,875
Total Cash Operating Expense	193,190	210,323	205,451	191,634	217,464	185,864
Net Cash Farm Income	44,915	52,690	43,155	59,653	41,874	52,011
Total Inventory Change	45,447	-3,557	15,320	-1,304	1,234	-15,056
Net Operating Profit	90,362	49,133	58,475	58,274	43,108	36,955
Total Depreciation and Other Capitol Adjustments	N/A	N/A	N/A	-30,286	-33,234	-31,469
Profit or Loss	46,713	2,272	25,838	27,844	9,875	5,487

TABLE 13 (cont.)
***** SUMMARY BY YEARS - WHOLE FARM ANALYSIS *****
Southwest Minnesota Farm Management Association
(Yearly Average of all Farms Reporting)

	1980	1981	1982	1983	1984	1985
Farm Net Worth: Total on 12/31	543,968	616,921	433,625	446,303	364,833	253,588
Change 1/1 - 12/31	25,116	-8,459	10,603	12,510	-6,307	552
Ratio of Assets to Liabilities 12/31	3.573	3.598	2.717	2.583	2.196	1.978
Total Cash Living Expense	16,032	16,149	16,554	22,168	23,109	22,577
Total Non-Farm Income	2,337	2,088	2,598	8,725	11,262	8,445
Total Family Living Off the Farm (1)	640	541	521	516	349	399
Total Capital Sales (2)	N/A	N/A	N/A	N/A	3,675	2,301
Gross Cash Farm Income (3)	238,105	263,013	248,606	251,287	259,338	237,875
Total Farm Receipts (1)+(2)+(3)	284,123	263,616	264,491	251,803	263,362	240,575
Total Cash Operating Expense (A)	193,190	210,323	205,451	191,634	217,464	185,864
Total Capital Purchases (B)	N/A	N/A	N/A	N/A	32,195	18,044
Total Capital Depreciation (C)	N/A	N/A	N/A	-30,286	-4,575	-22,998
Total Farm Expense (A)+(B)+(C)	266,808	288,141	250,320	221,920	254,234	180,910
Labor and Management Earnings	16,210	-25,623	13,491	4,818	-8,158	-5,860
Profit or Loss	46,713	2,272	25,838	27,844	9,875	5,487