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# 1984

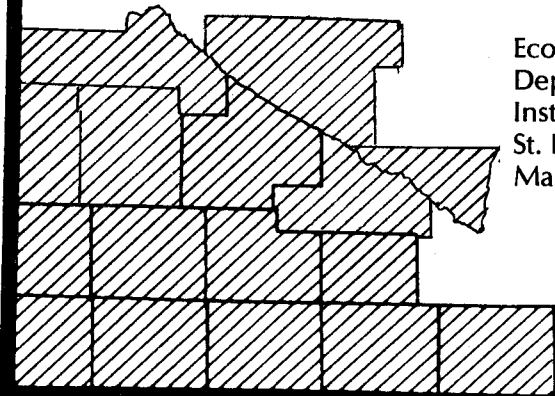
## annual report

### 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 ER85-2  
Department of Agricultural and Applied Economics  
Institute of Agriculture  
St. Paul, Minnesota 55108  
May, 1985



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1984 ANNUAL REPORT OF THE SOUTHWESTERN MINNESOTA  
FARM MANAGEMENT ASSOCIATION

by  
Delane E. Welsch, Brian Keefe, Erlin J. Weness, Perry A. Fales, & Dary E. Talley\*

## INTRODUCTION

The Department of Agricultural and Applied Economics and the Agricultural Extension Service of the University of Minnesota, and the Agricultural Extension Agents of several southwestern Minnesota counties are cooperating with the Southwestern Minnesota Farm Management Association in maintaining a farm management service. 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. Each farmer pays an annual fee which covers a large part of the cost, with the balance defrayed by the Agricultural Extension and research programs of the University of Minnesota. The analysis of the records and the preparation of the report are handled jointly by the Department of Agricultural and Applied Economics, under the direction of Delane Welsch and Brian Keefe, and by the fieldmen, Erlin Weness, Perry Fales and Dary Talley. Dennis Seefeldt was the District Program Leader in Agriculture with the Agricultural Extension Service in 1984 working with the counties which are served by the Association. The analysis of each individual farm was performed by the fieldmen during the closeout procedure using IBM-PC microcomputers and FINANX, Release 1.1 software. The input data were sent to the Department where the individual analyses were loaded onto the IBM 4341 mainframe. The data base manager, NOMAD, was used to compute the tables for this report. Brian Keefe was responsible for creating all programs for uploading data and computing the tables in this report.

Of the 215 farms in the Southwestern Association, 190 farms submitted records at the time of this report. The data for 168 farms are shown in the tables on succeeding pages. The rest were omitted from the information in the tables because the records were not sufficiently complete for a full analysis. No claim is made as to whether the farmers who belong to the Association are or are not representative of southwestern Minnesota. However, this report should be of value to farmers and others interested in agriculture in that it illustrates how farm records may be used as a basis for making an analysis of a farm business. It also shows typical enterprise costs and returns for 1984 and the variation in enterprise earnings as well as in total farm earnings.

The content of this report is somewhat different from those prior to 1983. While the roots of the analysis lie in the work of the Department of Agricultural and Applied Economics and its predecessor units over the past 70 years, the more detailed analysis found in this report was developed by the Extension Farm Management faculty of the Department. Special acknowledgement is due to Ken Thomas for the conceptual development of the analysis, Dick Hawkins for the testing and extension of the analysis to diverse groups throughout the state and region, and to Dale Nordquist and Bob Craven for adapting the analysis to microcomputers and for substantial further conceptual and programming development of the core analysis, FINANX, during 1983 and 1984. Their work has been especially noteworthy and crucial to generating the data for the report.

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\*Welsch is Professor of Farm Management; Keefe is Research Assistant; Weness, Fales and Talley are jointly Area Farm Management Extension Agents and Fieldmen for the Association. The authors wish to thank the following people for their contributions to this report: Janet Froslan, Alan Langseth, Paul Mattison, Gene Metz, Carol Theis, Glenda Mellema and Gary Hippe for their assistance in Account Book closing and coding; Ron and Terri Schultz for special computer programming; Lai Chun Kan and Rann Loppnow for computer programming and use of the data base in compiling this report; Vernon Eidman, Kenneth Thomas and Burt Sundquist for review; and Carol Hansen for secretarial and clerical work throughout the project and especially for putting this report together.

## SOUTHWESTERN MINNESOTA FARM MANAGEMENT ASSOCIATION

## DISTRIBUTION OF MEMBERSHIP

1984

	Number of Farm Units	Number of Records Submitted	Association Directors	County Extension Agent Agriculture
Cottonwood	33	28	Elton Goeman James Dick	Giles L. Roehl
Jackson	26	26	David Henkels Craig Rubis	Darell D. Ogilvie
Martin	12	12	Clifford Vrieze	Floyd H. Bellin, Jr.
Murray	26	22	John Malone Jerry Blankers	Reuben M. Boxrud
Nobles	42	36	M. J. Fellows, Sec.-Treas. Kendall Langseth Myron Grussing Tom Riley Raymond Goedtke	Arthur R. Frame
Pipestone	17	17	Eugene Schuld Calvin Spronk	Robert E. Fritz
Redwood	31	27	Gary Hippe David Hicks	Wayne J. Hanson
Watonwan	10	9	Norman Engelbrecht	Gary J. Wyatt
Others <sup>a/</sup>	<u>13</u>	<u>13</u>		
TOTAL	203	190		

<sup>a/</sup> In 1984, the Association had members in Faribault, Lincoln, Lyon, Renville, Rock and Yellow Medicine counties; no members in Brown and Nicollet counties.

1984 ANNUAL REPORT OF THE SOUTHWESTERN  
MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION

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## DESCRIPTION OF THIS REPORT

The tables in this report are identical 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 related sets. Tables 1-9 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.

Tables 1-4, 7 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 5, the Comparative Financial Statement, includes only sole proprietors. Tables 6 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 1-4, 7 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.

The farms in all tables with 24 or more farms are classified into low or high 20% or middle 60% on the basis of the last line in Table 1, "Profit or Loss." One of the purposes of this report is to permit farm managers to compare their individual analysis results with the averages, highs and lows of the other members of their farm business management association.

## EXPLANATORY NOTES FOR TABLES 1-6

Table 1 Detailed Farm Profit or Loss Statement

This statement (sometimes called an income statement or operating statement) presents a summary of income, expenses, and resultant profit or loss from farming operations for calendar year 1984 on an accrual basis, which means that inventory changes, depreciation and other capital adjustments are taken into account. The "bottom line" on the second page of this table, 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.

The first section of Table 1 (all of the first page) 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, not from PIK. Proceeds from the PIK program are accounted for under the appropriate commodities sold category.

The second section of Table 1 (top part of the second page of Table 1) lists cash operating expenses. "Labor" includes only labor hired. "Interest" includes only interest actually paid. No opportunity charges on farm capital are included because this part of the table records only cash transactions.

The third and fourth sections of Table 1 deal with non-cash changes in the farm business. The "Inventory Changes" section of Table 1 is shown in more detail in Table 2. The "Depreciation and Other Capital Adjustments" section of Table 1 is shown in more detail in Table 3. These two sections are used to convert the cash income statement (Net Cash Farm Income) derived from the first two sections into an accrual income statement.

Table 4. Profitability and Liquidity AnalysisProfitability

"Labor and Management Earnings" equals profit and loss minus 6% interest on farm net worth.

"Rate of Return on Investment" is return to farm investment divided by average farm investment.



"Rate of Return on Net Worth" is the residual return to farm net worth divided by average farm net worth.

"Net Profit Margin" is the residual 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 six percent opportunity cost charge.

"Farm Interest Paid" is interest actually paid.

"Value of Operator's Labor and Management" was evaluated using the suggested values listed at the end of this report.

"Return to Farm Investment" is calculated by adding farm interest paid to 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 or 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, plus/minus inventory increases/decreases in crops, market livestock and breeding livestock.

#### Liquidity: Cash Basis

"Cash Available for Intermediate Debt" is total net income minus family living and taxes paid and real estate principal payment.

"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. If either the cash based or the accrual based "cash available for intermediate debt" is a negative number, then "years to turn over intermediate debt" cannot be calculated, and is so indicated by an asterisk. (Debt repayment is not possible because of negative cash flow.)

"Cash Expense as a % of Income" is total cash operating expense divided by gross cash farm income.

"Interest as a % of Income" is interest paid divided by gross cash farm income.

Liquidity: Accrual Basis

"Cash Available for Intermediate Debt" on the accrual basis is calculated by adding or subtracting inventory change to or from the "cash available for intermediate debt" item in the "Cash Basis" section of the table.

"Cash Expense as a % of Income" is total cash operating expense divided by the sum of gross cash farm income and inventory change.

"Interest as a % of Income" is interest paid divided by the sum of gross farm cash income and inventory change.

Table 5. Comparative Financial Statement

Current assets are valued at market price at the time of the inventory (January 1, 1984 and December 31, 1984, 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 (see Table 12).

"Current plus intermediate" roughly corresponds to "non-real estate" and "long term" roughly corresponds to "real estate" in reference to assets and liabilities, for the use of those readers who prefer to examine solvency in that way.

Table 6. Household and Personal Expense

The individual items in this table are mostly self explanatory. The "savings" item may be influenced by a small number of farms which had substantial savings (ranging from slightly to substantially larger than their profit from farming--Table 1) which came from large inheritances which were subsequently invested.

TABLE 1  
 \*\*\*\*\* DETAILED FARM PROFIT OR LOSS STATEMENT FOR 1984 \*\*\*\*\*  
 Southwest Minnesota Farm Business Management Association  
 (Farms Sorted According to Total Farm Profit/Loss)

	Low 20%	Middle 60%	High 20%	Average
** Farm Income **	Value	Value	Value	Value
Number of farms	34	100	34	168
Corn	\$25,989	\$24,239	\$31,902	\$26,144
Corn-CCC or Reserve	\$19,349	\$8,264	\$3,777	\$9,599
Corn-Net Govt Sales	---	\$1,709	\$808	\$1,181
Oats	\$567	\$555	\$270	\$500
Spring wheat	\$85	\$704	\$1,002	\$639
Spring wheat-CCC or Reserve	---	\$89	---	\$53
Hay	\$303	\$302	\$189	\$279
Corn silage	\$44	\$104	---	\$71
Stover	---	\$133	---	\$79
Soybean	\$41,040	\$37,986	\$58,890	\$42,835
Soybean-CCC or Reserve	\$18,955	\$5,489	\$10,622	\$9,253
Soybean-Net Govt. Sales	\$750	\$967	---	\$727
Dry beans	---	---	\$451	\$91
Sweet corn	---	\$363	---	\$216
Peas	---	\$337	---	\$201
Seed crop 2	\$35	\$1,002	\$2,455	\$1,100
Canning Crop 1	---	\$39	---	\$23
Cash Rented Out	---	---	\$824	\$167
Other Crop 1	\$35	\$426	\$80	\$277
Milk	\$11,228	\$9,039	\$22,648	\$12,236
Raised Market Hogs	\$22,043	\$26,881	\$50,628	\$30,708
Feeder Pigs	\$621	\$2,141	---	\$1,400
Beef Calves	\$1,182	\$1,905	\$0	\$1,373
Raised Market Lambs	\$417	\$74	\$341	\$198
Eggs	\$635	\$159	\$20,857	\$4,444
Hogs/Pigs	\$6,702	\$16,018	\$945	\$11,082
Hogs Finished	\$21,869	\$13,667	\$5,798	\$13,734
Beef Finished	\$113,877	\$42,141	\$113,427	\$71,086
Background Beef	---	\$298	---	\$177
Dairy Beef	\$475	\$218	\$1,594	\$549
Turkeys	---	\$276	\$15,015	\$3,203
Broilers	\$684	\$0	---	\$138
Dairy Replacements	\$620	\$1,427	\$199	\$1,015
Dairy Repl and Feeders	\$0	\$457	\$657	\$405
Other Finishing	\$1,182	---	\$13	\$242
Cull Livestock	\$6,162	\$6,007	\$8,653	\$6,574
Machine Work Income	\$2,202	\$1,376	\$2,906	\$1,853
Patronage Dividends	\$360	\$310	\$494	\$357
Govt Payments	\$2,732	\$1,973	\$2,528	\$2,239
Other Farm Income	\$3,103	\$1,960	\$4,966	\$2,799
Sum of Categories under \$50				\$113
Gross Cash Farm Income	\$303,295	\$209,156	\$362,977	\$259,338

TABLE 1 (cont.)

\*\*\*\*\* DETAILED FARM PROFIT OR LOSS STATEMENT FOR 1984 \*\*\*\*\*

Southwest Minnesota Farm Business Management Association

(Farms Sorted According to Total Farm Profit/Loss)

	Low 20%	Middle 60%	High 20%	Average
	-----	-----	-----	-----
** Cash Operating Expense **	Value	Value	Value	Value
-----	-----	-----	-----	-----
Number of farms	34	100	34	168
Hired Labor	\$7,345	\$5,358	\$7,374	\$6,168
Repairs	\$12,270	\$9,627	\$13,626	\$10,972
Interest	\$48,566	\$23,336	\$28,554	\$29,498
Land Rent	\$21,670	\$15,926	\$19,312	\$17,773
Mach., Bldg. Leases	\$1,064	\$2,040	\$1,334	\$1,699
Feed Purchased	\$56,235	\$35,037	\$66,272	\$45,649
Seed	\$8,507	\$6,980	\$8,793	\$7,656
Fertilizer	\$11,383	\$8,400	\$10,622	\$9,454
Crop Chemicals	\$9,236	\$6,552	\$9,106	\$7,612
Machinery Hire	\$3,214	\$2,983	\$4,260	\$3,288
Supplies	\$1,822	\$2,326	\$3,635	\$2,489
Breeding Fees	\$214	\$155	\$341	\$204
Vet. and Medicine	\$2,034	\$2,202	\$3,919	\$2,515
Fuel, Oil & Drying	\$9,474	\$8,409	\$11,254	\$9,200
Irrigation Energy	\$0	\$1	\$0	\$0
Real Estate Taxes	\$3,489	\$2,729	\$4,319	\$3,205
Crop Insurance	\$2,808	\$1,909	\$1,333	\$1,974
Farm Insurance	\$1,560	\$1,201	\$1,588	\$1,352
Utilities	\$3,106	\$2,688	\$3,910	\$3,020
Crop Marketing	\$1,372	\$843	\$1,104	\$1,003
Livestock Marketing	\$2,030	\$206	\$764	\$688
Feeder Lvstck. Purch.	\$77,751	\$27,765	\$86,373	\$49,742
Misc. Farm Expense	\$2,391	\$2,090	\$2,838	\$2,302
Total Cash Operating Expense	\$287,538	\$168,763	\$290,628	\$217,464
Net Cash Farm Income	\$15,743	\$40,393	\$72,349	\$41,872
Inventory Changes				
-----				
Feed and Grain	-\$19,405	-\$7,560	\$5,031	-\$7,409
Market Livestock	\$730	\$1,365	\$37,183	\$8,485
Supplies and Prepaid Exp.	\$842	-\$61	-\$2,486	-\$369
Accounts Receivable	\$1,365	\$1,775	\$1,965	\$1,730
Accounts Payable	-\$3,191	-\$1,157	\$651	-\$1,203
Total Inventory Change	-\$19,660	-\$5,639	\$42,344	\$1,234
Net Operating Profit	-\$3,917	\$34,754	\$114,692	\$43,106
Depreciation and Other Capital Adjustments				
-----				
Breeding Livestock	-\$1,387	-\$3,729	-\$7,911	-\$4,102
Machinery and Equipment	-\$21,621	-\$17,412	-\$27,482	-\$20,302
Buildings and Improvements	-\$9,114	-\$7,795	-\$13,564	-\$9,230
Stock and Other	-\$97	\$122	\$1,713	\$400
Total Depreciation and Other Capital Adjustments	-\$31,524	-\$28,816	-\$47,243	-\$33,093
Profit or Loss	-\$36,135	\$5,938	\$67,449	\$9,872

TABLE 2  
 \*\*\*\*\* INVENTORY CHANGES, 1984 \*\*\*\*\*  
 Southwest Minnesota Farm Business Management Association  
 (Farms Sorted According to Total Farm Profit/Loss)

	Low 20%	Middle 60%	High 20%	Average
	-----	-----	-----	-----
Number of farms	34	100	34	168
Net cash farm income	\$15,743	\$40,393	\$72,349	\$41,872
Feed and grain				
Ending inventory	\$54,182	\$69,293	\$122,517	\$77,006
Beginning inventory	\$73,587	\$76,853	\$117,486	\$84,416
Inventory change	-\$19,405	-\$7,560	\$5,031	-\$7,409
Market livestock				
Ending inventory	\$69,759	\$43,377	\$106,465	\$61,484
Beginning inventory	\$69,030	\$42,013	\$69,283	\$52,999
Inventory change	\$730	\$1,365	\$37,183	\$8,485
Supplies and Prepaid Exp.				
Ending inventory	\$3,175	\$3,256	\$8,629	\$4,327
Beginning inventory	\$2,333	\$3,317	\$11,115	\$4,696
Inventory change	\$842	-\$61	-\$2,486	-\$369
Accounts receivable				
Ending inventory	\$1,960	\$2,337	\$5,475	\$2,896
Beginning inventory	\$596	\$563	\$3,510	\$1,166
Inventory change	\$1,365	\$1,775	\$1,965	\$1,730
Accounts payable				
Beginning inventory	\$5,102	\$2,139	\$2,689	\$2,850
Ending inventory	\$8,294	\$3,296	\$2,038	\$4,053
Inventory change	-\$3,191	-\$1,157	\$651	-\$1,203
Total inventory change	-\$19,660	-\$5,639	\$42,344	\$1,234
Net operating profit	-\$3,917	\$34,754	\$114,692	\$43,106

TABLE 3  
 \*\*\*\*\* DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS, 1984 \*\*\*\*\*  
 Southwest Minnesota Farm Business Management Association  
 (Farms Sorted According to Total Farm Profit/Loss)

	Low 20%	Middle 60%	High 20%	Average
	-----	-----	-----	-----
Number of farms	34	100	34	168
Net operating profit	-\$3,917	\$34,754	\$114,692	\$43,106
Breeding livestock				
End inventory	\$18,050	\$15,164	\$28,206	\$18,388
Beginning inventory	\$17,253	\$16,676	\$25,912	\$18,662
Purchases	\$2,183	\$2,217	\$10,205	\$3,827
Beg. inventory + purchases	\$19,437	\$18,893	\$36,117	\$22,489
Depreciation, capital adj.	-\$1,387	-\$3,729	-\$7,911	-\$4,102
Machinery and equipment				
End inventory	\$59,102	\$48,401	\$75,911	\$56,134
Sales	\$416	\$1,175	\$122	\$808
Ending inventory + sales	\$59,518	\$49,576	\$76,033	\$56,942
Beginning inventory	\$70,016	\$54,587	\$85,058	\$63,877
Purchases	\$11,123	\$12,401	\$18,457	\$13,368
Beg. inventory + purchases	\$81,139	\$66,988	\$103,515	\$77,244
Depreciation, capital adj.	-\$21,621	-\$17,412	-\$27,482	-\$20,302
Buildings and improvements				
End inventory	\$75,724	\$59,604	\$101,175	\$71,279
Sales	\$40	\$288	\$0	\$180
Ending inventory + sales	\$75,764	\$59,892	\$101,175	\$71,459
Beginning inventory	\$83,103	\$61,592	\$101,123	\$73,946
Purchases	\$1,775	\$6,096	\$13,615	\$6,743
Beg. inventory + purchases	\$84,878	\$67,687	\$114,739	\$80,689
Depreciation, capital adj.	-\$9,114	-\$7,795	-\$13,564	-\$9,230
Stock and other				
End inventory	\$8,064	\$8,985	\$34,326	\$13,927
Sales	\$0	\$22	\$0	\$13
Ending inventory + sales	\$8,064	\$9,007	\$34,326	\$13,940
Beginning inventory	\$7,485	\$8,854	\$32,354	\$13,333
Purchases	\$676	\$32	\$259	\$208
Beg. inventory + purchases	\$8,161	\$8,885	\$32,613	\$13,541
Depreciation, capital adj.	-\$97	\$122	\$1,713	\$400
Land				
End inventory	\$283,465	\$245,674	\$367,169	\$277,910
Sales	\$12,468	\$254	\$0	\$2,674
Ending inventory + sales	\$295,933	\$245,927	\$367,169	\$280,584
Beginning inventory	\$291,455	\$239,408	\$350,355	\$272,395
Purchases	\$3,784	\$6,519	\$16,814	\$8,049
Beg. inventory + purchases	\$295,239	\$245,927	\$367,169	\$280,444
Total depreciation, capital adj.	-\$31,524	-\$28,816	-\$47,243	-\$33,093
Profit or loss	-\$36,135	\$5,938	\$67,449	\$9,872

TABLE 4

\*\*\*\*\* PROFITABILITY AND LIQUIDITY ANALYSIS, 1984 \*\*\*\*\*  
 Southwest Minnesota Farm Business Management Association  
 (Farms Sorted According to Total Farm Profit/Loss)

	Low 20%	Middle 60%	High 20%	Average
<b>** Profitability **</b>				
Number of farms	34	100	34	168
Labor and management earnings	-\$47,080	-\$10,214	\$36,795	-\$8,161
Rate of return on investment %	0	3	9	4
Rate of return on net worth %	-28	-4	9	-2
Net profit margin %	-1	8	24	11
Asset turnover rate %	34	34	37	35
Interest on farm net worth	\$10,945	\$16,152	\$30,654	\$18,033
Farm interest paid	\$48,566	\$23,336	\$28,554	\$29,498
Value of operator labor and mgmt	\$14,118	\$15,450	\$20,294	\$16,161
Return to farm investment	-\$1,686	\$13,824	\$75,708	\$23,209
Average farm investment	\$601,166	\$509,994	\$835,395	\$594,300
Return to farm net worth	-\$50,253	-\$9,512	\$47,155	-\$6,289
Average farm net worth	\$182,411	\$269,203	\$510,897	\$300,552
Value of farm production	\$205,469	\$171,467	\$310,907	\$206,568
<b>** Liquidity **</b>				
<b>-- Cash Basis --</b>				
Net cash farm income	\$15,743	\$40,393	\$72,349	\$41,872
Non farm income	\$8,473	\$8,648	\$6,454	\$8,169
Total net income	\$24,217	\$49,041	\$78,803	\$50,040
Family living and taxes paid	\$13,610	\$23,908	\$35,949	\$24,261
Real estate principal payments	\$18,740	\$5,593	\$29,448	\$13,081
Cash available for interm. debt	-\$8,134	\$19,540	\$13,406	\$12,698
Average intermediate debt	\$165,008	\$65,354	\$87,091	\$89,921
Years to turn over interm. debt	Never*	3	6	7
Cash expense as a % of income	95	81	80	84
Interest as a % of income	16	11	8	11
<b>-- Accrual Basis --</b>				
Inventory change	-\$19,660	-\$5,639	\$42,344	\$1,234
Cash available for interm. debt	-\$27,794	\$13,901	\$55,750	\$13,932
Years to turn over interm. debt	Never	5	2	6
Cash expense as a % of income	101	83	72	83
Interest as a % of income	17	11	7	11

\*Negative Years.

TABLE 5  
 \*\*\*\*\* COMPARATIVE FINANCIAL STATEMENTS, 1984 \*\*\*\*\*  
 Southwest Minnesota Farm Business Management Association  
 (Farms Sorted According to Total Farm Profit/Loss)  
 (Sole Proprietors Only)

	Low 20%		Middle 60%		High 20%		AVERAGE	
Number of farms	29		89		29		147	
Assets	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Current Farm Assets</b>								
Cash	\$3,425	\$12,946	\$8,462	\$10,842	\$5,856	\$10,209	\$6,954	\$11,132
Prepaid Expenses and Supplies	\$2,094	\$3,702	\$2,911	\$2,886	\$11,242	\$7,827	\$4,393	\$4,022
Growing Crops	\$0	\$0	\$49	\$48	\$112	\$102	\$52	\$49
Accounts Receivable	\$349	\$1,729	\$687	\$1,746	\$3,908	\$6,428	\$1,256	\$2,666
Hedging accounts	\$37	\$308	\$47	\$172	\$0	\$0	\$36	\$165
Crops Held for Sale/Feed	\$73,500	\$48,416	\$71,157	\$64,095	\$114,698	\$124,747	\$80,209	\$72,967
Livestock Held for Sale	\$52,704	\$51,077	\$33,743	\$32,931	\$87,393	\$129,128	\$48,067	\$55,488
Total Current Farm Assets	\$132,109	\$118,178	\$117,055	\$112,720	\$223,208	\$278,440	\$140,967	\$146,490
<b>Intermediate Farm Assets</b>								
Breeding Livestock	\$17,071	\$17,752	\$14,394	\$13,299	\$17,729	\$19,595	\$15,580	\$15,419
Machinery and Equipment	\$61,953	\$51,827	\$51,091	\$44,894	\$76,369	\$69,616	\$58,220	\$51,139
Other Interm. Assets	\$3,079	\$2,730	\$4,076	\$3,956	\$3,402	\$3,610	\$3,746	\$3,646
Total Interm. Farm Assets	\$82,103	\$72,308	\$69,560	\$62,149	\$97,500	\$92,820	\$77,547	\$70,204
Total Cur. + Interm. Farm Assets	\$214,212	\$190,486	\$186,616	\$174,869	\$320,707	\$371,260	\$218,513	\$216,694
<b>Long Term Farm Assets</b>								
Buildings and Improvements	\$79,709	\$72,468	\$55,514	\$53,258	\$100,408	\$99,842	\$69,144	\$66,238
Farm Land	\$324,361	\$314,993	\$221,893	\$228,933	\$459,605	\$474,646	\$289,003	\$294,385
Other Long Term Assets	\$5,514	\$6,212	\$4,555	\$4,744	\$33,254	\$35,351	\$10,406	\$11,072
Total Long Term Farm Assets	\$409,583	\$393,673	\$281,961	\$286,935	\$593,266	\$609,840	\$368,552	\$371,694
Total Farm Assets	\$623,795	\$584,159	\$468,577	\$461,804	\$913,974	\$981,099	\$587,065	\$588,388
Non Farm Assets	\$77,387	\$83,327	\$74,632	\$77,958	\$103,446	\$89,958	\$80,860	\$81,385
<b>Total Assets</b>	<b>\$701,182</b>	<b>\$667,486</b>	<b>\$543,209</b>	<b>\$539,762</b>	<b>\$1017,420</b>	<b>\$1071,057</b>	<b>\$667,926</b>	<b>\$669,773</b>
<b>Liabilities</b>								
<b>Current Farm Liabilities</b>								
Accounts Payable	\$5,079	\$8,422	\$2,135	\$3,353	\$1,466	\$1,558	\$2,584	\$3,999
Current Notes	\$32,499	\$39,292	\$20,651	\$20,470	\$44,479	\$55,842	\$27,689	\$31,161
Total Current Farm Liabilities	\$37,578	\$47,714	\$22,786	\$23,823	\$45,945	\$57,400	\$30,273	\$35,160
<b>Intermediate Farm Liabilities</b>								
Total Cur. + Interm. Liabilities	\$131,241	\$133,580	\$67,768	\$66,819	\$78,202	\$87,954	\$82,348	\$84,159
<b>Long Term Farm Liabilities</b>								
Total Farm Liabilities	\$168,819	\$181,294	\$90,553	\$90,641	\$124,147	\$145,354	\$112,621	\$119,319
Long Term Farm Liabilities	\$235,063	\$233,446	\$136,015	\$140,924	\$236,805	\$244,521	\$175,439	\$179,614
Total Farm Liabilities	\$403,882	\$414,740	\$226,568	\$231,565	\$360,952	\$389,875	\$288,060	\$298,933
Non Farm Liabilities	\$11,834	\$10,403	\$3,803	\$3,956	\$20,726	\$7,906	\$8,726	\$6,007
<b>Total Liabilities</b>	<b>\$415,716</b>	<b>\$425,143</b>	<b>\$230,371</b>	<b>\$235,521</b>	<b>\$381,678</b>	<b>\$397,780</b>	<b>\$296,785</b>	<b>\$304,940</b>
<b>Net Worth</b>	<b>\$285,467</b>	<b>\$242,343</b>	<b>\$312,838</b>	<b>\$304,241</b>	<b>\$635,742</b>	<b>\$673,277</b>	<b>\$371,140</b>	<b>\$364,833</b>
<b>Net Worth Change</b>		<b>-\$43,124</b>		<b>-\$8,597</b>		<b>\$37,535</b>		<b>-\$6,307</b>
<b>Solvency Measures</b>								
Cur.+Int. Liab/Asset (Percent)	79	95	49	52	39	39	52	55
Long Term Liab/Asset (Percent)	57	59	48	49	40	40	48	48
Total Liability/Asset (Percent)	59	64	42	44	38	37	44	46



TABLE 6  
 \*\*\*\*\* HOUSEHOLD AND PERSONAL EXPENSES, 1984 \*\*\*\*\*  
 Southwest Minnesota Farm Business Management Association  
 (Farms Sorted According to Total Farm Profit/Loss)

	Low 20%	Middle 60%	High 20%	Average
Number of farms	17*	60*	12*	89
Food and meals	\$3,766	\$3,776	\$4,452	\$3,865
Medical care and health insurance	\$2,223	\$2,536	\$2,577	\$2,482
Church and charities	\$1,077	\$1,290	\$2,534	\$1,417
Operating and supplies	\$1,227	\$1,205	\$1,376	\$1,232
Clothing and clothing materials	\$1,266	\$1,153	\$1,668	\$1,244
Gifts and special events	\$1,287	\$1,018	\$1,431	\$1,125
Personal share of auto and truck	\$1,674	\$1,022	\$1,153	\$1,164
Personal care and spending	\$588	\$703	\$900	\$708
Education	\$295	\$401	\$490	\$393
Recreation	\$1,566	\$901	\$691	\$1,000
Upkeep on dwelling	\$427	\$314	\$1,041	\$434
Furnishings and equipment	\$1,678	\$925	\$981	\$1,076
Household real estate taxes	\$62	\$19	\$17	\$27
Dwelling rent	\$29	\$33	\$0	\$28
Telephone and electricity	\$967	\$794	\$1,117	\$870
Life insurance payments	\$1,142	\$1,423	\$4,810	\$1,826
Income taxes	\$1,522	\$3,899	\$9,622	\$4,217
Total cash living expenses	\$20,798	\$21,413	\$34,860	\$23,109
Family living from the farm	\$254	\$310	\$679	\$349
Total family living	\$21,052	\$21,724	\$35,538	\$23,458
Household capital purchases	\$174	\$1,721	\$911	\$1,316
Personal vehicles, other nonfarm purchases	\$1,744	\$2,256	\$135	\$1,872
Nonfarm real estate purchased	\$2,152	\$220	\$1,885	\$814
Savings	\$965	\$2,628	\$3,508	\$2,429
Total family uses of cash	\$25,832	\$28,238	\$41,299	\$29,540

\* Select farms.  
 Rank unchanged from  
 previous reports.

\*\*\*\* CROP PRODUCTION AND MARKETING SUMMARY, 1984 \*\*\*\*  
 Southwest Minnesota Farm Business Management Association  
 (Farms Sorted According to Total Farm Profit/Loss)

TABLE 7

	Low 20%	Middle 60%	High 20%	Average
Number of farms	34	100	34	168
Total acres owned	258	223	322	250
Total crop acres	566	460	644	519
Crop acres owned	217	185	258	206
Crop acres cash rented	231	184	255	208
Crop acres share rented	117	91	131	104
Total pasture acres	11	11	44	18

TABLE 8

AVERAGE PRICE RECEIVED

-----  
 (cash sales only)

Corn/bu.	\$2.86	\$2.94	\$2.78	\$2.88
Oats/bu.	\$1.60	\$1.95	\$1.53	\$1.81
Spring wheat/bu.	\$3.48	\$3.80	\$3.70	\$3.76
Corn Silage/ton.	\$30.00	\$16.61	---	\$17.60
Soybean/bu.	\$6.83	\$7.09	\$7.40	\$7.12
Sweet Corn/tons	---	\$44.61	---	\$44.61
Winter wheat/bu.	---	\$3.26	---	\$3.26
Hay/ton	\$41.70	\$58.61	\$57.72	\$53.71

TABLE 9  
 \*\*\*\*\* NONFARM INCOME SUMMARY, 1984 \*\*\*\*\*  
 Southwest Minnesota Farm Business Management Association  
 (Farms Sorted According to Total Farm Profit/Loss)

	Low 20%	Middle 60%	High 20%	Average
	-----	-----	-----	-----
Number of farms	19	63	14	96
Wages	\$3,913	\$2,896	\$495	\$2,747
Net nonfarm business income	\$4,262	\$465	\$1,942	\$1,432
Rental income	\$1,474	\$810	\$371	\$877
Interest and dividends	\$935	\$2,662	\$6,592	\$2,894
Tax refunds	\$485	\$435	\$68	\$391
Other nonfarm income	\$2,673	\$3,191	\$2,043	\$2,921
Total nonfarm income	\$13,741	\$10,459	\$11,511	\$11,262

## EXPLANATORY NOTE FOR CROPS TABLES

Farms are classified into low 20% or high 20% on the basis of returns to overhead costs (return over direct costs). The classification is done separately for each table, i.e., a particular farm may be in the low 20% for one crop, top 20% for a second, and middle 60% for a third. "Lows" and "highs" are listed only for crops with five or more farms in each category. When there are less than five farms in lows and highs (less than 25 total farms), then only overall averages are presented. When there are less than five farms with a particular crop, then that table is not included in the report.

There are potentially three tables for each crop depending on whether the crop was grown on (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.

The items listed on the left-hand side of each table are identical for all crop tables. 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. These are 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 are listed under both "direct" and "overhead" costs, but there will be entries under both cost categories only if the farm receipts have been kept in enough detail to permit assigning to each crop the costs incurred specifically for that crop. The costs listed under both categories include "utilities," "hired labor," and "interest paid." "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 that 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 fifth line from the top and the second and third lines from the bottom is the unit of measurement of the principal product from this enterprise. It is "bushels" for corn, soybeans, wheat and oats. It is "tons" for corn silage and hay. It is "dollars" for set aside. For set aside, "dollars" is the estimated cash deficiency payment received from the government.

"Total Listed Cost/Unit" is "Total Listed Costs Per Acre" divided by "Yield Per Acre." "Return Over Listed Cost/Unit" is "Net Return Per Acre" divided by "Yield Per Acre." "Breakeven Yield/Acre" is "Total Listed Costs Per Acre" divided by "Value Per Unit."

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)

	Low 20%	Middle 60%	High 20%	Average
	-----	-----	-----	-----
Number of farms	26	78	26	130
Acres	111.03	102.71	109.39	105.71
Yield per acre	87.68	113.65	137.30	113.09
Operator share of yield %	100	100	100	100
Value per unit	\$2.50	\$2.50	\$2.50	\$2.50
Crop product return/acre	\$219.21	\$284.12	\$342.74	\$282.62
Other crop income/acre	\$0.03	\$0.64	\$1.37	\$0.66
Gross return per acre	\$219.24	\$284.76	\$344.11	\$283.28
<b>Direct costs</b>				
Seed	\$17.63	\$19.10	\$22.07	\$19.41
Fertilizer	\$32.68	\$42.55	\$45.92	\$41.18
Chemicals	\$16.96	\$18.50	\$20.27	\$18.55
Crop insurance	\$2.36	\$3.07	\$3.88	\$3.09
Custom hire	\$3.45	\$3.76	\$3.98	\$3.74
Fuel and oil	\$12.10	\$11.57	\$13.41	\$12.07
Repairs	\$17.31	\$20.16	\$17.96	\$19.10
Drying	\$7.82	\$11.70	\$9.09	\$10.35
Irrigation Energy	\$0.00	\$0.00	\$0.00	\$0.00
Special hired labor	\$0.00	\$0.05	\$0.15	\$0.06
Marketing	\$1.11	\$0.01	\$0.00	\$0.24
Utilities	\$0.00	\$0.07	\$0.16	\$0.07
Land rent	\$0.00	\$0.00	\$0.00	\$0.00
Direct lease payments	\$0.45	\$0.08	\$1.02	\$0.35
Misc. crop expense	\$0.29	\$0.74	\$0.20	\$0.53
Operating interest	\$0.00	\$0.00	\$0.00	\$0.00
Total direct costs	\$112.16	\$131.38	\$138.12	\$128.74
Return to overhead	\$107.08	\$153.38	\$205.99	\$154.54
<b>Overhead costs</b> (as allocated by farmers)				
Overhead utilities	\$1.54	\$2.32	\$2.36	\$2.16
Overhead hired labor	\$5.86	\$5.04	\$7.01	\$5.62
Farm insurance	\$1.29	\$1.48	\$1.16	\$1.37
Machinery lease pymts.	\$0.86	\$0.28	\$1.29	\$0.61
Real Estate Taxes	\$12.32	\$12.61	\$14.65	\$12.97
Misc. Farm Expense	\$2.42	\$2.59	\$3.01	\$2.64
Interest Paid	\$61.10	\$75.78	\$83.10	\$74.21
Depreciation	\$39.74	\$49.20	\$51.55	\$47.70
Total overhead costs	\$125.13	\$149.31	\$164.12	\$147.30
Total listed costs per acre	\$237.29	\$280.69	\$302.24	\$276.03
Net return per acre	-\$18.05	\$4.07	\$41.87	\$7.25
<b>Net cash flow generated for principal payments, taxes, and family living</b>	\$21.69	\$53.27	\$93.43	\$54.95
Total Direct cost/unit	\$1.28	\$1.16	\$1.01	\$1.14
Total listed cost/unit	\$2.71	\$2.47	\$2.20	\$2.44
Return over listed cost/unit	-\$0.21	\$0.04	\$0.30	\$0.06
Break even yield/acre	94.92	112.28	121.17	110.46

## \*\*\*\*\* Crop Enterprise Analysis \*\*\*\*\*

Southwest Minnesota Farm Business Management Association  
Farms Sorted According to Return to Overhead per Acre

CORN ON CASH RENT  
(BU)

	Low 20%	Middle 60%	High 20%	Average
	-----	-----	-----	-----
Number of farms	24	74	24	122
Acres	111.05	134.91	105.85	124.50
Yield per acre	81.53	111.00	135.92	110.00
Operator share of yield %	100	100	100	100
Value per unit	\$2.50	\$2.50	\$2.50	\$2.50
Crop product return/acre	\$203.82	\$277.51	\$340.42	\$275.10
Other crop income/acre	\$0.20	\$0.25	\$0.95	\$0.36
Gross return per acre	\$204.02	\$277.77	\$341.37	\$275.46
<b>Direct costs</b>				
Seed	\$17.32	\$19.56	\$21.05	\$19.41
Fertilizer	\$28.87	\$43.02	\$47.95	\$41.36
Chemicals	\$17.05	\$17.77	\$19.09	\$17.87
Crop insurance	\$3.34	\$2.89	\$3.34	\$3.04
Custom hire	\$3.76	\$3.52	\$2.73	\$3.43
Fuel and oil	\$12.28	\$11.27	\$12.41	\$11.64
Repairs	\$18.35	\$16.98	\$19.41	\$17.62
Drying	\$9.51	\$10.71	\$7.21	\$9.91
Irrigation Energy	\$0.00	\$0.00	\$0.00	\$0.00
Special hired labor	\$0.00	\$0.08	\$0.08	\$0.07
Marketing	\$0.09	\$0.13	\$0.00	\$0.10
Utilities	\$0.00	\$0.07	\$0.00	\$0.05
Land rent	\$72.87	\$87.78	\$105.64	\$88.15
Direct lease payments	\$0.00	\$0.60	\$2.06	\$0.74
Misc. crop expense	\$0.66	\$0.55	\$0.52	\$0.56
Operating interest	\$0.00	\$0.00	\$1.54	\$0.26
Total direct costs	\$184.10	\$214.92	\$243.01	\$214.21
Return to overhead	\$19.92	\$62.84	\$98.37	\$61.25
<b>Overhead costs</b> (as allocated by farmers)				
Overhead utilities	\$1.69	\$1.81	\$2.35	\$1.88
Overhead hired labor	\$5.78	\$5.32	\$14.09	\$6.87
Farm insurance	\$1.02	\$1.25	\$1.04	\$1.17
Machinery lease pymts.	\$1.93	\$0.92	\$1.47	\$1.19
Real Estate Taxes	\$0.00	\$0.00	\$0.00	\$0.00
Misc. Farm Expense	\$1.52	\$2.62	\$4.91	\$2.81
Interest Paid	\$19.80	\$16.10	\$16.80	\$16.86
Depreciation	\$36.52	\$38.89	\$42.52	\$39.08
Total overhead costs	\$68.25	\$66.91	\$83.17	\$69.86
Total listed costs per acre	\$252.35	\$281.83	\$326.17	\$284.08
Net return per acre	-\$48.33	-\$4.07	\$15.20	-\$8.61
Net cash flow generated for principal payments, taxes, and family living	-\$11.81	\$34.83	\$57.72	\$30.47
Total Direct cost/unit	\$2.26	\$1.94	\$1.79	\$1.95
Total listed cost/unit	\$3.10	\$2.54	\$2.40	\$2.58
Return over listed cost/unit	-\$0.59	-\$0.04	\$0.11	-\$0.08
Break even yield/acre	100.94	112.73	130.04	113.56

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)

	Low 20%	Middle 60%	High 20%	Average
	-----	-----	-----	-----
Number of farms	17	51	17	85
Acres	118.33	87.74	80.27	92.37
Yield per acre	89.85	109.15	129.09	107.67
Operator share of yield %	55	57	64	58
Value per unit	\$2.50	\$2.50	\$2.50	\$2.50
Crop product return/acre	\$122.41	\$153.76	\$205.60	\$154.74
Other crop income/acre	\$0.00	\$0.04	\$0.00	\$0.02
Gross return per acre	\$122.41	\$153.80	\$205.60	\$154.76
<b>Direct costs</b>				
Seed	\$15.07	\$16.61	\$22.02	\$17.15
Fertilizer	\$20.09	\$25.02	\$42.45	\$26.79
Chemicals	\$11.41	\$11.62	\$16.76	\$12.46
Crop insurance	\$0.74	\$2.91	\$3.51	\$2.46
Custom hire	\$3.20	\$3.80	\$2.32	\$3.39
Fuel and oil	\$10.77	\$11.35	\$13.50	\$11.57
Repairs	\$16.36	\$17.10	\$15.13	\$16.57
Drying	\$6.19	\$7.57	\$7.92	\$7.27
Irrigation Energy	\$0.00	\$0.00	\$0.00	\$0.00
Special hired labor	\$0.01	\$0.00	\$0.00	\$0.00
Marketing	\$0.00	\$0.37	\$0.00	\$0.21
Utilities	\$0.00	\$0.00	\$0.04	\$0.01
Land rent	\$0.00	\$0.00	\$0.00	\$0.00
Direct lease payments	\$5.70	\$0.59	\$1.50	\$2.06
Misc. crop expense	\$0.61	\$0.45	\$0.80	\$0.55
Operating interest	\$0.00	\$0.00	\$0.00	\$0.00
Total direct costs	\$90.16	\$97.37	\$125.93	\$100.49
Return to overhead	\$32.25	\$56.42	\$79.67	\$54.27
<b>Overhead costs</b> (as allocated by farmers)				
Overhead utilities	\$2.40	\$2.14	\$2.43	\$2.26
Overhead hired labor	\$3.88	\$5.26	\$2.77	\$4.47
Farm insurance	\$1.02	\$1.11	\$1.37	\$1.13
Machinery lease pymts.	\$2.93	\$0.47	\$3.93	\$1.70
Real Estate Taxes	\$0.00	\$0.00	\$0.00	\$0.00
Misc. Farm Expense	\$1.81	\$2.48	\$2.29	\$2.27
Interest Paid	\$16.75	\$19.50	\$18.62	\$18.64
Depreciation	\$30.24	\$38.69	\$41.45	\$37.00
Total overhead costs	\$59.02	\$69.65	\$72.87	\$67.49
Total listed costs per acre	\$149.18	\$167.02	\$198.80	\$167.97
Net return per acre	-\$26.77	-\$13.23	\$6.80	-\$13.22
Net cash flow generated for principal payments, taxes, and family living	\$3.47	\$25.46	\$48.25	\$23.79
Total Direct cost/unit	\$1.83	\$1.57	\$1.52	\$1.62
Total listed cost/unit	\$3.03	\$2.70	\$2.41	\$2.71
Return over listed cost/unit	-\$0.54	-\$0.21	\$0.08	-\$0.21
Break even yield/acre	108.92	117.88	124.27	116.93

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)

	Low 20%	Middle 60%	High 20%	Average
	-----	-----	-----	-----
Number of farms	24	73	24	121
Acres	99.56	116.65	107.40	111.43
Yield per acre	29.31	38.24	45.51	38.05
Operator share of yield %	100	100	100	100
Value per unit	\$6.00	\$6.00	\$6.00	\$6.00
Crop product return/acre	\$175.87	\$229.46	\$273.08	\$228.30
Other crop income/acre	\$2.45	\$1.41	\$0.73	\$1.46
Gross return per acre	\$178.32	\$230.86	\$273.82	\$229.76
<b>Direct costs</b>				
Seed	\$14.23	\$12.33	\$12.87	\$12.77
Fertilizer	\$1.07	\$3.64	\$3.07	\$3.07
Chemicals	\$17.11	\$18.70	\$13.98	\$17.52
Crop insurance	\$4.07	\$5.10	\$6.47	\$5.18
Custom hire	\$2.98	\$3.19	\$1.05	\$2.74
Fuel and oil	\$10.76	\$9.52	\$10.29	\$9.88
Repairs	\$16.45	\$15.17	\$17.31	\$15.80
Drying	\$0.18	\$0.06	\$0.00	\$0.07
Irrigation Energy	\$0.00	\$0.00	\$0.00	\$0.00
Special hired labor	\$0.45	\$0.43	\$0.22	\$0.39
Marketing	\$0.01	\$0.16	\$0.56	\$0.21
Utilities	\$0.00	\$0.00	\$0.01	\$0.00
Land rent	\$0.00	\$0.00	\$0.00	\$0.00
Direct lease payments	\$0.10	\$0.78	\$0.05	\$0.52
Misc. crop expense	\$0.75	\$0.57	\$0.98	\$0.68
Operating interest	\$0.00	\$0.00	\$0.00	\$0.00
Total direct costs	\$68.16	\$69.64	\$66.85	\$68.84
Return to overhead	\$110.16	\$161.23	\$206.97	\$160.92
<b>Overhead costs</b> (as allocated by farmers)				
Overhead utilities	\$0.94	\$1.65	\$1.61	\$1.52
Overhead hired labor	\$3.90	\$6.11	\$5.88	\$5.68
Farm insurance	\$1.19	\$1.30	\$1.24	\$1.27
Machinery lease pymts.	\$0.70	\$0.06	\$0.18	\$0.20
Real Estate Taxes	\$11.29	\$13.11	\$12.95	\$12.76
Misc. Farm Expense	\$2.41	\$2.46	\$2.66	\$2.49
Interest Paid	\$67.85	\$66.46	\$90.18	\$71.24
Depreciation	\$31.88	\$44.67	\$41.51	\$41.80
Total overhead costs	\$120.16	\$135.85	\$156.21	\$136.96
Total listed costs per acre	\$188.31	\$205.48	\$223.05	\$205.80
Net return per acre	-\$9.99	\$25.38	\$50.76	\$23.96
<b>Net cash flow generated for principal payments, taxes, and family living</b>	\$21.89	\$70.05	\$92.27	\$65.77
Total Direct cost/unit	\$2.33	\$1.82	\$1.47	\$1.81
Total listed cost/unit	\$6.42	\$5.37	\$4.90	\$5.41
Return over listed cost/unit	-\$0.34	\$0.66	\$1.12	\$0.63
Break even yield/acre	31.39	34.25	37.18	34.30



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

SOYBEANS ON CASH RENT  
(BU)

	Low 20%	Middle 60%	High 20%	Average
	-----	-----	-----	-----
Number of farms	23	67	23	113
Acres	123.03	145.16	70.68	125.50
Yield per acre	28.23	38.37	44.63	37.07
Operator share of yield %	100	100	100	100
Value per unit	\$6.00	\$6.00	\$6.00	\$6.00
Crop product return/acre	\$169.37	\$230.25	\$267.79	\$222.40
Other crop income/acre	\$2.71	\$1.16	\$4.71	\$1.88
Gross return per acre	\$172.08	\$231.41	\$272.50	\$224.28
<b>Direct costs</b>				
Seed	\$12.59	\$12.79	\$12.74	\$12.74
Fertilizer	\$0.82	\$2.47	\$3.33	\$2.24
Chemicals	\$17.15	\$16.87	\$17.11	\$16.96
Crop insurance	\$5.91	\$6.32	\$7.55	\$6.38
Custom hire	\$4.54	\$2.38	\$2.74	\$2.85
Fuel and oil	\$7.92	\$9.32	\$11.26	\$9.26
Repairs	\$12.52	\$15.14	\$15.06	\$14.61
Drying	\$0.14	\$0.02	\$0.00	\$0.04
Irrigation Energy	\$0.00	\$0.00	\$0.00	\$0.00
Special hired labor	\$0.06	\$0.45	\$0.93	\$0.43
Marketing	\$0.30	\$0.14	\$0.29	\$0.19
Utilities	\$0.00	\$0.00	\$0.01	\$0.00
Land rent	\$68.48	\$90.06	\$99.27	\$86.81
Direct lease payments	\$0.08	\$0.36	\$0.41	\$0.31
Misc. crop expense	\$0.52	\$0.76	\$0.63	\$0.70
Operating interest	\$0.00	\$0.00	\$1.66	\$0.19
Total direct costs	\$131.01	\$157.08	\$172.98	\$153.70
Return to overhead	\$41.08	\$74.32	\$99.52	\$70.58
<b>Overhead costs</b> (as allocated by farmers)				
Overhead utilities	\$1.02	\$1.19	\$1.71	\$1.22
Overhead hired labor	\$3.69	\$7.24	\$5.90	\$6.38
Farm insurance	\$1.26	\$1.10	\$1.35	\$1.16
Machinery lease pymts.	\$1.91	\$0.68	\$0.41	\$0.90
Real Estate Taxes	\$0.00	\$0.00	\$0.00	\$0.00
Misc. Farm Expense	\$1.89	\$2.88	\$2.14	\$2.60
Interest Paid	\$23.60	\$13.86	\$15.84	\$16.03
Depreciation	\$26.57	\$34.75	\$33.22	\$32.94
Total overhead costs	\$59.94	\$61.70	\$60.58	\$61.22
Total listed costs per acre	\$190.94	\$218.79	\$233.56	\$214.93
Net return per acre	-\$18.86	\$12.62	\$38.94	\$9.36
<b>Net cash flow generated for principal payments, taxes, and family living</b>	\$7.71	\$47.37	\$72.16	\$42.30
Total Direct cost/unit	\$4.64	\$4.09	\$3.88	\$4.15
Total listed cost/unit	\$6.76	\$5.70	\$5.23	\$5.80
Return over listed cost/unit	-\$0.67	\$0.33	\$0.87	\$0.25
Break even yield/acre	31.82	36.46	38.93	35.82

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

SOYBEANS ON SHARE RENT  
 (BU)

	Low 20%	Middle 60%	High 20%	Average
	-----	-----	-----	-----
Number of farms	17	52	17	86
Acres	94.59	97.02	105.12	98.14
Yield per acre	28.92	36.86	44.23	36.91
Operator share of yield %	53	57	60	57
Value per unit	\$6.00	\$6.00	\$6.00	\$6.00
Crop product return/acre	\$90.52	\$126.59	\$158.74	\$126.53
Other crop income/acre	\$3.47	\$0.57	\$0.15	\$1.03
Gross return per acre	\$93.99	\$127.16	\$158.89	\$127.56
<b>Direct costs</b>				
Seed	\$13.84	\$11.22	\$12.38	\$11.96
Fertilizer	\$0.73	\$1.54	\$0.73	\$1.21
Chemicals	\$12.89	\$11.99	\$15.86	\$12.98
Crop insurance	\$3.21	\$3.89	\$6.17	\$4.24
Custom hire	\$3.21	\$2.77	\$2.43	\$2.78
Fuel and oil	\$8.69	\$8.99	\$12.78	\$9.74
Repairs	\$12.51	\$14.04	\$13.21	\$13.57
Drying	\$0.00	\$0.03	\$0.00	\$0.02
Irrigation Energy	\$0.00	\$0.00	\$0.00	\$0.00
Special hired labor	\$0.27	\$0.34	\$0.12	\$0.28
Marketing	\$0.27	\$0.00	\$0.02	\$0.06
Utilities	\$0.00	\$0.00	\$0.00	\$0.00
Land rent	\$0.00	\$0.00	\$0.00	\$0.00
Direct lease payments	\$1.48	\$2.42	\$0.08	\$1.75
Misc. crop expense	\$0.13	\$0.40	\$0.15	\$0.30
Operating interest	\$0.00	\$0.00	\$0.00	\$0.00
Total direct costs	\$57.24	\$57.63	\$63.93	\$58.89
Return to overhead	\$36.74	\$69.53	\$94.96	\$68.67
<b>Overhead costs</b> (as allocated by farmers)				
Overhead utilities	\$1.21	\$1.32	\$2.08	\$1.46
Overhead hired labor	\$3.37	\$4.82	\$3.25	\$4.21
Farm insurance	\$0.88	\$1.04	\$1.35	\$1.08
Machinery lease pymts.	\$0.16	\$1.80	\$1.56	\$1.44
Real Estate Taxes	\$0.00	\$0.00	\$0.00	\$0.00
Misc. Farm Expense	\$1.99	\$2.32	\$1.92	\$2.17
Interest Paid	\$18.69	\$14.89	\$17.22	\$16.11
Depreciation	\$27.10	\$30.17	\$34.03	\$30.40
Total overhead costs	\$53.41	\$56.36	\$61.41	\$56.87
Total listed costs per acre	\$110.65	\$113.99	\$125.35	\$115.76
Net return per acre	-\$16.66	\$13.17	\$33.54	\$11.80
<b>Net cash flow generated for principal payments, taxes, and family living</b>	\$10.44	\$43.34	\$67.57	\$42.20
Total Direct cost/unit	\$3.75	\$2.72	\$2.41	\$2.79
Total listed cost/unit	\$7.24	\$5.38	\$4.73	\$5.49
Return over listed cost/unit	-\$1.09	\$0.62	\$1.26	\$0.56
Break even yield/acre	34.90	33.07	34.83	33.79

TABLE 10-7

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

CORN SILAGE ON OWNED LAND  
 (TON)

	Low 20%	Middle 60%	High 20%	Average
	-----	-----	-----	-----
Number of farms	9	25	9	43
Acres	38.89	49.21	30.94	43.23
Yield per acre	8.75	15.02	19.65	14.53
Operator share of yield %	100	100	100	100
Value per unit	\$21.00	\$21.00	\$21.17	\$21.03
Crop product return/acre	\$183.80	\$315.32	\$415.61	\$305.58
Other crop income/acre	\$0.00	\$0.00	\$0.00	\$0.00
Gross return per acre	\$183.80	\$315.32	\$415.61	\$305.58
<b>Direct costs</b>				
Seed	\$18.30	\$21.24	\$22.09	\$20.82
Fertilizer	\$31.17	\$41.26	\$42.69	\$39.57
Chemicals	\$12.52	\$21.55	\$24.62	\$20.31
Crop insurance	\$1.93	\$0.53	\$1.87	\$1.00
Custom hire	\$0.29	\$3.60	\$15.39	\$4.74
Fuel and oil	\$13.73	\$15.39	\$16.04	\$15.17
Repairs	\$18.82	\$21.02	\$27.94	\$21.65
Drying	\$0.00	\$0.00	\$0.00	\$0.00
Irrigation Energy	\$0.00	\$0.00	\$0.00	\$0.00
Special hired labor	\$0.00	\$0.00	\$0.00	\$0.00
Marketing	\$0.00	\$0.00	\$0.00	\$0.00
Utilities	\$0.00	\$0.00	\$0.00	\$0.00
Land rent	\$0.00	\$0.00	\$0.00	\$0.00
Direct lease payments	\$0.00	\$0.18	\$4.63	\$0.81
Misc. crop expense	\$0.06	\$0.89	\$1.72	\$0.86
Operating interest	\$0.00	\$0.00	\$0.00	\$0.00
Total direct costs	\$96.83	\$125.66	\$156.99	\$124.92
Return to overhead	\$86.97	\$189.67	\$258.61	\$180.66
<b>Overhead costs</b> (as allocated by farmers)				
Overhead utilities	\$0.60	\$1.65	\$1.33	\$1.41
Overhead hired labor	\$5.20	\$5.97	\$6.45	\$5.89
Farm insurance	\$0.69	\$0.98	\$0.77	\$0.90
Machinery lease pymts.	\$1.71	\$3.43	\$0.51	\$2.67
Real Estate Taxes	\$7.87	\$12.20	\$10.80	\$11.18
Misc. Farm Expense	\$1.12	\$2.70	\$1.42	\$2.21
Interest Paid	\$40.10	\$87.55	\$89.47	\$78.90
Depreciation	\$56.02	\$48.68	\$57.19	\$51.34
Total overhead costs	\$113.32	\$163.16	\$167.95	\$154.49
Total listed costs per acre	\$210.14	\$288.82	\$324.94	\$279.42
Net return per acre	-\$26.34	\$26.50	\$90.67	\$26.17
<b>Net cash flow generated for principal payments, taxes, and family living</b>	\$29.68	\$75.18	\$147.86	\$77.50
Total Direct cost/unit	\$11.06	\$8.37	\$7.99	\$8.60
Total listed cost/unit	\$24.01	\$19.23	\$16.53	\$19.23
Return over listed cost/unit	-\$3.01	\$1.77	\$4.61	\$1.80
Break even yield/acre	10.01	13.75	15.15	13.25

TABLE 10-8

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

CORN SILAGE ON CASH RENT  
 (TON)

	Low 20%	Middle 60%	High 20%	Average
	-----	-----	-----	-----
Number of farms	5	16	5	26
Acres	43.80	46.35	21.40	41.06
Yield per acre	9.88	15.30	20.00	14.66
Operator share of yield %	100	100	100	100
Value per unit	\$21.00	\$21.00	\$21.00	\$21.00
Crop product return/acre	\$207.52	\$321.37	\$420.07	\$307.91
Other crop income/acre	\$0.00	\$0.00	\$0.00	\$0.00
Gross return per acre	\$207.52	\$321.37	\$420.07	\$307.91
<b>Direct costs</b>				
Seed	\$16.71	\$19.96	\$19.57	\$19.25
Fertilizer	\$36.96	\$38.38	\$49.49	\$39.20
Chemicals	\$19.18	\$17.76	\$22.09	\$18.48
Crop insurance	\$3.24	\$0.97	\$3.00	\$1.64
Custom hire	\$1.84	\$1.65	\$8.55	\$2.38
Fuel and oil	\$9.95	\$14.43	\$13.77	\$13.45
Repairs	\$13.79	\$20.46	\$25.60	\$19.61
Drying	\$0.00	\$0.00	\$0.00	\$0.00
Irrigation Energy	\$0.00	\$0.00	\$0.00	\$0.00
Special hired labor	\$0.00	\$0.00	\$0.00	\$0.00
Marketing	\$0.00	\$0.00	\$0.00	\$0.00
Utilities	\$0.00	\$0.00	\$0.00	\$0.00
Land rent	\$68.51	\$80.20	\$65.59	\$76.34
Direct lease payments	\$0.00	\$0.52	\$0.00	\$0.36
Misc. crop expense	\$0.35	\$0.00	\$1.97	\$0.27
Operating interest	\$0.00	\$0.00	\$0.00	\$0.00
Total direct costs	\$170.53	\$194.33	\$209.61	\$190.98
Return to overhead	\$37.00	\$127.04	\$210.46	\$116.93
<b>Overhead costs</b> (as allocated by farmers)				
Overhead utilities	\$0.54	\$1.52	\$1.34	\$1.30
Overhead hired labor	\$7.14	\$10.44	\$3.68	\$9.08
Farm insurance	\$1.37	\$1.13	\$1.88	\$1.25
Machinery lease pymts.	\$0.00	\$0.40	\$0.00	\$0.28
Real Estate Taxes	\$0.00	\$0.00	\$0.00	\$0.00
Misc. Farm Expense	\$3.89	\$2.22	\$2.82	\$2.62
Interest Paid	\$17.59	\$15.37	\$7.49	\$15.03
Depreciation	\$32.47	\$43.08	\$66.20	\$43.22
Total overhead costs	\$63.00	\$74.15	\$83.41	\$72.79
Total listed costs per acre	\$233.53	\$268.48	\$293.02	\$263.77
Net return per acre	-\$26.00	\$52.89	\$127.05	\$44.14
<b>Net cash flow generated for principal payments, taxes, and family living</b>	\$6.47	\$95.97	\$193.26	\$87.36
Total Direct cost/unit	\$17.26	\$12.70	\$10.48	\$13.03
Total listed cost/unit	\$23.63	\$17.54	\$14.65	\$17.99
Return over listed cost/unit	-\$2.63	\$3.46	\$6.35	\$3.01
Break even yield/acre	11.12	12.78	13.95	12.56

\*\*\*\*\* Crop Enterprise Analysis \*\*\*\*\*  
 Southwest Minnesota Farm Business Management Association  
 Average of all Farms Reporting

SPRING WHEAT ON OWNED LAND  
 (BU)

Number of farms	17
Acres	15.75
Yield per acre	47.94
Operator share of yield %	100
Value per unit	\$3.75
Crop product return/acre	\$179.79
Other crop income/acre	\$22.37
Gross return per acre	\$202.16
Direct costs	
Seed	\$11.77
Fertilizer	\$17.88
Chemicals	\$1.67
Crop insurance	\$1.77
Custom hire	\$3.64
Fuel and oil	\$5.19
Repairs	\$7.16
Drying	\$0.00
Irrigation Energy	\$0.00
Special hired labor	\$0.00
Marketing	\$0.00
Utilities	\$0.00
Land rent	\$0.00
Direct lease payments	\$0.00
Misc. crop expense	\$1.29
Operating interest	\$0.00
Total direct costs	\$50.38
Return to overhead	\$151.78
Overhead costs (as allocated by farmers)	
Overhead utilities	\$0.97
Overhead hired labor	\$4.59
Farm insurance	\$1.13
Machinery lease pymts.	\$0.00
Real Estate Taxes	\$10.86
Misc. Farm Expense	\$2.06
Interest Paid	\$48.26
Depreciation	\$25.06
Total overhead costs	\$92.92
Total listed costs per acre	\$143.30
Net return per acre	\$58.86
Net cash flow generated for principal payments, taxes, and family living	\$83.91
Total Direct cost/unit	\$1.05
Total listed cost/unit	\$2.99
Return over listed cost/unit	\$1.23
Break even yield/acre	38.21

\*\*\*\*\* Crop Enterprise Analysis \*\*\*\*\*  
 Southwest Minnesota Farm Business Management Association  
 Average of all Farms Reporting

SPRING WHEAT ON CASH RENT  
 (BU)

Number of farms	13
Acres	16.46
Yield per acre	49.53
Operator share of yield %	100
Value per unit	\$3.75
Crop product return/acre	\$185.72
Other crop income/acre	\$27.90
Gross return per acre	\$213.62
Direct costs	
Seed	\$11.17
Fertilizer	\$15.60
Chemicals	\$1.12
Crop insurance	\$0.20
Custom hire	\$6.64
Fuel and oil	\$6.59
Repairs	\$8.32
Drying	\$0.00
Irrigation Energy	\$0.00
Special hired labor	\$0.00
Marketing	\$0.00
Utilities	\$0.00
Land rent	\$66.47
Direct lease payments	\$0.00
Misc. crop expense	\$7.09
Operating interest	\$0.00
Total direct costs	\$123.21
Return to overhead	\$90.40
Overhead costs (as allocated by farmers)	
Overhead utilities	\$0.98
Overhead hired labor	\$4.15
Farm insurance	\$1.16
Machinery lease pymts.	\$1.14
Real Estate Taxes	\$0.00
Misc. Farm Expense	\$3.09
Interest Paid	\$19.00
Depreciation	\$25.73
Total overhead costs	\$55.26
Total listed costs per acre	\$178.47
Net return per acre	\$35.14
Net cash flow generated for principal payments, taxes, and family living	\$60.87
Total Direct cost/unit	\$2.49
Total listed cost/unit	\$3.60
Return over listed cost/unit	\$0.71
Break even yield/acre	47.59

TABLE 10-11

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

OATS ON OWNED LAND  
 (BU)

	Low 20%	Middle 60%	High 20%	Average
	-----	-----	-----	-----
Number of farms	8	22	8	38
Acres	18.05	20.54	15.25	18.90
Yield per acre	47.51	76.71	99.89	74.77
Operator share of yield %	100	100	100	100
Value per unit	\$1.60	\$1.60	\$1.60	\$1.60
Crop product return/acre	\$76.01	\$122.73	\$159.82	\$119.64
Other crop income/acre	\$42.80	\$55.40	\$39.52	\$50.17
Gross return per acre	\$118.81	\$178.13	\$199.34	\$169.81
Direct costs				
Seed	\$11.16	\$10.71	\$10.44	\$10.75
Fertilizer	\$2.83	\$7.83	\$3.69	\$6.12
Chemicals	\$0.00	\$2.75	\$0.42	\$1.80
Crop insurance	\$0.00	\$0.31	\$1.14	\$0.39
Custom hire	\$3.46	\$5.29	\$5.82	\$5.01
Fuel and oil	\$4.92	\$6.72	\$8.43	\$6.65
Repairs	\$7.47	\$10.49	\$11.62	\$10.07
Drying	\$0.00	\$0.00	\$0.00	\$0.00
Irrigation Energy	\$0.00	\$0.00	\$0.00	\$0.00
Special hired labor	\$0.00	\$0.00	\$0.00	\$0.00
Marketing	\$0.00	\$0.00	\$0.00	\$0.00
Utilities	\$0.00	\$0.00	\$0.00	\$0.00
Land rent	\$0.00	\$0.00	\$0.00	\$0.00
Direct lease payments	\$0.00	\$0.00	\$0.00	\$0.00
Misc. crop expense	\$0.45	\$3.17	\$0.13	\$2.11
Operating interest	\$0.00	\$0.00	\$0.00	\$0.00
Total direct costs	\$30.28	\$47.27	\$41.69	\$42.91
Return to overhead	\$88.52	\$130.86	\$157.66	\$126.90
Overhead costs (as allocated by farmers)				
Overhead utilities	\$1.80	\$1.33	\$1.56	\$1.47
Overhead hired labor	\$2.88	\$6.40	\$3.26	\$5.16
Farm insurance	\$1.28	\$1.16	\$1.28	\$1.20
Machinery lease pymts.	\$4.15	\$1.16	\$0.00	\$1.57
Real Estate Taxes	\$10.94	\$9.93	\$10.68	\$10.26
Misc. Farm Expense	\$2.98	\$2.81	\$2.36	\$2.77
Interest Paid	\$75.82	\$54.73	\$52.74	\$58.63
Depreciation	\$17.81	\$19.62	\$28.64	\$20.79
Total overhead costs	\$117.67	\$97.14	\$100.53	\$101.84
Total listed costs per acre	\$147.95	\$144.41	\$142.22	\$144.75
Net return per acre	-\$29.14	\$33.72	\$57.13	\$25.06
Net cash flow generated for principal payments, taxes, and family living	-\$11.33	\$53.34	\$85.77	\$45.85
Total Direct cost/unit	\$0.64	\$0.62	\$0.42	\$0.57
Total listed cost/unit	\$3.11	\$1.88	\$1.42	\$1.94
Return over listed cost/unit	-\$0.61	\$0.44	\$0.57	\$0.34
Break even yield/acre	92.47	90.26	88.88	90.47

TABLE 10-12

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

OATS ON CASH RENT  
 (BU)

	Low 20%	Middle 60%	High 20%	Average
	-----	-----	-----	-----
Number of farms	5	16	5	26
Acres	24.90	18.86	19.20	20.08
Yield per acre	49.38	76.70	94.67	73.49
Operator share of yield %	100	100	100	100
Value per unit	\$1.60	\$1.60	\$1.60	\$1.60
Crop product return/acre	\$79.00	\$122.72	\$151.47	\$117.58
Other crop income/acre	\$38.94	\$66.64	\$43.97	\$55.87
Gross return per acre	\$117.94	\$189.36	\$195.44	\$173.45
Direct costs				
Seed	\$7.91	\$11.39	\$13.90	\$11.02
Fertilizer	\$4.45	\$9.06	\$5.01	\$7.22
Chemicals	\$1.77	\$1.55	\$6.97	\$2.60
Crop insurance	\$1.11	\$0.53	\$0.00	\$0.57
Custom hire	\$3.71	\$7.59	\$15.73	\$8.16
Fuel and oil	\$5.75	\$5.09	\$6.29	\$5.47
Repairs	\$6.77	\$6.54	\$10.69	\$7.36
Drying	\$0.00	\$0.00	\$0.00	\$0.00
Irrigation Energy	\$0.00	\$0.00	\$0.00	\$0.00
Special hired labor	\$0.00	\$0.03	\$0.00	\$0.02
Marketing	\$0.00	\$0.00	\$0.00	\$0.00
Utilities	\$0.00	\$0.00	\$0.00	\$0.00
Land rent	\$69.02	\$81.64	\$86.03	\$79.44
Direct lease payments	\$0.00	\$0.00	\$0.00	\$0.00
Misc. crop expense	\$0.58	\$2.54	\$0.96	\$1.78
Operating interest	\$0.00	\$0.00	\$0.00	\$0.00
Total direct costs	\$101.06	\$125.98	\$145.58	\$123.64
Return to overhead	\$16.88	\$63.38	\$49.86	\$49.81
Overhead costs (as allocated by farmers)				
Overhead utilities	\$0.68	\$0.77	\$0.80	\$0.75
Overhead hired labor	\$0.25	\$3.34	\$0.79	\$2.14
Farm insurance	\$0.80	\$0.84	\$0.36	\$0.74
Machinery lease pymts.	\$0.00	\$0.45	\$0.01	\$0.26
Real Estate Taxes	\$0.00	\$0.00	\$0.00	\$0.00
Misc. Farm Expense	\$1.62	\$2.20	\$3.77	\$2.35
Interest Paid	\$13.33	\$3.96	\$3.76	\$6.16
Depreciation	\$18.53	\$18.78	\$22.28	\$19.36
Total overhead costs	\$35.19	\$30.34	\$31.78	\$31.76
Total listed costs per acre	\$136.25	\$156.32	\$177.36	\$155.41
Net return per acre	-\$18.31	\$33.03	\$18.08	\$18.04
Net cash flow generated for principal payments, taxes, and family living	\$0.22	\$51.81	\$40.36	\$37.41
Total Direct cost/unit	\$2.05	\$1.64	\$1.54	\$1.68
Total listed cost/unit	\$2.76	\$2.04	\$1.87	\$2.11
Return over listed cost/unit	-\$0.37	\$0.43	\$0.19	\$0.25
Break even yield/acre	85.16	97.70	110.85	97.13



## TABLE 10-13

\*\*\*\*\* Crop Enterprise Analysis \*\*\*\*\*  
 Southwest Minnesota Farm Business Management Association  
 Average of all Farms Reporting

OATS ON SHARE RENT  
 (BU)

Number of farms	7
Acres	15.71
Yield per acre	69.10
Operator share of yield %	57
Value per unit	\$1.60
Crop product return/acre	\$64.26
Other crop income/acre	\$25.48
Gross return per acre	\$89.74
Direct costs	
Seed	\$7.58
Fertilizer	\$7.91
Chemicals	\$0.63
Crop insurance	\$0.00
Custom hire	\$3.34
Fuel and oil	\$5.83
Repairs	\$9.21
Drying	\$0.00
Irrigation Energy	\$0.00
Special hired labor	\$0.00
Marketing	\$0.00
Utilities	\$0.00
Land rent	\$0.00
Direct lease payments	\$0.00
Misc. crop expense	\$0.73
Operating interest	\$0.00
Total direct costs	\$35.23
Return to overhead	\$54.51
Overhead costs (as allocated by farmers)	
Overhead utilities	\$1.31
Overhead hired labor	\$2.84
Farm insurance	\$0.54
Machinery lease pymts.	\$3.89
Real Estate Taxes	\$0.00
Misc. Farm Expense	\$1.36
Interest Paid	\$9.17
Depreciation	\$14.25
Total overhead costs	\$33.37
Total listed costs per acre	\$68.60
Net return per acre	\$21.14
Net cash flow generated for principal payments, taxes, and family living	\$35.39
Total Direct cost/unit	\$0.89
Total listed cost/unit	\$1.73
Return over listed cost/unit	\$0.53
Break even yield/acre	74.81

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

ALFALFA HAY ON OWNED LAND  
 (TON)

	Low 20%	Middle 60%	High 20%	Average
	-----	-----	-----	-----
Number of farms	11	34	11	56
Acres	12.14	28.55	22.10	24.06
Yield per acre	2.10	4.41	6.83	4.62
Operator share of yield %	100	100	100	100
Value per unit	\$65.00	\$65.00	\$65.00	\$65.00
Crop product return/acre	\$136.72	\$286.55	\$444.18	\$300.15
Other crop income/acre	\$0.00	\$0.07	\$0.00	\$0.05
Gross return per acre	\$136.72	\$286.62	\$444.18	\$300.20
<b>Direct costs</b>				
Seed	\$16.48	\$9.52	\$6.47	\$9.66
Fertilizer	\$10.40	\$11.43	\$23.49	\$13.50
Chemicals	\$0.00	\$0.23	\$0.00	\$0.16
Crop insurance	\$0.00	\$0.00	\$0.00	\$0.00
Custom hire	\$16.36	\$11.96	\$2.21	\$10.64
Fuel and oil	\$9.01	\$11.74	\$15.77	\$12.20
Repairs	\$9.49	\$17.61	\$22.53	\$17.70
Drying	\$0.00	\$0.00	\$0.00	\$0.00
Irrigation Energy	\$0.00	\$0.00	\$0.00	\$0.00
Special hired labor	\$0.00	\$0.38	\$0.00	\$0.27
Marketing	\$0.00	\$0.00	\$0.00	\$0.00
Utilities	\$0.00	\$0.00	\$0.00	\$0.00
Land rent	\$0.00	\$0.00	\$0.00	\$0.00
Direct lease payments	\$0.00	\$0.00	\$0.00	\$0.00
Misc. crop expense	\$1.49	\$5.02	\$3.26	\$4.35
Operating interest	\$0.00	\$0.00	\$0.00	\$0.00
Total direct costs	\$63.23	\$67.88	\$73.73	\$68.48
Return to overhead	\$73.49	\$218.74	\$370.45	\$231.72
<b>Overhead costs</b> (as allocated by farmers)				
Overhead-utilities	\$1.20	\$1.46	\$1.64	\$1.47
Overhead hired labor	\$5.43	\$4.81	\$5.94	\$5.07
Farm insurance	\$0.89	\$1.08	\$0.75	\$1.00
Machinery lease pymts.	\$0.00	\$1.90	\$0.21	\$1.41
Real Estate Taxes	\$9.68	\$11.33	\$10.84	\$11.08
Misc. Farm Expense	\$3.52	\$1.80	\$3.25	\$2.23
Interest Paid	\$26.88	\$63.16	\$77.04	\$62.07
Depreciation	\$22.30	\$42.30	\$39.24	\$39.76
Total overhead costs	\$69.90	\$127.84	\$138.91	\$124.10
Total listed costs per acre	\$133.13	\$195.73	\$212.64	\$192.58
Net return per acre	\$3.59	\$90.90	\$231.54	\$107.62
<b>Net cash flow generated for principal payments, taxes, and family living</b>				
	\$25.89	\$133.19	\$270.78	\$147.39
Total Direct cost/unit	\$30.06	\$15.40	\$10.79	\$14.83
Total listed cost/unit	\$63.29	\$44.40	\$31.12	\$41.70
Return over listed cost/unit	\$1.71	\$20.62	\$33.88	\$23.31
Break even yield/acre	2.05	3.01	3.27	2.96

TABLE 10-15

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

ALFALFA HAY ON CASH RENT  
 (TON)

	Low 20%	Middle 60%	High 20%	Average
	-----	-----	-----	-----
Number of farms	8	25	8	41
Acres	36.24	32.98	31.13	33.25
Yield per acre	2.27	4.03	6.34	4.08
Operator share of yield %	100	100	100	100
Value per unit	\$65.00	\$65.00	\$65.00	\$65.00
Crop product return/acre	\$147.60	\$262.24	\$412.09	\$265.23
Other crop income/acre	\$0.00	\$0.83	\$0.00	\$0.50
Gross return per acre	\$147.60	\$263.07	\$412.09	\$265.73
<b>Direct costs</b>				
Seed	\$5.51	\$7.41	\$8.48	\$7.20
Fertilizer	\$2.37	\$16.10	\$33.08	\$16.28
Chemicals	\$0.00	\$0.42	\$0.00	\$0.25
Crop insurance	\$0.00	\$0.00	\$0.00	\$0.00
Custom hire	\$5.81	\$8.29	\$2.17	\$6.64
Fuel and oil	\$7.86	\$9.51	\$9.95	\$9.24
Repairs	\$13.69	\$15.94	\$24.47	\$17.02
Drying	\$0.00	\$0.00	\$0.00	\$0.00
Irrigation Energy	\$0.00	\$0.00	\$0.00	\$0.00
Special hired labor	\$0.00	\$0.08	\$2.34	\$0.48
Marketing	\$0.00	\$0.00	\$0.00	\$0.00
Utilities	\$0.00	\$0.00	\$0.00	\$0.00
Land rent	\$39.93	\$75.89	\$83.32	\$69.60
Direct lease payments	\$0.00	\$1.21	\$0.00	\$0.73
Misc. crop expense	\$0.68	\$2.09	\$4.81	\$2.29
Operating interest	\$0.00	\$0.00	\$0.00	\$0.00
Total direct costs	\$75.85	\$136.94	\$168.63	\$129.74
Return to overhead	\$71.74	\$126.13	\$243.46	\$135.99
<b>Overhead costs</b> (as allocated by farmers)				
Overhead utilities	\$1.04	\$0.71	\$1.63	\$0.95
Overhead hired labor	\$6.55	\$3.99	\$4.24	\$4.58
Farm insurance	\$0.78	\$1.24	\$0.84	\$1.07
Machinery lease pymts.	\$0.16	\$0.72	\$2.26	\$0.88
Real Estate Taxes	\$0.00	\$0.00	\$0.00	\$0.00
Misc. Farm Expense	\$3.33	\$2.61	\$3.18	\$2.87
Interest Paid	\$14.13	\$12.28	\$15.12	\$13.19
Depreciation	\$30.49	\$33.27	\$37.11	\$33.38
Total overhead costs	\$56.47	\$54.83	\$64.38	\$56.92
Total listed costs per acre	\$132.32	\$191.77	\$233.01	\$186.66
Net return per acre	\$15.28	\$71.30	\$179.08	\$79.07
<b>Net cash flow generated for principal payments, taxes, and family living</b>	\$45.77	\$104.57	\$216.19	\$112.45
Total Direct cost/unit	\$33.40	\$33.94	\$26.60	\$31.79
Total listed cost/unit	\$58.27	\$47.53	\$36.75	\$45.74
Return over listed cost/unit	\$6.73	\$17.67	\$28.25	\$19.38
Break even yield/acre	2.04	2.95	3.58	2.87

TABLE 10-16

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

SET ASIDE ACRES ON OWNED LAND  
 (\$)

	Low 20%	Middle 60%	High 20%	Average
	-----	-----	-----	-----
Number of farms	18	56	18	92
Acres	20.40	12.82	14.86	14.70
Yield per acre	210.68	339.21	401.81	316.69
Operator share of yield %	100	100	100	100
Value per unit	\$1.00	\$1.00	\$1.00	\$1.00
Crop product return/acre	\$210.68	\$339.21	\$401.81	\$316.69
Other crop income/acre	\$0.00	\$0.00	\$0.00	\$0.00
Gross return per acre	\$210.68	\$339.21	\$401.81	\$316.69
<b>Direct costs</b>				
Seed	\$3.24	\$3.86	\$4.75	\$3.87
Fertilizer	\$0.00	\$0.00	\$0.00	\$0.00
Chemicals	\$2.83	\$0.71	\$0.53	\$1.25
Crop insurance	\$0.00	\$0.00	\$0.00	\$0.00
Custom hire	\$0.68	\$0.09	\$0.58	\$0.34
Fuel and oil	\$3.73	\$4.48	\$3.73	\$4.13
Repairs	\$5.41	\$7.94	\$6.03	\$6.88
Drying	\$0.00	\$0.00	\$0.00	\$0.00
Irrigation Energy	\$0.00	\$0.00	\$0.00	\$0.00
Special hired labor	\$0.00	\$0.00	\$0.00	\$0.00
Marketing	\$0.00	\$0.00	\$0.00	\$0.00
Utilities	\$0.00	\$0.00	\$0.00	\$0.00
Land rent	\$0.00	\$0.00	\$0.00	\$0.00
Direct lease payments	\$0.00	\$0.00	\$0.42	\$0.08
Misc. crop expense	\$0.76	\$1.98	\$0.78	\$1.41
Operating interest	\$0.00	\$0.00	\$0.00	\$0.00
Total direct costs	\$16.65	\$19.05	\$16.82	\$17.96
Return to overhead	\$194.03	\$320.15	\$384.99	\$298.73
<b>Overhead costs</b> (as allocated by farmers)				
Overhead utilities	\$0.49	\$1.09	\$1.48	\$1.01
Overhead hired labor	\$3.69	\$2.69	\$9.52	\$4.31
Farm insurance	\$0.88	\$0.85	\$1.03	\$0.89
Machinery lease pymts.	\$0.19	\$0.11	\$0.00	\$0.11
Real Estate Taxes	\$10.55	\$11.96	\$14.31	\$12.04
Misc. Farm Expense	\$1.98	\$2.21	\$2.91	\$2.29
Interest Paid	\$45.69	\$68.94	\$63.54	\$61.56
Depreciation	\$14.52	\$20.87	\$18.87	\$18.75
Total overhead costs	\$77.99	\$108.71	\$111.66	\$100.96
Total listed costs per acre	\$94.64	\$127.77	\$128.48	\$118.92
Net return per acre	\$116.04	\$211.44	\$273.33	\$197.78
<b>Net cash flow generated for principal payments, taxes, and family living</b>	\$130.55	\$232.31	\$292.20	\$216.53
Total Direct cost/unit	\$0.08	\$0.06	\$0.04	\$0.06
Total listed cost/unit	\$0.45	\$0.38	\$0.32	\$0.38
Return over listed cost/unit	\$0.55	\$0.62	\$0.68	\$0.62
Break even yield/acre	94.64	127.77	128.48	118.92

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 CASH RENT  
 (\$)

	Low 20%	Middle 60%	High 20%	Average
	-----	-----	-----	-----
Number of farms	18	53	18	89
Acres	19.28	16.62	17.54	17.34
Yield per acre	271.55	343.36	426.30	344.19
Operator share of yield %	100	100	100	100
Value per unit	\$1.00	\$1.00	\$1.00	\$1.00
Crop product return/acre	\$271.55	\$343.36	\$426.30	\$344.19
Other crop income/acre	\$0.00	\$0.00	\$0.00	\$0.00
Gross return per acre	\$271.55	\$343.36	\$426.30	\$344.19
<b>Direct costs</b>				
Seed	\$2.63	\$3.75	\$3.67	\$3.48
Fertilizer	\$0.14	\$0.39	\$1.21	\$0.50
Chemicals	\$0.64	\$1.56	\$1.22	\$1.28
Crop insurance	\$0.00	\$0.00	\$0.00	\$0.00
Custom hire	\$0.04	\$0.66	\$0.10	\$0.40
Fuel and oil	\$3.48	\$4.92	\$3.97	\$4.40
Repairs	\$7.19	\$6.83	\$5.22	\$6.58
Drying	\$0.00	\$0.00	\$0.00	\$0.00
Irrigation Energy	\$0.00	\$0.00	\$0.00	\$0.00
Special hired labor	\$0.00	\$0.00	\$0.16	\$0.03
Marketing	\$0.00	\$0.00	\$0.00	\$0.00
Utilities	\$0.00	\$0.00	\$0.00	\$0.00
Land rent	\$72.43	\$86.03	\$95.79	\$84.97
Direct lease payments	\$0.00	\$0.00	\$1.29	\$0.26
Misc. crop expense	\$0.58	\$0.88	\$0.39	\$0.71
Operating interest	\$0.00	\$0.00	\$0.00	\$0.00
Total direct costs	\$87.13	\$105.01	\$113.02	\$102.63
Return to overhead	\$184.42	\$238.35	\$313.28	\$241.56
<b>Overhead costs</b> (as allocated by farmers)				
Overhead utilities	\$0.57	\$1.48	\$0.97	\$1.17
Overhead hired labor	\$7.35	\$4.89	\$1.81	\$4.81
Farm insurance	\$0.47	\$0.93	\$0.91	\$0.82
Machinery lease pymts.	\$0.68	\$0.21	\$1.45	\$0.57
Real Estate Taxes	\$0.00	\$0.00	\$0.00	\$0.00
Misc. Farm Expense	\$3.30	\$2.00	\$2.61	\$2.41
Interest Paid	\$8.50	\$16.71	\$11.21	\$13.74
Depreciation	\$12.12	\$16.48	\$13.84	\$14.96
Total overhead costs	\$32.99	\$42.70	\$32.79	\$38.49
Total listed costs per acre	\$120.12	\$147.72	\$145.81	\$141.12
Net return per acre	\$151.43	\$195.64	\$280.49	\$203.06
<b>Net cash flow generated for principal payments, taxes, and family living</b>	\$163.55	\$212.13	\$294.33	\$218.03
Total Direct cost/unit	\$0.32	\$0.31	\$0.27	\$0.30
Total listed cost/unit	\$0.44	\$0.43	\$0.34	\$0.41
Return over listed cost/unit	\$0.56	\$0.57	\$0.66	\$0.59
Break even yield/acre	120.12	147.72	145.81	141.12

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 SHARE RENT  
 (\$)

	Low 20%	Middle 60%	High 20%	Average
	-----	-----	-----	-----
Number of farms	11	32	11	54
Acres	8.87	11.23	14.43	11.40
Yield per acre	290.79	353.09	487.21	377.79
Operator share of yield %	55	57	60	57
Value per unit	\$1.00	\$1.00	\$1.00	\$1.00
Crop product return/acre	\$157.82	\$198.73	\$290.38	\$215.87
Other crop income/acre	\$0.00	\$0.00	\$0.00	\$0.00
Gross return per acre	\$157.82	\$198.73	\$290.38	\$215.87
<b>Direct costs</b>				
Seed	\$2.75	\$4.15	\$2.46	\$3.49
Fertilizer	\$0.00	\$0.00	\$0.32	\$0.08
Chemicals	\$0.84	\$0.77	\$0.67	\$0.76
Crop insurance	\$0.00	\$0.00	\$0.00	\$0.00
Custom hire	\$0.13	\$0.22	\$0.00	\$0.15
Fuel and oil	\$5.21	\$3.65	\$3.30	\$3.81
Repairs	\$8.22	\$4.70	\$4.53	\$5.21
Drying	\$0.00	\$0.00	\$0.00	\$0.00
Irrigation Energy	\$0.00	\$0.00	\$0.00	\$0.00
Special hired labor	\$0.00	\$0.00	\$0.00	\$0.00
Marketing	\$0.00	\$0.00	\$0.00	\$0.00
Utilities	\$0.00	\$0.00	\$0.00	\$0.00
Land rent	\$0.00	\$0.00	\$0.00	\$0.00
Direct lease payments	\$0.00	\$2.66	\$0.00	\$1.55
Misc. crop expense	\$0.41	\$2.22	\$0.56	\$1.51
Operating interest	\$0.00	\$0.00	\$0.00	\$0.00
Total direct costs	\$17.57	\$18.37	\$11.83	\$16.56
Return to overhead	\$140.25	\$180.36	\$278.55	\$199.31
<b>Overhead costs</b> (as allocated by farmers)				
Overhead utilities	\$1.09	\$1.03	\$1.20	\$1.09
Overhead hired labor	\$3.64	\$3.06	\$1.95	\$2.87
Farm insurance	\$0.74	\$0.76	\$0.92	\$0.80
Machinery lease pymts.	\$0.00	\$0.61	\$6.40	\$2.01
Real Estate Taxes	\$0.00	\$0.00	\$0.00	\$0.00
Misc. Farm Expense	\$2.25	\$2.09	\$2.35	\$2.18
Interest Paid	\$13.78	\$9.79	\$8.42	\$10.07
Depreciation	\$18.74	\$12.01	\$8.91	\$12.28
Total overhead costs	\$40.25	\$29.35	\$30.15	\$31.28
Total listed costs per acre	\$57.81	\$47.72	\$41.98	\$47.84
Net return per acre	\$100.01	\$151.01	\$248.41	\$168.03
<b>Net cash flow generated for principal payments, taxes, and family living</b>	\$118.75	\$163.02	\$257.31	\$180.31
Total Direct cost/unit	\$0.11	\$0.09	\$0.04	\$0.08
Total listed cost/unit	\$0.36	\$0.24	\$0.14	\$0.22
Return over listed cost/unit	\$0.63	\$0.76	\$0.85	\$0.78
Break even yield/acre	105.76	84.35	69.87	83.67

## EXPLANATORY NOTES FOR LIVESTOCK TABLES

Farms are divided into low 20% or high 20% on the basis of returns to overhead costs (return over direct costs), and 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.) Newborn calves are entered directly in the "other dairy" enterprise, not in the "dairy cows" enterprise.

The "Direct Cost" and "Allocated Overhead Costs" categories are identical for all livestock enterprises, but the top section (sources of returns) and the bottom section (other information) of the tables are different for each enterprise. Definitions and allocations of individual cost items are the same for livestock and crop enterprises. 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.

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 CWT PRODUCED

	LOW 20%		MIDDLE 60%		HIGH 20%		AVERAGE		AVERAGE	
	QUANTITY <sup>9</sup>	VALUE	QUANTITY <sup>28</sup>	VALUE	QUANTITY <sup>9</sup>	VALUE	QUANTITY <sup>46</sup>	VALUE	QUANTITY <sup>46</sup>	VALUE
NUMBER OF FARMS										
MARKET HOG SALES LBS	77.36	\$37.11	86.48	\$42.22	91.81	\$47.40	86.31	\$42.57		
TRANSFERRED OUT LBS	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00		
BUTCHERED LBS	0.22	\$0.10	0.20	\$0.08	0.16	\$0.06	0.20	\$0.08		
CULL SALES LBS	17.04	\$7.17	10.47	\$4.29	7.14	\$2.89	10.70	\$4.40		
LESS PURCHASES LBS	2.49	\$1.76	2.41	\$1.82	0.63	\$0.82	2.06	\$1.61		
LESS TRANSFERRED IN LBS	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00		
CHANGE IN INVENTORY LBS	7.87	\$3.61	5.26	\$3.04	1.53	\$0.87	4.86	\$2.68		
GROSS PRODUCTION LBS	100.00	\$46.23	100.00	\$47.82	100.00	\$50.40	100.00	\$48.13		
OTHER INCOME		\$0.00		\$0.00		\$0.00		\$0.00		
TOTAL RETURN		\$46.23		\$47.82		\$50.40		\$48.13		
DIRECT COSTS										
CORN BU	6.08	\$17.53	5.42	\$15.45	4.93	\$14.16	5.41	\$15.47		
OATS BU	0.24	\$0.48	0.19	\$0.28	0.06	\$0.08	0.17	\$0.27		
BARLEY BU							0.00	\$0.00		
WHEAT BU							0.00	\$0.00		
OTHER GRAIN LB			12.05	\$0.28			7.94	\$0.18		
PROTEIN, MINERALS, ETC LB	73.49	\$11.82	80.34	\$12.49	82.00	\$12.51	79.74	\$12.40		
COMPLETE RATION LB	44.43	\$5.37	18.23	\$2.02	4.08	\$0.45	18.95	\$2.16		
LEGUME HAY LB			0.61	\$0.02			0.40	\$0.01		
OTHER DRY HAY LB							0.00	\$0.00		
HAYLAGE LB							0.00	\$0.00		
CORN SILAGE LB							0.00	\$0.00		
OTHER SILAGE LB							0.00	\$0.00		
FODDER AND STOVER LB							0.00	\$0.00		
PASTURE DAYS	0.00	\$0.04	0.00	\$0.00			0.00	\$0.01		
MILK LB			0.31	\$0.03			0.20	\$0.02		
BREEDING		\$0.00		\$0.00		\$0.00		\$0.00		
VET. AND MEDICINE		\$1.25		\$1.51		\$0.80		\$1.33		
SUPPLIES		\$0.50		\$0.55		\$0.24		\$0.48		
MARKETING		\$0.11		\$0.02		\$0.00		\$0.03		
FUEL AND OIL		\$1.14		\$0.69		\$0.51		\$0.72		
REPAIRS		\$1.39		\$1.15		\$1.09		\$1.17		
SPEC. HIRED LABOR		\$0.00		\$0.11		\$0.00		\$0.07		
MACHINERY HIRE		\$0.33		\$0.34		\$0.06		\$0.28		
DIRECT UTILITIES		\$0.00		\$0.00		\$0.07		\$0.02		
DIRECT LEASE PAYMENTS		\$0.18		\$0.07		\$0.00		\$0.07		
BEDDING		\$0.58		\$0.14		\$0.11		\$0.19		
OPERATING INTEREST		\$0.00		\$0.00		\$0.00		\$0.00		
OTHER DIRECT EXPENSES		\$0.39		\$0.30		\$0.20		\$0.29		
TOTAL DIRECT COSTS		\$41.11		\$35.47		\$30.29		\$35.19		
RETURN TO OVERHEAD		\$5.12		\$12.35		\$20.10		\$12.93		
ALLOCATED OVERHEADS										
OVERHEAD UTILITIES		\$1.21		\$0.93		\$0.86		\$0.96		
REAL ESTATE TAXES		\$0.22		\$0.21		\$0.24		\$0.22		
FARM INSURANCE		\$0.48		\$0.24		\$0.22		\$0.27		
OVERHEAD HIRED LABOR		\$1.34		\$1.43		\$1.77		\$1.49		
OVERHEAD LEASE PAYMENTS		\$0.38		\$0.15		\$0.00		\$0.15		
MISC FARM EXPENSE		\$0.20		\$0.31		\$0.51		\$0.34		
INTEREST		\$2.58		\$2.83		\$4.01		\$3.03		
DEPRECIATION		\$3.78		\$4.39		\$5.01		\$4.44		
TOTAL OVERHEAD COSTS		\$10.18		\$10.49		\$12.63		\$10.88		
TOTAL LISTED COSTS		\$51.29		\$45.96		\$42.93		\$46.08		
NET RETURN		-\$5.06		\$1.86		\$7.47		\$2.05		
NET CASH FLOW GENERATED FOR PRINCIPAL PAYMENTS, INCOME TAXES, AND FAMILY LIVING EXPENSES		-\$1.38		\$6.16		\$12.42		\$6.40		
OTHER INFORMATION										
NUMBER OF LITTERS FARROWED	96.33		155.93		157.67		144.61			
NUMBER OF LITTERS PER CRATE	6.02		6.58		6.82		6.55			
PIGS BORN PER LITTER	8.84		9.50		9.61		9.44			
PIGS WEANED PER LITTER	8.06		8.02		8.26		8.08			
LBS. FEED PER LB. OF GAIN	4.66		4.11		3.64		4.09			
AVG. WT. / MARKET HOG SOLD (LBS.)	234.98		228.68		223.48		228.28			
AVG. PRICE/CWT. / MARKET HOG SOLD	\$47.97		\$48.82		\$51.63		\$49.32			



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 LITTER

NUMBER OF FARMS	LOW 20%		MIDDLE 60%		HIGH 20%		AVERAGE		AVERAGE	
	QUANTITY <sup>9</sup>	VALUE	QUANTITY <sup>28</sup>	VALUE	QUANTITY <sup>9</sup>	VALUE	QUANTITY <sup>46</sup>	VALUE	QUANTITY	VALUE
MARKET HOG SALES LBS	1455.67	\$698.28	1549.41	\$756.45	1564.04	\$807.50	1540.31	\$759.76		
TRANSFERRED OUT LBS	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00		
BUTCHERED LBS	4.08	\$1.92	3.67	\$1.57	2.70	\$1.08	3.52	\$1.51		
CULL SALES LBS	320.65	\$134.83	187.67	\$76.92	121.55	\$49.18	190.90	\$78.55		
LESS PURCHASES LBS	46.90	\$33.16	43.25	\$32.65	10.77	\$14.03	36.80	\$28.74		
LESS TRANSFERRED IN LBS	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00		
CHANGE IN INVENTORY LBS	148.08	\$67.93	94.18	\$54.47	26.01	\$14.77	86.66	\$47.75		
GROSS PRODUCTION LBS	1881.57	\$869.80	1791.67	\$856.78	1703.53	\$858.51	1784.59	\$858.83		
OTHER INCOME		\$0.00		\$0.00		\$0.00		\$0.00		
TOTAL RETURN		\$869.80		\$856.76		\$858.51		\$858.83		
DIRECT COSTS										
CORN BU	114.43	\$329.88	97.06	\$276.75	83.99	\$241.14	96.53	\$276.07		
OATS BU	4.57	\$9.12	3.44	\$5.12	0.95	\$1.43	3.05	\$4.86		
BARLEY BU							0.00	\$0.00		
WHEAT BU							0.00	\$0.00		
OTHER GRAIN LB			215.99	\$4.96			141.76	\$3.25		
PROTEIN, MINERALS, ETC LB	1382.84	\$222.42	1439.40	\$223.76	1396.90	\$213.18	1422.96	\$221.33		
COMPLETE RATION LB	835.99	\$101.04	326.57	\$36.16	69.49	\$7.71	338.12	\$38.55		
LEGUME HAY LB			10.99	\$0.38			7.22	\$0.25		
OTHER DRY HAY LB							0.00	\$0.00		
HAYLAGE LB							0.00	\$0.00		
CORN SILAGE LB							0.00	\$0.00		
OTHER SILAGE LB							0.00	\$0.00		
FODDER AND STOVER LB							0.00	\$0.00		
PASTURE DAYS	0.00	\$0.69	0.00	\$0.05			0.00	\$0.12		
MILK LB			5.50	\$0.60			3.61	\$0.40		
BREEDING		\$0.00		\$0.06		\$0.00		\$0.04		
VET. AND MEDICINE		\$23.59		\$27.13		\$13.70		\$23.80		
SUPPLIES		\$9.47		\$9.81		\$4.09		\$8.55		
MARKETING		\$2.05		\$0.33		\$0.00		\$0.49		
FUEL AND OIL		\$21.37		\$12.45		\$8.75		\$12.82		
REPAIRS		\$26.06		\$20.68		\$18.52		\$20.92		
SPEC. HIRED LABOR		\$0.00		\$1.98		\$0.00		\$1.30		
MACHINERY HIRE		\$6.13		\$6.14		\$0.99		\$5.04		
DIRECT UTILITIES		\$0.00		\$0.00		\$1.27		\$0.27		
DIRECT LEASE PAYMENTS		\$3.46		\$1.26		\$0.00		\$1.28		
BEDDING		\$10.95		\$2.51		\$1.88		\$3.48		
OPERATING INTEREST		\$0.00		\$0.00		\$0.00		\$0.00		
OTHER DIRECT EXPENSES		\$7.29		\$5.43		\$3.39		\$5.24		
TOTAL DIRECT COSTS		\$773.53		\$635.65		\$516.05		\$628.04		
RETURN TO OVERHEAD		\$96.28		\$221.21		\$342.46		\$230.79		
ALLOCATED OVERHEADS										
OVERHEAD UTILITIES		\$22.82		\$16.70		\$14.70		\$17.07		
REAL ESTATE TAXES		\$4.14		\$3.74		\$4.13		\$3.87		
FARM INSURANCE		\$8.68		\$4.27		\$3.82		\$4.75		
OVERHEAD HIRED LABOR		\$25.25		\$25.66		\$30.22		\$26.58		
OVERHEAD LEASE PAYMENTS		\$7.13		\$2.67		\$0.00		\$2.68		
MISC FARM EXPENSE		\$3.73		\$5.57		\$8.70		\$6.00		
INTEREST		\$48.60		\$50.64		\$68.29		\$54.14		
DEPRECIATION		\$71.19		\$78.72		\$85.36		\$79.15		
TOTAL OVERHEAD COSTS		\$191.53		\$187.96		\$215.22		\$194.24		
TOTAL LISTED COSTS		\$965.05		\$823.51		\$731.26		\$822.28		
NET RETURN		-\$95.25		\$33.25		\$127.24		\$36.55		
NET CASH FLOW GENERATED FOR PRINCIPAL PAYMENTS, INCOME TAXES, AND FAMILY LIVING EXPENSES		-\$25.99		\$110.40		\$211.52		\$114.19		
OTHER INFORMATION										
NUMBER OF LITTERS FARROWED	96.33		155.93		157.67		144.61			
NUMBER OF LITTERS PER CRATE	6.02		6.58		6.82		6.55			
PIGS BORN PER LITTER	8.84		9.50		9.61		9.44			
PIGS WEANED PER LITTER	8.06		8.02		8.26		8.08			
LBS. FEED PER LB. OF GAIN	4.66		4.11		3.64		4.09			
AVG. WT. / MARKET HOG SOLD (LBS.)	234.98		228.68		223.48		228.28			
AVG. PRICE/CWT. / MARKET HOG SOLD	\$47.97		\$48.82		\$51.63		\$49.32			

TABLE 11-3

\*\*\*\*\* LIVESTOCK ENTERPRISE ANALYSIS \*\*\*\*\*  
 SOUTHWEST FARM BUSINESS MANAGEMENT ASSOCIATION  
 AVERAGE OF ALL FARMS

## FEEDER PIG PRODUCTION - PER LITTER

NUMBER OF FARMS	QUANTITY	VALUE
	9	
	-----	-----
FEEDER PIG SALES HD	5.96	\$254.87
TRANSFERRED OUT HD	2.60	98.24
BUTCHERED HD	0.01	\$0.80
CULL SALES HD	0.27	\$47.26
LESS PURCHASES HD	0.08	20.48
LESS TRANSFERRED IN HD	0.29	26.93
CHANGE IN INVENTORY HD	-0.32	\$10.14
GROSS PRODUCTION		\$363.90
OTHER INCOME		\$0.00
TOTAL RETURN		\$363.90
DIRECT COSTS		
CORN BU	23.71	\$67.19
OATS BU	0.60	\$1.07
PROTEIN, MINERALS, ETC LB	530.46	\$88.21
COMPLETE RATION LB	287.84	\$31.10
BREEDING		\$0.00
VET. AND MEDICINE		\$8.94
SUPPLIES		\$5.97
MARKETING		\$0.00
FUEL AND OIL		\$11.63
REPAIRS		\$13.06
SPEC. HIRED LABOR		\$0.00
MACHINERY HIRE		\$1.53
DIRECT UTILITIES		\$0.39
DIRECT LEASE PAYMENTS		\$3.92
BEDDING		\$1.52
OPERATING INTEREST		\$0.00
OTHER DIRECT EXPENSES		\$3.52
TOTAL DIRECT COSTS		\$238.05
RETURN TO OVERHEAD		\$125.85
ALLOCATED OVERHEADS		
OVERHEAD UTILITIES		\$6.62
REAL ESTATE TAXES		\$0.99
FARM INSURANCE		\$2.45
OVERHEAD HIRED LABOR		\$4.11
MISC FARM EXPENSE		\$7.68
OVERHEAD LEASE PAYMENTS		\$3.63
INTEREST		\$36.96
DEPRECIATION		\$36.21
TOTAL OVERHEAD COSTS		\$98.64
TOTAL LISTED COSTS		\$336.69
NET RETURN		\$27.21
NET CASH FLOW GENERATED FOR PRINCIPAL PAYMENTS, INCOME TAXES, AND FAMILY LIVING EXPENSES		
		\$62.62
OTHER INFORMATION		
NUMBER OF LITTERS FARROWED	85.00	
NUMBER OF LITTERS PER SOW	1.80	
NUMBER OF LITTERS PER CRATE	6.17	
PIGS BORN PER LITTER	9.95	
PIGS WEANED PER LITTER	8.52	
AVG. PRICE PER PIG SOLD	\$42.74	
AVG. WT. PER PIG SOLD (LB)	48.14	

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	LOW 20%		MIDDLE 60%		HIGH 20%		AVERAGE		AVERAGE	
	QUANTITY	VALUE	QUANTITY	VALUE	QUANTITY	VALUE	QUANTITY	VALUE	QUANTITY	VALUE
	5		17		5		27			
SALES LBS	139.56	\$65.66	115.47	\$56.26	120.69	\$58.27	117.62	\$57.10		
TRANSFERRED OUT LBS	0.00	\$0.00	0.88	\$0.40	3.15	\$1.50	1.10	\$0.51		
BUTCHERED LBS	0.18	\$0.08	0.16	\$0.07	0.26	\$0.11	0.18	\$0.08		
CULL SALES LBS	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00		
LESS PURCHASES LBS	26.97	\$25.77	24.50	\$25.16	18.98	\$18.11	24.00	\$24.35		
LESS TRANSFERRED IN LBS	0.00	\$0.00	2.03	\$2.02	1.69	\$1.64	1.86	\$1.85		
CHANGE IN INVENTORY LBS	-12.77	-\$3.72	10.01	\$6.85	-3.42	-\$0.20	6.97	\$5.34		
GROSS PRODUCTION LBS	100.00	\$36.25	100.00	\$36.41	100.00	\$39.94	100.00	\$36.82		
OTHER INCOME		\$0.00		\$0.00		\$0.00		\$0.00		
TOTAL RETURN		\$36.25		\$36.41		\$39.94		\$36.82		
<b>DIRECT COSTS</b>										
CORN BU	5.84	\$16.64	4.03	\$11.83	5.02	\$14.37	4.26	\$12.43		
OATS BU	N/A	N/A	0.16	\$0.36	0.09	\$0.13	0.14	\$0.31		
BARLEY BU	N/A	N/A	N/A	N/A	N/A	N/A	0.00	\$0.00		
WHEAT BU	N/A	N/A	N/A	N/A	N/A	N/A	0.00	\$0.00		
OTHER GRAIN LB	N/A	N/A	N/A	N/A	N/A	N/A	0.00	\$0.00		
PROTEIN, MINERALS, ETC LB	842.89	\$12.44	558.32	\$8.37	686.39	\$10.19	591.60	\$8.85		
COMPLETE RATION LB	263.73	\$2.37	976.84	\$7.14	N/A	N/A	814.28	\$5.99		
LEGUME HAY LB	N/A	N/A	6.06	\$0.02	N/A	N/A	4.95	\$0.02		
OTHER DRY HAY LB	N/A	N/A	N/A	N/A	N/A	N/A	0.00	\$0.00		
HAYLAGE LB	N/A	N/A	N/A	N/A	N/A	N/A	0.00	\$0.00		
CORN SILAGE LB	N/A	N/A	N/A	N/A	N/A	N/A	0.00	\$0.00		
GRASS SILAGE LB	N/A	N/A	N/A	N/A	N/A	N/A	0.00	\$0.00		
FODDER AND STOVER LB	N/A	N/A	N/A	N/A	23.79	\$0.07	2.85	\$0.01		
PASTURE DAYS	N/A	N/A	N/A	N/A	N/A	N/A	0.00	\$0.00		
MILK LBS	N/A	N/A	N/A	N/A	N/A	N/A	0.00	\$0.00		
BREEDING		\$0.00		\$0.00		\$0.00		\$0.00		
VET. AND MEDICINE		\$1.40		\$0.37		\$0.55		\$0.45		
SUPPLIES		\$0.08		\$0.18		\$0.19		\$0.17		
MARKETING		\$0.00		\$0.01		\$0.00		\$0.01		
FUEL AND OIL		\$1.09		\$0.48		\$0.83		\$0.56		
REPAIRS		\$1.64		\$0.50		\$0.69		\$0.60		
SPEC. HIRED LABOR		\$0.00		\$0.00		\$0.00		\$0.00		
MACHINERY HIRE		\$0.77		\$0.34		\$0.05		\$0.33		
DIRECT UTILITIES		\$0.00		\$0.01		\$0.00		\$0.00		
DIRECT LEASE PAYMENTS		\$0.00		\$0.06		\$0.00		\$0.05		
BEDDING		\$0.14		\$0.09		\$0.11		\$0.09		
OPERATING INTEREST		\$0.00		\$0.00		\$0.00		\$0.00		
OTHER DIRECT EXPENSES		\$0.00		\$0.18		\$0.01		\$0.15		
TOTAL DIRECT COSTS		\$36.57		\$29.94		\$27.19		\$30.03		
RETURN TO OVERHEAD		-\$0.32		\$6.47		\$12.75		\$6.79		
<b>ALLOCATED OVERHEADS</b>										
OVERHEAD UTILITIES		\$0.93		\$0.32		\$1.17		\$0.46		
REAL ESTATE TAXES		\$0.32		\$0.10		\$0.10		\$0.12		
FARM INSURANCE		\$0.22		\$0.20		\$0.32		\$0.22		
OVERHEAD HIRED LABOR		\$0.21		\$0.30		\$0.01		\$0.26		
OVERHEAD LEASE PAYMENTS		\$0.00		\$0.14		\$0.00		\$0.12		
MISC FARM EXPENSE		\$0.25		\$0.16		\$0.52		\$0.21		
INTEREST		\$2.86		\$3.62		\$4.97		\$3.74		
DEPRECIATION		\$4.44		\$2.13		\$5.19		\$2.64		
TOTAL OVERHEAD COSTS		\$9.24		\$6.98		\$12.29		\$7.76		
TOTAL LISTED COSTS		\$45.81		\$36.92		\$39.48		\$37.79		
NET RETURN		-\$9.56		-\$0.51		\$0.46		-\$0.96		
<b>NET CASH FLOW GENERATED FOR PRINCIPAL PAYMENTS, INCOME TAXES, AND FAMILY LIVING EXPENSES</b>		-\$5.19		\$1.55		\$5.54		\$1.60		
<b>OTHER INFORMATION</b>										
NUMBER PURCHASED	282.20		1,091.41		475.20		827.44			
NUMBER SOLD	298.40		975.06		493.50		760.57			
PERCENTAGE DEATH LOSS	3.17		2.67		2.58		2.70			
EFFECTIVE DAILY GAIN	1.17		1.23		1.27		1.23			
LB FEED PER LB. GAIN	4.37		3.85		3.55		3.85			
AVG. WT. PER HEAD SOLD	238		230		236		231			
AVG. PRICE PAID PER HEAD	\$46.46		\$44.74		\$36.85		\$44.01			
AVG. PRICE RECD PER CWT.	\$47.05		\$48.72		\$48.28		\$48.54			

\*\*\*\*\* LIVESTOCK ENTERPRISE ANALYSIS \*\*\*\*\*  
 SOUTHWEST MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION  
 FARMS SORTED ACCORDING TO RETURN TO OVERHEAD PER CWT PRODUCED

BEEF FINISHING - PER CWT PRODUCED

	LOW 20%		MIDDLE 60%		HIGH 20%		AVERAGE		AVERAGE	
	QUANTITY	VALUE	QUANTITY	VALUE	QUANTITY	VALUE	QUANTITY	VALUE	QUANTITY	VALUE
NUMBER OF FARMS	11		33		11		55			
SALES LBS	252.42	\$157.77	242.23	\$155.96	220.66	\$143.10	238.53	\$153.51		
TRANSFERRED OUT LBS	4.68	\$2.73	0.28	\$0.19	1.13	\$0.64	0.70	\$0.43		
BUTCHERED LBS	2.04	\$1.27	1.16	\$0.45	0.93	\$0.55	1.17	\$0.52		
CULL SALES LBS	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00		
LESS PURCHASES LBS	93.07	\$58.18	148.03	\$93.01	132.44	\$77.94	141.79	\$88.03		
LESS TRANSFERRED IN LBS	26.74	\$16.16	2.01	\$1.23	10.80	\$6.93	5.17	\$3.22		
CHANGE IN INVENTORY LBS	-39.32	-\$25.41	6.38	\$5.90	20.51	\$15.09	6.57	\$5.93		
GROSS PRODUCTION LBS	100.00	\$62.03	100.00	\$68.26	100.00	\$74.52	100.00	\$69.14		
OTHER INCOME		\$0.00		\$0.00		\$0.00		\$0.00		
TOTAL RETURN		\$62.03		\$68.26		\$74.52		\$69.14		
DIRECT COSTS										
CORN BU	11.72	\$33.55	10.76	\$31.62	6.52	\$18.66	9.97	\$29.16		
OATS BU	0.15	\$0.23	0.06	\$0.09	0.04	\$0.06	0.06	\$0.09		
BARLEY BU							0.00	\$0.00		
WHEAT BU							0.00	\$0.00		
OTHER GRAIN LB					0.28	\$0.01	0.06	\$0.00		
PROTEIN, MINERALS, ETC LB	71.26	\$9.89	54.56	\$6.18	68.26	\$6.80	58.23	\$6.51		
COMPLETE RATION LB			7.45	\$0.65			5.55	\$0.48		
LEGUME HAY LB	225.23	\$7.63	82.02	\$2.83	37.25	\$1.25	81.34	\$2.79		
OTHER DRY HAY LB			9.98	\$0.30	9.39	\$0.26	9.29	\$0.27		
HAYLAGE LB	4.82	\$0.16	40.67	\$0.64	39.12	\$0.59	38.29	\$0.60		
CORN SILAGE LB	993.36	\$14.47	758.93	\$7.57	839.57	\$7.09	788.35	\$7.87		
GRASS SILAGE LB	18.07	\$0.09	21.41	\$0.25			16.97	\$0.19		
FODDER AND STOVER LB	0.90	\$0.01	4.24	\$0.00	1.30	\$0.01	3.47	\$0.00		
PASTURE DAYS	0.00	\$0.41	0.00	\$0.09			0.00	\$0.09		
MILK LBS							0.00	\$0.00		
BREEDING		\$0.00		\$0.00		\$0.00		\$0.00		
VET. AND MEDICINE		\$0.86		\$1.11		\$1.12		\$1.10		
SUPPLIES		\$0.23		\$0.26		\$0.38		\$0.28		
MARKETING		\$0.00		\$0.34		\$0.02		\$0.25		
FUEL AND OIL		\$2.50		\$0.78		\$0.91		\$0.80		
REPAIRS		\$3.48		\$0.95		\$0.88		\$1.09		
SPEC. HIRED LABOR		\$0.00		\$0.07		\$0.00		\$0.05		
MACHINERY HIRE		\$1.57		\$0.58		\$1.04		\$0.73		
DIRECT UTILITIES		\$0.00		\$0.02		\$0.00		\$0.01		
DIRECT LEASE PAYMENTS		\$0.00		\$0.00		\$0.00		\$0.00		
BEDDING		\$0.91		\$0.15		\$0.18		\$0.20		
OPERATING INTEREST		\$0.00		\$0.03		\$0.00		\$0.02		
OTHER DIRECT EXPENSES		\$0.54		\$0.06		\$0.22		\$0.12		
TOTAL DIRECT COSTS		\$76.54		\$54.57		\$39.47		\$52.83		
RETURN TO OVERHEAD		-\$14.51		\$13.69		\$35.05		\$16.31		
ALLOCATED OVERHEADS										
OVERHEAD UTILITIES		\$1.50		\$0.56		\$0.83		\$0.67		
REAL ESTATE TAXES		\$0.58		\$0.28		\$0.28		\$0.30		
FARM INSURANCE		\$0.79		\$0.34		\$0.67		\$0.43		
OVERHEAD HIRED LABOR		\$1.02		\$1.03		\$1.65		\$1.15		
OVERHEAD LEASE PAYMENTS		\$0.00		\$0.18		\$0.63		\$0.26		
MISC FARM EXPENSE		\$0.61		\$0.38		\$0.26		\$0.37		
INTEREST		\$4.53		\$6.56		\$4.69		\$6.07		
DEPRECIATION		\$10.11		\$4.52		\$6.01		\$5.13		
TOTAL OVERHEAD COSTS		\$19.14		\$13.85		\$15.01		\$14.38		
TOTAL LISTED COSTS		\$95.67		\$68.42		\$54.47		\$67.21		
NET RETURN		-\$33.65		-\$0.16		\$20.04		\$1.93		
NET CASH FLOW GENERATED FOR PRINCIPAL PAYMENTS, INCOME TAXES, AND FAMILY LIVING EXPENSES		-\$24.81		\$3.90		\$25.50		\$6.54		
OTHER INFORMATION										
NUMBER PURCHASED	67.18		400.12		260.91		305.69			
NUMBER SOLD	100.30		396.20		288.45		315.47			
PERCENTAGE DEATH LOSS	0.64		0.57		0.69		0.59			
EFFECTIVE DAILY GAIN	1.69		2.05		2.06		2.03			
LBS. FEED PER LB. OF GAIN	13.01		10.47		7.82		10.09			
AVG. WT. PER HEAD PURCHASED	557.62		645.18		707.82		652.03			
AVG. WT. PER HEAD SOLD	1,013.03		1,066.16		1,066.71		1,062.88			
AVG. PRICE PAID PER CWT	\$62.51		\$62.83		\$58.85		\$62.08			
AVG. PRICE RECEIVED PER CWT.	\$62.50		\$64.38		\$64.85		\$64.36			

TABLE 11-6  
 \*\*\*\*\* LIVESTOCK ENTERPRISE ANALYSIS \*\*\*\*\*  
 SOUTHWEST FARM BUSINESS MANAGEMENT ASSOCIATION  
 AVERAGE OF ALL FARMS

BEEF COW / CALF - PER HEAD

NUMBER OF FARMS	23	VALUE
	QUANTITY	-----
BEEF CALF SALES	92.48	\$52.54
CALVES TRANSFERRED OUT	332.80	\$210.75
BUTCHERED	6.53	\$3.10
CULL SALES	224.65	\$95.35
LESS PURCHASES	152.69	87.54
LESS TRANSFERRED IN	41.79	23.68
CHANGE IN INVENTORY	4.11	-\$8.96
GROSS PRODUCTION	466.10	\$241.55
OTHER INCOME		\$0.00
TOTAL RETURN		\$241.55
DIRECT COSTS		
CORN BU	1.63	\$4.72
OATS BU	0.31	\$0.48
BARLEY BU	N/A	N/A
WHEAT BU	N/A	N/A
OTHER GRAIN LB	N/A	N/A
PROTEIN, MINERALS, ETC LB	103.00	\$12.41
COMPLETE RATION LB	N/A	N/A
LEGUME HAY LB	1874.48	\$64.68
OTHER DRY HAY LB	280.80	\$7.19
HAYLAGE LB	335.29	\$2.51
CORN SILAGE LB	3251.26	\$32.56
OTHER SILAGE LB	20.96	\$0.10
FODDER AND STOVER LB	131.60	\$1.57
PASTURE DAYS	0.35	\$39.53
MILK LBS	N/A	N/A
BREEDING		\$3.06
VET. AND MEDICINE		\$9.80
SUPPLIES		\$9.80
MARKETING		\$0.00
FUEL AND OIL		\$8.46
REPAIRS		\$9.14
SPEC. HIRED LABOR		\$0.00
MACHINERY HIRE		\$4.53
DIRECT UTILITIES		\$0.00
DIRECT LEASE PAYMENTS		\$0.00
BEDDING		\$5.72
OPERATING INTEREST		\$0.00
OTHER DIRECT EXPENSES		\$0.53
TOTAL DIRECT COSTS		\$216.80
RETURN TO OVERHEAD		\$24.74
ALLOCATED OVERHEADS		
OVERHEAD UTILITIES		\$10.41
REAL ESTATE TAXES		\$2.32
FARM INSURANCE		\$3.23
OVERHEAD HIRED LABOR		\$10.14
OVERHEAD LEASE PAYMENTS		\$0.75
MISC FARM EXPENSE		\$3.23
INTEREST		\$34.06
DEPRECIATION		\$47.00
TOTAL OVERHEAD COSTS		\$111.15
TOTAL LISTED COSTS		\$327.95
NET RETURN		-\$86.40
NET CASH FLOW GENERATED		
FOR PRINCIPAL PAYMENTS,		
INCOME TAXES, AND		
FAMILY LIVING EXPENSES		
		-\$42.50
OTHER INFORMATION		
AVERAGE NUMBER OF COWS	41.52	
CALVING PERCENTAGE	90.38	
WEANING PERCENTAGE	85.15	
CULLING RATE %	20.52	
AVG. WT. PER CALF SOLD	577.25	
AVG. PRICE/CWT./CALF SOLD	\$56.81	

TABLE 11-7

\*\*\*\*\* LIVESTOCK ENTERPRISE ANALYSIS \*\*\*\*\*  
 SOUTHWEST MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION  
 FARMS SORTED ACCORDING TO RETURN TO OVERHEAD PER UNIT PRODUCED

## DAIRY COWS - PER COW

NUMBER OF FARMS	21 QUANTITY	VALUE
MILK SOLD LBS	14,033.53	\$1,799.05
MILK: HOME USE LBS	55.36	\$11.81
MILK FED LBS	209.96	\$29.18
CALVES, ETC SALES HD	0.01	\$3.67
BUTCHERED HD	0.00	\$1.62
TRANSFERRED OUT HD	0.00	\$0.00
CULL SALES HD	0.32	\$145.41
LESS PURCHASES HD	0.04	\$35.57
LESS TRANS. IN HD	0.33	\$212.86
CHANGE IN INV. HD	0.01	-\$15.19
GROSS PRODUCTION		\$1,727.12
DAIRY DIVERSION/OTHER INCOME		\$73.10
TOTAL RETURN		\$1,800.22
DIRECT COSTS		
CORN BU	90.16	\$253.26
OATS BU	8.13	\$12.64
BARLEY BU	---	---
WHEAT BU	---	---
OTHER GRAIN LB	362.65	\$10.55
PROT, MIN, ETC LB	1,150.23	\$160.21
COMPLETE RATION LB	276.80	\$15.91
LEGUME HAY LB	3,656.27	\$127.37
OTHER DRY HAY LB	48.18	\$0.54
HAYLAGE LB	3,489.84	\$76.45
CORN SILAGE LB	9,045.20	\$90.45
OTHER SILAGE LB	315.35	\$1.91
FODDER/STOVER LB	47.30	\$0.47
PASTURE DAYS	0.32	\$3.53
MILK LB	---	---
BREEDING		\$11.74
VET. AND MEDICINE		\$37.99
SUPPLIES		\$62.93
MARKETING		\$11.07
FUEL AND OIL		\$19.14
REPAIRS		\$47.54
SPEC. HIRED LABOR		\$0.04
MACHINERY HIRE		\$57.75
DIRECT UTILITIES		\$0.00
DIRECT LEASE PMTS		\$11.11
BEDDING		\$5.78
OPERATING INTEREST		\$0.00
OTHER DIRECT EXP		\$36.10
TOTAL DIRECT COSTS		\$1054.49
RETURN TO OVERHEAD		\$745.73
ALLOCATED OVERHEADS		
OVERHEAD UTILITIES		\$40.30
REAL ESTATE TAXES		\$3.75
FARM INSURANCE		\$9.20
OVERHEAD HIRED LABOR		\$71.88
LEASE PAYMENTS		\$23.48
MISC. FARM EXPENSE		\$9.62
INTEREST		\$97.02
DEPRECIATION		\$131.34
TOTAL OVERHEAD COSTS		\$386.60
TOTAL LISTED COSTS		\$1441.09
NET RETURN		\$359.13
NET CASH FLOW FOR		
PRINCIPAL PMNTS, TAXES		
AND FAMILY LIVING		\$447.15
--- OTHER INFORMATION ---		
AVERAGE NO. OF COWS	54.36	
MILK PROD. PER COW(LB)	14,298.85	
PERCENT OF BARN CAP.	112.14	
PERCENT MILK BUTTERFAT	3.69	
CULLING RATE %	32.32	
LBS. MILK/ LB. CONC.	2.12	
AVERAGE PRICE/CWT. MILK	\$12.82	

TABLE 11-8

\*\*\*\*\* LIVESTOCK ENTERPRISE ANALYSIS \*\*\*\*\*  
 SOUTHWEST MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION  
 AVERAGE OF ALL FARMS

## DAIRY REPLACEMENTS PER DAIRY COW

NUMBER OF FARMS	QUANTITY	VALUE
	15	
SALES HD	0.30	\$67.40
BUTCHERED HD	0.01	\$5.68
TRANSFERRED OUT HD	0.48	\$254.82
CULL SALES HD	0.04	\$3.48
LESS PURCHASES HD	0.02	\$10.60
LESS TRANSFERRED IN HD	0.00	\$0.00
CHANGE IN INVENTORY HD	0.05	\$15.66
GROSS PRODUCTION		\$336.45
OTHER INCOME		\$0.76
TOTAL RETURN		\$337.21
DIRECT COSTS		
CORN BU	14.06	\$38.18
OATS BU	5.19	\$7.64
BARLEY BU		---
WHEAT BU	0.20	\$0.47
OTHER GRAIN LB	152.92	\$1.64
PROTEIN, MINERALS, ETC LB	1,578.59	\$25.98
COMPLETE RATION LB	118.38	\$13.04
LEGUME HAY LB	1,406.34	\$46.09
OTHER DRY HAY LB	234.84	\$2.65
HAYLAGE LB	944.84	\$29.29
CORN SILAGE LB	7,887.77	\$78.88
OTHER SILAGE LB		---
FODDER AND STOVER LB	98.31	\$0.71
PASTURE DAYS	6.04	\$8.55
MILK LB	100.02	\$9.74
BREEDING		\$2.10
VET. AND MEDICINE		\$7.97
SUPPLIES		\$5.58
MARKETING		\$2.08
FUEL AND OIL		\$8.54
REPAIRS		\$20.41
SPEC. HIRED LABOR		\$0.00
MACHINERY HIRE		\$3.37
DIRECT UTILITIES		\$0.00
DIRECT LEASE PAYMENTS		\$4.16
BEDDING		\$8.15
OPERATING INTEREST		\$0.00
OTHER DIRECT EXPENSES		\$2.37
TOTAL DIRECT COSTS		\$326.57
RETURN TO OVERHEAD		\$10.64
ALLOCATED OVERHEADS		
OVERHEAD UTILITIES		\$11.01
REAL ESTATE TAXES		\$1.93
FARM INSURANCE		\$3.28
OVERHEAD HIRED LABOR		\$22.73
LEASE PAYMENTS		\$5.68
MISC. FARM EXPENSE		\$3.27
INTEREST		\$37.39
DEPRECIATION		\$52.59
TOTAL OVERHEAD COSTS		\$137.87
TOTAL LISTED COSTS		\$464.44
NET RETURN		-\$127.23
NET CASH FLOW FOR PRINCIPAL PMNTS, TAXES AND FAMILY LIVING		-\$80.62
--- OTHER INFORMATION ---		
NUMBER PURCHASED / TRANSFERRED IN %	2.32	
NUMBER SOLD / TRANSFERRED OUT %	82.06	
PERCENTAGE DEATH LOSS	16.47	

## TABLE 11-9

\*\*\*\*\* LIVESTOCK ENTERPRISE ANALYSIS \*\*\*\*\*  
 SOUTHWEST MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION

## ALL DAIRY - PER COW

NUMBER OF FARMS	QUANTITY	15	VALUE
MILK SOLD LBS	13,838.15		\$1,797.07
MILK USED IN THE HOME LBS	60.38		\$14.12
MILK FED LBS	148.74		\$22.97
BULL CALVES, OTHR SALES HD	0.31		\$73.12
BUTCHERED HD	0.02		6.84
TRANSFERRED OUT HD	0.48		\$254.82
CULL SALES HD	0.36		\$142.76
LESS PURCHASES HD	0.06		\$44.03
LESS TRANSFERRED IN HD	0.33		\$211.33
CHANGE IN INVENTORY HD	0.05		\$28.36
GROSS PRODUCTION			\$2,084.70
DAIRY DIVERSION/OTHER INCOME			\$75.24
TOTAL RETURN			\$2,159.94
DIRECT COSTS			
CORN BU	95.99		\$269.51
OATS BU	11.99		\$17.92
BARLEY BU	---		---
WHEAT BU	0.20		\$0.47
OTHER GRAIN LB	718.19		\$18.08
PROT. MIN, ETC LB	2,508.82		\$170.26
COMPLETE RATION LB	549.84		\$37.84
LEGUME HAY LB	4,882.58		\$165.82
OTHER DRY HAY LB	309.94		\$3.50
HAYLAGE LB	4,929.00		\$125.02
CORN SILAGE LB	16,385.85		\$163.86
OTHER SILAGE LB	---		---
FODDER AND STOVER LB	172.04		\$1.45
PASTURE DAYS	6.04		\$11.01
MILK LB	100.02		\$9.74
BREEDING			\$16.52
VET. AND MEDICINE			\$50.38
SUPPLIES			\$54.60
MARKETING			\$19.29
FUEL AND OIL			\$24.01
REPAIRS			\$71.75
SPEC. HIRED LABOR			\$0.07
MACHINERY HIRE			\$58.39
DIRECT UTILITIES			\$0.00
DIRECT LEASE PAYMENTS			\$20.11
BEDDING			\$14.90
OPERATING INTEREST			\$0.00
OTHER DIRECT EXPENSES			\$52.80
TOTAL DIRECT COSTS			\$1377.29
RETURN TO OVERHEAD			\$782.65
ALLOCATED OVERHEADS			
OVERHEAD UTILITIES			\$47.65
REAL ESTATE TAXES			\$5.98
FARM INSURANCE			\$11.71
OVERHEAD HIRED LABOR			\$106.52
LEASE PAYMENTS			\$20.27
MISC. FARM EXPENSE			\$11.45
INTEREST			\$132.70
DEPRECIATION			\$176.44
TOTAL OVERHEAD COSTS			\$512.72
TOTAL LISTED COSTS			\$1890.01
NET RETURN			\$269.93
NET CASH FLOW FOR			
PRINCIPAL PMNTS, TAXES			
AND FAMILY LIVING			\$401.03
--- OTHER INFORMATION ---			
AVERAGE NUMBER OF COWS	48.83		
MILK PRODUCED PER COW (LB.)	14,047.27		
PERCENT OF BARN CAPACITY	81.83		
PERCENT BUTTERFAT IN MILK	3.89		
CULLING RATE %	36.18		
LBS. MILK PER LB. CONC.	1.59		
AVERAGE PRICE PER CWT. MILK	12.99		



TABLE 11-10

\*\*\*\*\* LIVESTOCK ENTERPRISE ANALYSIS \*\*\*\*\*  
 SOUTHWEST FARM BUSINESS MANAGEMENT ASSOCIATION  
 AVERAGE OF ALL FARMS

## MARKET LAMBS - PER EWE

NUMBER OF FARMS	QUANTITY	VALUE
	9	
LAMB SALES LBS	146.14	\$81.17
TRANSFERRED OUT LBS	0.00	\$0.00
BUTCHERED LBS	0.83	\$0.31
CULL SALES LBS	47.88	\$8.01
LESS PURCHASES LBS	6.85	\$2.53
LESS TRANSFERRED IN LBS	0.00	\$0.00
CHANGE IN INVENTORY LBS	-37.17	-\$12.69
GROSS PRODUCTION LBS	150.82	\$74.29
OTHER INCOME		\$10.33
TOTAL RETURN		\$84.62
DIRECT COSTS		
CORN BU	6.52	\$18.41
OATS BU	1.16	\$1.74
PROTEIN, MINERALS, ETC LB	47.26	\$6.89
COMPLETE RATION LB	78.14	\$2.60
LEGUME HAY LB	754.32	\$26.35
OTHER DRY HAY LB	52.59	\$1.22
HAYLAGE LB	270.47	\$9.46
CORN SILAGE LB	657.40	\$6.57
PASTURE DAYS	0.00	\$2.66
BREEDING		\$0.00
VET. AND MEDICINE		\$1.76
SUPPLIES		\$0.83
MARKETING		\$0.00
FUEL AND OIL		\$4.13
REPAIRS		\$13.96
SPEC. HIRED LABOR		\$0.48
MACHINERY HIRE		\$3.53
DIRECT UTILITIES		\$0.00
DIRECT LEASE PAYMENTS		\$0.00
BEDDING		\$0.42
OPERATING INTEREST		\$0.00
OTHER DIRECT EXPENSES		\$1.02
TOTAL DIRECT COSTS		\$102.02
RETURN TO OVERHEAD		-\$17.40
ALLOCATED OVERHEADS		
OVERHEAD UTILITIES		\$6.08
REAL ESTATE TAXES		\$0.44
FARM INSURANCE		\$3.47
OVERHEAD HIRED LABOR		\$12.44
OVERHEAD LEASE PAYMENTS		\$4.91
MISC FARM EXPENSE		\$6.25
INTEREST		\$19.88
DEPRECIATION		\$17.96
TOTAL OVERHEAD COSTS		\$71.43
TOTAL LISTED COSTS		\$173.45
NET RETURN		-\$88.83
NET CASH FLOW GENERATED FOR PRINCIPAL PAYMENTS, INCOME TAXES, AND FAMILY LIVING EXPENSES		
		-\$71.18
OTHER INFORMATION		
AVERAGE NUMBER OF EWES	29.61	
LAMBING PERCENTAGE	141.72	
WEANING PERCENTAGE	139.31	
CULLING RATE %	30.94	
AVG. WT. PER LAMB SOLD	106.99	
AVG. PRICE / CWT. / LAMB SOLD	\$55.55	

TABLE 12

PRICES USED IN ANALYSIS  
SOUTHWEST FARM BUSINESS MANAGEMENT ASSOCIATION, 1984

<u>Item</u>	<u>Beginning Inventory</u>	<u>Feed</u>	<u>Harvest</u>	<u>Ending Inventory</u>
corn/bu.	\$ 3.00	\$ 2.85	\$ 2.50	\$ 2.50
oats/bu.	1.60	1.45	1.60	1.60
barley/bu.	--	2.30	2.30	2.30
wheat/bu.	3.50	3.50	3.75	3.50
soybeans	7.25-7.50	--	6.00	5.75
flax/bu.	--	--	5.00	5.00
sunflower/cwt.	--	--	10.00	10.00
rye/bu.	--	--	2.70	3.00
alfalfa hay/t.	50.00	70.00	65.00	70.00
all other hay/t.	40.00	55.00	50.00	50.00
corn silage/t.	18.00	20.00	20.00	20.00
grass silage/t.	--	15.00	17.00	17.00
oats silage/t.	15.00	15.00	17.00	17.00
oats straw/bale	1.50	1.25	1.25	1.25
green chop/t.	--	15.00		
cornstalks/t.	--	12.00		
pasture/head/mo.				
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 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	\$1,200
Jackson	1,200
Faribault	1,400
Martin	1,300
Murray	850
Nobles	1,000
Pipestone	700
Redwood	1,000
Watonwan	1,200

TABLE 13  
PAST TRENDS IN FINANCIAL DATA  
FINANCIAL DATA FOR THE SOUTHWEST MINNESOTA FARM MANAGEMENT ASSOCIATION  
TEN YEARS OF PROGRESS

AVERAGE OF ALL FARMS								
YEAR	INTEREST	RETURN TO LABOR/ MGT/EQUITY	GROSS INCOME	ASSETS*	DEBT	DEBT/ RETURN	DEBT/ ASSET	INTEREST AS A % OF GROSS
1984	29,498	9,872	259,338	668,347	305,225	30.9	.46	11
1983	27,655	27,824	250,532	724,738	280,739	10.09	.39	11
1982	30,316	25,838	248,606	686,198	252,574	9.78	.37	12
1981	26,187	2,272	260,926	849,984	233,068	102.58	.27	10
1980	19,830	46,713	235,768	755,354	211,385	4.53	.28	8
1979	12,084	28,746	201,993	739,517	183,249	6.37	.25	6
1978	10,200	62,473	176,444	375,954	153,640	2.46	.41	6
1977	7,633	33,063	136,161	301,588	124,753	3.77	.41	6
1976	7,246	16,657	136,282	287,035	116,736	7.01	.41	5
1975	6,429	21,497	140,612	249,332	88,950	4.14	.36	5

FINANCIAL DATA FOR THE SOUTHWEST MINNESOTA FARM MANAGEMENT ASSOCIATION  
HIGH 20%

YEAR	INTEREST	RETURN TO LABOR/ MGT/EQUITY	GROSS INCOME	ASSETS*	DEBT	DEBT/ RETURN	DEBT/ ASSET	INTEREST AS A % OF GROSS
1984	28,544	67,449	362,977	929,919	345,042	5.12	.37	8
1983	28,023	85,760	347,196	1,136,351	316,223	3.69	.28	8
1982	40,757	90,234	388,192	876,754	368,934	4.09	.42	10
1981	22,549	50,071	289,521	669,809	262,118	5.23	.39	8
1980	18,651	95,393	270,903	711,108	203,284	2.13	.29	7
1979	9,162	67,380	253,804	454,759	154,498	2.29	.34	4
1978	15,633	138,867	340,116	532,405	208,728	1.50	.39	5
1977	9,160	77,551	196,085	419,898	139,772	1.80	.33	5

FINANCIAL DATA FOR THE SOUTHWEST MINNESOTA FARM MANAGEMENT ASSOCIATION  
LOW 20%

YEAR	INTEREST	RETURN TO LABOR/ MGT/EQUITY	GROSS INCOME	ASSETS*	DEBT	DEBT/ RETURN	DEBT/ ASSET	INTEREST AS A % OF GROSS
1984	48,566	-36,135	303,295	676,837	446,005	-12.34	.66	16
1983	45,090	-23,689	283,589	617,720	367,565	-15.52	.60	16
1982	30,527	-2,865	229,663	1,018,972	274,870	-95.94	.27	13
1981	43,286	-48,325	414,397	1,353,278	331,966	-6.87	.25	10
1980	23,289	17,573	289,314	1,108,450	282,501	16.08	.25	8
1979	19,432	6,585	266,242	1,292,372	303,367	46.07	.23	7
1978	6,900	14,686	90,361	235,980	106,430	7.25	.45	8
1977	10,049	902	139,943	277,566	149,630	165.89	.54	7

\*After 1978, land was valued at a conservative market value. Prior to that time, it was valued at cost basis.