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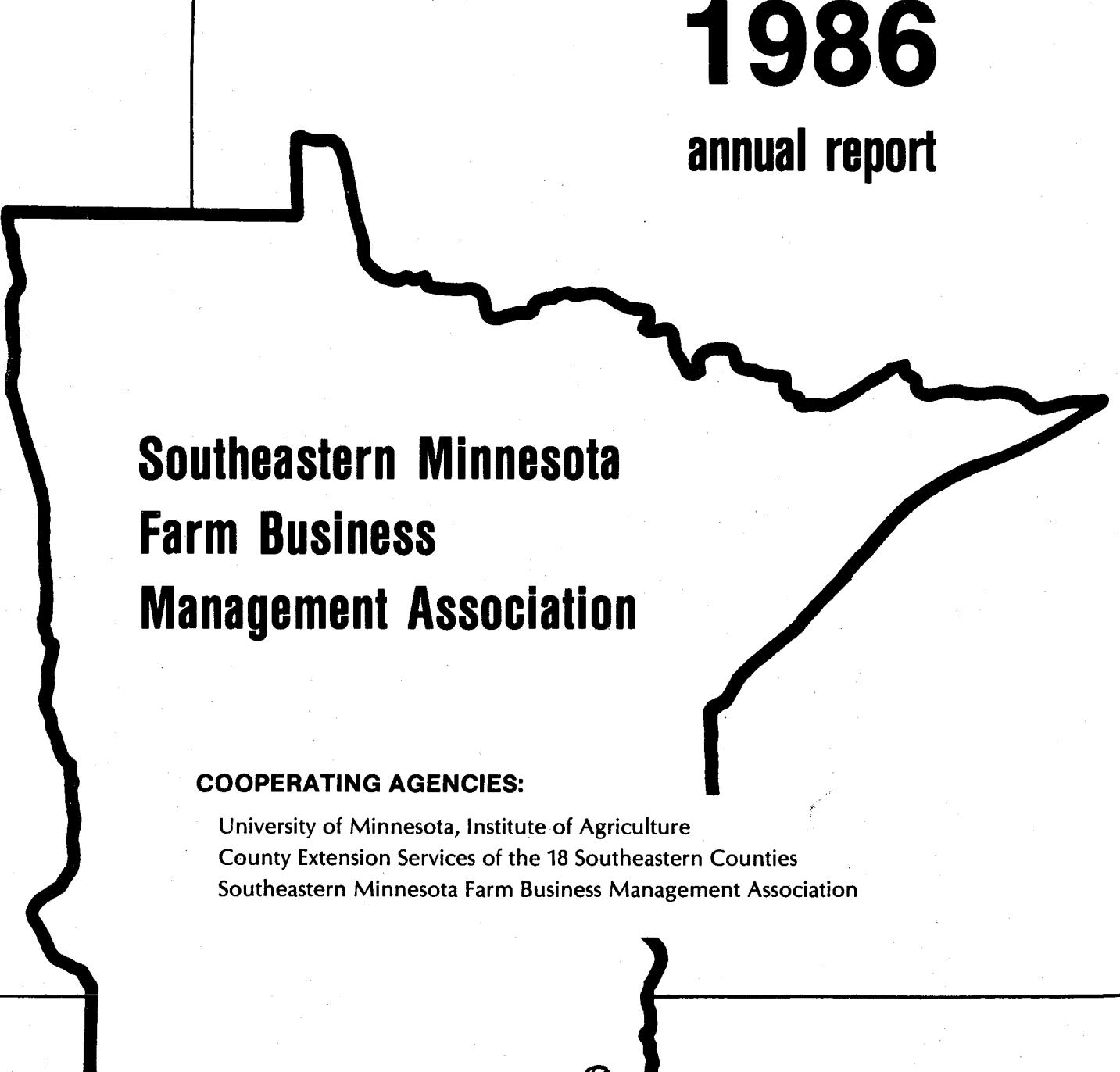
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# 1986

## annual report



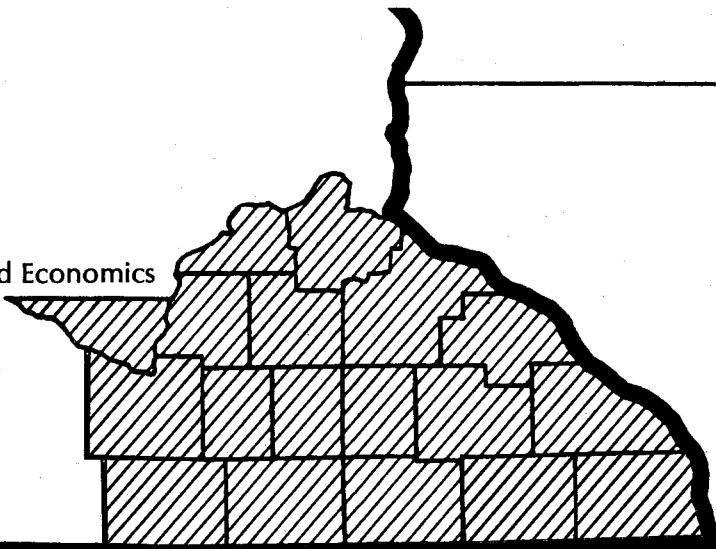
### **Southeastern Minnesota Farm Business Management Association**

#### **COOPERATING AGENCIES:**

University of Minnesota, Institute of Agriculture  
County Extension Services of the 18 Southeastern Counties  
Southeastern Minnesota Farm Business Management Association

Economic Report ER87-5

Department of Agricultural and Applied Economics  
Institute of Agriculture  
St. Paul, Minnesota 55108  
March, 1987



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The University of Minnesota, including the Agricultural Extension Service, is committed to the policy that all persons shall have equal access to its programs, facilities, and employment without regard to race, religion, color, sex, national origin, handicap, age or veteran status.

1986 ANNUAL REPORT OF THE SOUTHEASTERN MINNESOTA  
FARM BUSINESS MANAGEMENT ASSOCIATION

by

Kent D. Olson, Lorin L. Westman and Rann R. Loppnow\*

This report summarizes the individual farm records of the members of the Southeastern Minnesota Farm Business Management Association. Whole-farm information and enterprise costs and returns are reported. In addition to the average of all farms, the averages for the high and low income groups are also presented. Both members and nonmembers can compare their operation to this information to find areas that need management attention and areas which have above-average performance. Creditors, policy makers, and others interested in agriculture will find this information useful also.

The tables are divided into three major groups. Tables 1 through 9 present whole-farm information. Tables in the 10-x series provide information on crop enterprises. Tables in the 11-x series provide information on livestock enterprises. Table 12 contains information on the prices used in the analysis. A summary of the trends in the average whole-farm situation is presented in Table 13. Tables 14 and 15 break down the whole-farm information by gross income class and by county, respectively. Tables 16 and 17, respectively, report the corn and soybean cash rented enterprises by county.

Of the 79 farms in the Southeastern Association, the data for 61 farms are included in this report. The rest were omitted because the records were incomplete at the time that this report was prepared. No claim is made as to whether the farmers who belong to the Association are or are not representative of all farmers in southeastern Minnesota.

In addition to this report, members receive an annual farm business analysis; on-farm instructional visits; end-of-year income tax planning and preparation; periodic meetings, tours, and seminars; a monthly newsletter; and other managerial and educational assistance. Each farmer pays an annual fee which covers a large part of the cost, with the balance defrayed by the Minnesota Extension Service and research programs of the University of Minnesota. The analysis of each individual farm was performed by the fieldman during the closeout procedure using FINANX, release 6.1, software from the Center for Farm Financial Management within the Department of Agricultural and Applied Economics. The individual analyses were summarized at the Department of Agricultural and Applied Economics with a database program developed by Rann Loppnow. The data is used for other research and educational projects.

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\* Olson is Assistant Professor of Farm Management, Westman is Area Farm Management Extension Agent and Fieldman for the Association, Loppnow is Undergraduate Research Assistant, University of Minnesota-Twin Cities. The authors wish to thank Vernon Eidman, Dale Nordquist and Kenneth Thomas of the Department of Agricultural and Applied Economics, University of Minnesota, for review, and Carol Hansen for secretarial support.

SOUTHEASTERN MINNESOTA FARM MANAGEMENT ASSOCIATION

DISTRIBUTION OF MEMBERSHIP

1986

County	Number of Members	Number of Records Submitted	Association Directors	County Extension Directors Agriculture
Dakota	7	5	Orrin Legare	Warren Sifferath
Dodge	6	5	Syvert Boyum	David H. Hanson
Mower	2	1		Harlan L. Johnsrud
Faribault	1	1	Chuck Vollum	Henry C. Bollum
Freeborn	2	1		Eldon H. Senske
Goodhue	12	10	Merle Schwartau	Richard C. Walter
Houston	4	4	James Luehmann,	Russell L. Krech
Winona	8	7	President	Neil R. Broadwater
LeSueur	3	3	Amos Hayes	Robert J. Leary
Nicollet	1	1		Donna Waldock
Waseca	2	1		David D. Werner
Olmsted	13	10	James Till	David J. Kjome
Fillmore	1	0		Sheila M. Craig
Rice	3	2	Dennis Gerold	Roger M. Wilkowske
Scott	4	4		David D. Hart
Steele	3	2	Don Wilker	Larry A. Tande
Wabasha	<u>7</u>	<u>4</u>	Francis Kottschade	Charles Schwartau
<b>TOTAL</b>	<b>79</b>	<b>61</b>		

Robert Lamprecht, Secretary-Treasurer

1986 ANNUAL REPORT OF THE SOUTHEASTERN  
MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION

TABLE OF CONTENTS

	Page
Explanatory Notes for the Whole-farm Reports.....	4-7
Table 1 - Detailed Farm Profit or Loss Statement.....	8-9
Table 2 - Inventory Changes.....	10
Table 3 - Depreciation and Other Capital Adjustments.....	11
Table 4 - Farm Profit After Extraordinary Items.....	*
Table 5 - Profitability and Liquidity Analysis.....	12
Table 6 - Comparative Financial Statements.....	13
Table 7 - Crop Production and Marketing Summary.....	14
Table 8 - Household and Personal Expenses.....	15
Table 9 - Non-farm Income Summary.....	16
Explanatory Notes for Crops Tables.....	17
Table 10-1 - Corn on Owned Land.....	18
Table 10-2 - Corn on Cash Rented Land.....	19
Table 10-3 - Corn on Share Rented Land.....	20
Table 10-4 - Soybeans on Owned Land.....	21
Table 10-5 - Soybeans on Cash Rented Land.....	22
Table 10-6 - Soybeans on Share Rented Land.....	23
Table 10-7 - Oats on Owned Land.....	24
Table 10-8 - Oats on Cash Rented Land.....	25
Table 10-9 - Barley on Owned Land.....	26
Table 10-10 - Spring Wheat on Owned Land.....	27
Table 10-11 - Spring Wheat on Cash Rented Land.....	28
Table 10-12 - Corn Silage on Owned Land.....	29
Table 10-13 - Corn Silage on Cash Rented Land.....	30
Table 10-14 - Alfalfa Hay on Owned Land.....	31
Table 10-15 - Alfalfa Hay on Cash Rented Land.....	32
Table 10-16 - Oatlage on Owned Land.....	33
Table 10-17 - Set Aside on Owned Land.....	34
Table 10-18 - Set Aside on Cash Rented Land.....	35
Table 10-19 - Set Aside on Share Rented Land.....	36
Explanatory Notes for Livestock Tables.....	37
Table 11-1 - Dairy (Milking Herd), per dairy cow.....	38
Table 11-2 - Dairy Heifers and Feeder Stock, per head.....	39
Table 11-3 - Dairy Heifers, per head.....	40
Table 11-4 - All Dairy, per dairy cow.....	41
Table 11-5 - Dairy Steers, per cwt. produced.....	42
Table 11-6 - Dairy Steers, per head.....	43
Table 11-7 - Farrow-to-Finish Hogs, per litter.....	44
Table 11-8 - Farrow-to-Finish Hogs, per cwt. produced.....	45
Table 11-9 - Hog Finishing, per head sold.....	46
Table 11-10 - Hog Finishing, per cwt. produced.....	47
Table 11-11 - Beef Cow/Calf, per cow.....	48
Table 11-12 - Beef Cow/Calf, per cwt. produced.....	49
Table 11-13 - All Beef Finishing Combined, per head sold.....	50
Table 11-14 - All Beef Finishing Combined, per cwt. produced.....	51
Table 12 - Prices Used in the Analysis.....	52
Explanatory Notes for Summary Tables.....	53
Table 13 - Summary of the Whole-Farm Analysis by Year.....	54
Table 14 - Summary of the Whole-Farm Analysis by Gross Income Class.....	55
Table 15 - Summary of the Whole-Farm Analysis by County.....	56
Table 16 - Corn on Cash Rented Land by County.....	57
Table 17 - Soybeans on Cash Rented Land by County.....	58

\*Table 4 is not included in the Southeast report.

## EXPLANATORY NOTES FOR THE WHOLE-FARM REPORTS

Tables 1 through 5 and 7 include the same number of farms, which were all of the farms whose records were judged to be of sufficient quality to be included in the overall report. Table 6, the Comparative Financial Statement, includes only sole proprietors. Partnerships and corporations are excluded because some debt is held outside of the business causing potential misinterpretations of the financial statement. Tables 8 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, but at times, these same farmers' crop or livestock records were not complete enough to include in the respective crop or livestock tables.

Rounding of individual items for the report may have caused minor discrepancies with the totals calculated.

### Table 1. Detailed Farm Profit or Loss Statement

This statement is a summary of income, expenses, and resultant profit or loss from farming operations for calendar year 1986.

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

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

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

The third and fourth sections of Table 1 deal with non-cash changes in the farm business. The "Inventory Changes" and "Depreciation and Other Capital Adjustments" sections are used to convert the cash income statement (Net Cash Farm Income) derived from the first two sections into an accrual income statement. The "bottom line," labeled "Profit or Loss," represents the return to the operator's and family's unpaid labor, management, and equity capital (net worth). In other words, it represents the return to all of the

resources which are owned by the farm family and, hence, not purchased or paid a wage. However, it does not include any debt forgiveness or asset repossessions.

Table 2. Inventory Changes

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

Table 3. Depreciation and Other Capital Adjustments

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

Table 4. Farm Profit After Extraordinary Items

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

This table is not included in the Southeast report due to an insufficient number of farms reporting debt forgiveness or asset repossession.

Table 5. Profitability and Liquidity Analysis

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

Profitability

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

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

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

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

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

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

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

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

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

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

"Return to farm net worth" is calculated by subtracting the "Value of operator's labor and management" from "Profit 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 and adjusted for inventory changes in crops, market livestock and breeding livestock.

#### Liquidity: Cash Basis

"Family Living and Taxes Paid" is the total family use of cash from Table 7. Thus, it is an average of the number of farms in Table 7 which is different from the number of farms in Table 5.

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

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

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

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

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

#### Liquidity: Accrual Basis

"Cash available for intermediate debt service" on the accrual basis is "Total net income" minus "Family living and taxes paid" and "Real estate principal payments" adjusted for inventory changes.

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

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

Table 6. Comparative Financial Statement

The beginning and ending net worth statements and solvency measures are presented for sole proprietors only in Table 6. Current assets are valued at market price at the time of the inventory which is January 1, 1986 and December 31, 1986 for the beginning and ending inventories, respectively. Intermediate and long-term assets that are depreciable are valued at cost remaining (amount remaining to be depreciated, plus salvage value). Raised breeding livestock is valued at conservative market replacement costs. Land is valued at conservative market price (by county average) for the Southwest Association and at cost basis for the Southeast Association.

Table 7. Crop Production and Marketing Summary

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

Table 8. Household and Personal Expense

For those farms that kept records, the household and personal expenses are summarized in Table 8. The farms are grouped in the same ranking as in Table 1. Since not all farms keep these records, the numbers may be different for each group. Averages are determined by the number of farms keeping these records.

Table 9. Nonfarm Income and Operator Information

This table reports the income from nonfarm sources which is included in a farmer's total net income. Not all farms have nonfarm income, but the figure reported is the average over all farms not just those reporting nonfarm income. Table 9 also reports the averages for the number of operators per farm, the operator's age, and the number of years farming. Not all farms report this information.

TABLE 1  
 \*\*\*\* DETAILED FARM PROFIT LOSS STATEMENT FOR 1986 \*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Farms Sorted According to Farm Profit/Loss)

	Average For All Farms	Average For Low 20%	Average For High 20%
<b>Number of Farms</b>	<b>61</b>	<b>12</b>	<b>12</b>
<b>Farm Income</b>			
Corn	\$9,567	\$11,046	\$20,801
Corn -- CCC or Reserve	\$8,557	\$5,494	\$8,339
Corn -- Net Govt Sales	\$1,589	\$1,404	\$2,377
Oats	\$696	\$1,853	\$213
Spring Wheat	\$349	\$293	\$389
Spring Wheat -- CCC or Reserve	\$124	\$0	\$0
Alfalfa Hay	\$825	\$590	\$1,418
Stover	\$31	\$133	\$0
Soybeans	\$11,265	\$14,114	\$19,522
Soybeans -- CCC or Reserve	\$621	\$0	\$37
Soybeans -- Net Govt Sales	\$352	\$0	\$0
Sweet Corn	\$1,833	\$2,631	\$0
Peas	\$1,142	\$2,593	\$0
Other Crop Income	\$660	\$10	\$2,672
Milk	\$68,012	\$40,649	\$97,159
Market Hogs (Raised)	\$18,791	\$8,305	\$56,351
Feeder Pigs	\$506	\$0	\$0
Beef Calves	\$612	\$2,655	\$0
Market Lambs (Raised)	\$131	\$665	\$0
Mixed Hogs	\$4,513	\$1,734	\$21,207
Wool	\$5	\$26	\$0
Market Hogs (Bought)	\$10,844	\$0	\$17,126
Custom Fed Hogs	\$21	\$0	\$0
Finished Beef	\$11,298	\$4,533	\$11,966
Dairy Steers	\$2,338	\$0	\$6,680
Dairy Heifers	\$1,127	\$630	\$385
Dairy Hfrs and Feeder Stock	\$4,272	\$2,411	\$2,731
Cull Breeding Livestock	\$7,817	\$7,545	\$12,949
Machine Work Income	\$2,002	\$1,644	\$1,559
Patronage Dividends	\$608	\$547	\$457
Government Payments	\$15,388	\$13,585	\$18,801
Hedging Account Cash Withdrawals	\$26	\$0	\$0
Other Farm Income	\$4,205	\$2,338	\$16,686
 <b>Gross Cash Farm Income</b>	 <b>\$190,124</b>	 <b>\$127,425</b>	 <b>\$319,827</b>

TABLE 1 (cont.)  
 \*\*\*\* DETAILED FARM PROFIT OR LOSS STATEMENT FOR 1986 \*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Farms Sorted According to Farm Profit/Loss)

	Average For All Farms	Average For Low 20%	Average For High 20%
<b>Number of Farms</b>	<b>61</b>	<b>12</b>	<b>12</b>
<b>Cash Expense</b>			
Hired Labor	\$5,933	\$7,330	\$6,615
Repairs	\$12,141	\$11,394	\$15,861
Land Rent	\$10,457	\$12,739	\$10,427
Mach. and Bldg. Leases	\$2,761	\$3,025	\$1,437
Interest	\$21,168	\$28,755	\$28,332
Feed Purchased	\$24,438	\$14,415	\$42,272
Seed	\$5,359	\$4,532	\$7,418
Fertilizer	\$7,539	\$7,628	\$10,490
Crop Chemicals	\$5,953	\$5,425	\$8,488
Machinery Work Hired	\$2,271	\$3,850	\$1,514
Supplies	\$6,121	\$3,682	\$8,477
Breeding Fees	\$1,455	\$799	\$2,338
Veterinarian and Medicine	\$2,634	\$2,598	\$3,097
Fuel, Oil and Drying	\$6,690	\$7,292	\$9,244
Irrigation	\$0	\$0	\$0
Real Estate Taxes	\$2,768	\$2,279	\$5,006
Crop Insurance	\$778	\$1,351	\$855
Farm Insurance	\$1,505	\$1,308	\$2,247
Utilities	\$4,258	\$3,251	\$6,692
Crop Marketing	\$393	\$171	\$799
Livestock Marketing	\$2,684	\$2,135	\$2,637
Feeder Livestock Purchased	\$11,162	\$5,420	\$13,047
Miscellaneous Farm	\$1,922	\$2,020	\$3,056
Miscellaneous Crop	\$675	\$1,583	\$296
Personal Property Taxes	\$0	\$0	\$0
Cash Paid into Hedging Accounts	\$23	\$0	\$0
<b>Total Cash Expense</b>	<b>\$141,090</b>	<b>\$132,982</b>	<b>\$190,644</b>
<b>Net Cash Farm Income</b>	<b>\$49,034</b>	<b>-\$5,556</b>	<b>\$129,182</b>
<b>Inventory Changes</b>			
Feed and Grain	-\$4,630	-\$1,023	-\$19,652
Market Livestock	-\$79	-\$5,003	\$3,573
Supplies and Prepaid Expenses	\$23	\$0	\$117
Accounts Receivable	\$4,006	\$1,826	\$7,543
Accounts Payable	\$2,515	\$7,198	\$2,300
<b>Total Inventory Change</b>	<b>\$1,833</b>	<b>\$2,996</b>	<b>-\$6,120</b>
<b>Net Operating Profit</b>	<b>\$50,866</b>	<b>-\$2,560</b>	<b>\$123,061</b>
<b>Depreciation and Other Capital Adj.</b>			
Breeding Livestock	-\$630	-\$2,655	\$2,685
Machinery and Equipment	-\$15,432	-\$9,807	-\$28,716
Buildings and Improvements	-\$9,655	-\$5,488	-\$23,657
Investment Stock and Other	\$34	\$0	\$0
<b>Total Depr. and Other Capital Adj.</b>	<b>-\$25,685</b>	<b>-\$17,951</b>	<b>-\$49,689</b>
<b>Profit or Loss</b>	<b>\$25,180</b>	<b>-\$20,513</b>	<b>\$73,371</b>

**TABLE 2**  
**\*\*\*\* INVENTORY CHANGES FOR 1986 \*\*\*\***  
**Southeast Minnesota Farm Business Management Association**  
**(Farms Sorted According to Farm Profit/Loss)**

	Average For All Farms	Average For Low 20%	Average For High 20%
<b>Number of Farms</b>	<b>61</b>	<b>12</b>	<b>12</b>
<b>Net Cash Farm Income</b>	<b>\$49,034</b>	<b>-\$5,556</b>	<b>\$129,182</b>
<b>Feed and Grain</b>			
Ending Inventory	\$54,154	\$38,070	\$106,237
Beginning Inventory	\$58,785	\$39,094	\$125,890
Inventory Change	-\$4,630	-\$1,023	-\$19,652
<b>Market Livestock</b>			
Ending Inventory	\$35,640	\$11,873	\$61,716
Beginning Inventory	\$35,720	\$16,877	\$58,143
Inventory Change	-\$79	-\$5,003	\$3,573
<b>Supplies and Prepaid Expenses</b>			
Ending Inventory	\$272	\$0	\$1,384
Beginning Inventory	\$249	\$0	\$1,267
Inventory Change	\$23	\$0	\$117
<b>Accounts Receivable</b>			
Ending Inventory	\$7,271	\$4,420	\$12,881
Beginning Inventory	\$3,265	\$2,594	\$5,338
Inventory Change	\$4,006	\$1,826	\$7,543
<b>Accounts Payable</b>			
Beginning Inventory	\$3,889	\$9,511	\$2,300
Ending Inventory	\$1,374	\$2,314	\$0
Inventory Change	\$2,515	\$7,198	\$2,300
<b>Total Inventory Change</b>	<b>\$1,833</b>	<b>\$2,996</b>	<b>-\$6,120</b>
<b>Net Operating Profit</b>	<b>\$50,867</b>	<b>-\$2,559</b>	<b>\$123,062</b>

**TABLE 3**  
**\*\*\*\*\* DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS FOR 1986 \*\*\*\*\***  
**Southeast Minnesota Farm Business Management Association**  
**(Farms Sorted According to Farm Profit/Loss)**

	Average For All Farms	Average For Low 20%	Average For High 20%
<b>Number of Farms</b>	<b>61</b>	<b>12</b>	<b>12</b>
<b>Net Operating Profit</b>	<b>\$50,866</b>	<b>-\$2,560</b>	<b>\$123,061</b>
 <b>Breeding Livestock</b>			
Ending Inventory + Repossessions	\$30,371	\$23,523	\$43,383
Beginning Inventory	\$29,904	\$25,968	\$39,011
Purchases	\$1,098	\$211	\$1,687
Beg. Inventory + Purchases	\$31,002	\$26,179	\$40,698
Depreciation, Capital Adj.	-\$630	-\$2,655	\$2,685
 <b>Machinery and Equipment</b>			
Ending Inventory	\$34,770	\$25,144	\$57,336
Sales + Repossessions	\$0	\$0	\$0
Ending Inventory + Sales + Rep.	\$34,770	\$25,144	\$57,336
Beginning Inventory	\$38,525	\$29,588	\$56,730
Purchases	\$11,678	\$5,364	\$29,323
Beg. Inventory + Purchases	\$50,203	\$34,953	\$86,053
Depreciation, Capital Adj.	-\$15,432	-\$9,807	-\$28,716
 <b>Buildings and Improvements</b>			
Ending Inventory	\$47,267	\$31,573	\$76,163
Sales + Repossessions	\$0	\$0	\$0
Ending Inventory + Sales + Rep.	\$47,267	\$31,573	\$76,163
Beginning Inventory	\$55,316	\$37,062	\$95,675
Purchases	\$1,607	\$0	\$4,146
Beg. Inventory + Purchases	\$56,923	\$37,062	\$99,821
Depreciation, Capital Adj.	-\$9,655	-\$5,488	-\$23,657
 <b>Stock and Other Assets</b>			
Ending Inventory	\$931	\$833	\$0
Sales + Repossessions	\$200	\$0	\$0
Ending Inventory + Sales + Rep.	\$1,131	\$833	\$0
Beginning Inventory	\$1,007	\$833	\$0
Purchases	\$90	\$0	\$0
Beg. Inventory + Purchases	\$1,097	\$833	\$0
Depreciation, Capital Adj.	\$34	\$0	\$0
 <b>Total Depreciation, Capital Adj.</b>	<b>-\$25,685</b>	<b>-\$17,951</b>	<b>-\$49,689</b>
 <b>Profit or Loss</b>	<b>\$25,180</b>	<b>-\$20,513</b>	<b>\$73,371</b>
 <b>Land (for information only)</b>			
Ending Inventory	\$122,490	\$78,822	\$252,290
Sales + Repossessions	\$0	\$0	\$0
Ending Inventory + Sales + Rep.	\$122,490	\$78,822	\$252,290
Beginning Inventory	\$120,346	\$78,822	\$245,290
Purchases	\$2,144	\$0	\$7,000
Beg. Inventory + Purchases	\$122,490	\$78,822	\$252,290

TABLE 5  
 \*\*\*\* PROFITABILITY AND LIQUIDITY ANALYSIS FOR 1986 \*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Farms Sorted According to Farm Profit/Loss)

Number of Farms	Average For All Farms	Average For Low 20%	Average For High 20%
61	12	12	
<b>Profitability</b>			
Labor and Management Earnings	\$16,418	-\$18,462	\$51,027
Rate of Return on Investment (%)	8	-1	12
Rate of Return on Net Worth (%)	5	-98	13
Net Profit Margin (%)	16	-3	26
Asset Turnover Rate (%)	50	50	46
Interest on Farm Net Worth	\$8,762	-\$2,049	\$22,345
Farm Interest Paid	\$21,168	\$28,755	\$28,332
Value of Operator's Labor and Mgmt.	\$17,951	\$13,125	\$25,000
Return to Farm Investment	\$28,397	-\$4,883	\$76,703
Average Farm Investment	\$345,969	\$225,410	\$634,683
Return to Farm Net Worth	\$7,229	-\$33,638	\$48,371
Average Farm Net Worth	\$146,032	-\$34,174	\$372,411
Value of Farm Production	\$173,619	\$113,321	\$293,384
<b>Liquidity</b>			
-Cash Basis			
Net Cash Farm Income	\$49,034	-\$5,556	\$129,182
Nonfarm Income	\$8,429	\$19,768	\$2,887
Total Net Cash Income	\$57,463	\$14,211	\$132,069
Family Living and Taxes Paid	\$26,945	\$26,945	\$26,945
Real Estate Principal Payments	\$17,640	\$2,066	\$57,126
Cash Available for Interm. Debt	\$12,879	-\$14,799	\$47,998
Average Intermediate Debt	\$45,875	\$63,766	\$37,572
Years to Turn Over Interm. Debt	3.56	**	0.78
Cash Expense as a % of Income	74	104	60
Interest as a % of Income	11	23	9
-Accrual Basis			
Inventory Change (Income Items)	-\$704	-\$4,201	-\$8,537
Total Accrual Farm Income	\$189,419	\$123,223	\$311,289
Inventory Change (Expense Items)	-\$2,537	-\$7,197	-\$2,416
Total Accrual Farm Expense	\$138,552	\$125,784	\$188,228
Net Accrual Farm Income	\$50,866	-\$2,560	\$123,061
Nonfarm Income	\$8,429	\$19,768	\$2,887
Total Net Accrual Income	\$59,296	\$17,206	\$125,948
Family Living and Taxes Paid	\$26,945	\$26,945	\$26,945
Real Estate Principal Payments	\$17,640	\$2,066	\$57,126
Cash Available for Interm. Debt	\$14,711	-\$11,804	\$41,877
Average Intermediate Debt	\$45,875	\$63,766	\$37,572
Years to Turn Over Interm. Debt	3.12	**	0.9
Cash Expense as a % of Income	73	102	60
Interest as a % of Income	10	19	9

\*\* Income insufficient to meet debt servicing requirements.

TABLE 6  
\*\*\*\* COMPARATIVE FINANCIAL STATEMENT FOR 1986 \*\*\*\*  
Southeast Minnesota Farm Business Management Association  
(Farms Sorted According to Farm Profit/Loss)

Number of Farms	Average For All Farms		Average For Low 20%		Average For High 20%	
	46		11		6	
<b>Assets</b>	<b>Beginning</b>	<b>Ending</b>	<b>Beginning</b>	<b>Ending</b>	<b>Beginning</b>	<b>Ending</b>
-----	-----	-----	-----	-----	-----	-----
<b>Current Farm Assets</b>						
Cash	\$5,433	\$9,697	\$1,043	\$4,964	\$12,842	\$31,501
Prepaid Expenses and Supplies	\$0	\$0	\$0	\$0	\$0	\$0
Growing Crops	\$0	\$0	\$0	\$0	\$0	\$0
Accounts Receivable	\$2,630	\$6,032	\$2,134	\$4,822	\$4,902	\$11,400
Hedging Accounts	\$83	\$12	\$0	\$0	\$0	\$0
Crops Held for Sale or Feed	\$43,131	\$42,688	\$35,623	\$34,514	\$91,901	\$97,239
Livestock Held for Sale	\$27,487	\$26,207	\$15,971	\$10,512	\$39,000	\$44,436
Total Current Farm Assets	\$78,764	\$84,636	\$54,771	\$54,812	\$148,645	\$184,577
<b>Intermediate Farm Assets</b>						
Breeding Livestock	\$23,942	\$24,305	\$22,997	\$20,989	\$19,767	\$23,704
Machinery and Equipment	\$33,401	\$31,324	\$31,032	\$26,003	\$39,438	\$51,738
Other Intermediate Assets	\$451	\$230	\$0	\$0	\$0	\$0
Total Intermediate Farm Assets	\$57,793	\$55,859	\$54,029	\$46,992	\$59,205	\$75,442
<b>Long-term Farm Assets</b>						
Buildings and Improvements	\$44,096	\$37,780	\$30,568	\$26,000	\$87,922	\$72,576
Farm Land	\$89,404	\$92,246	\$81,623	\$81,623	\$205,196	\$219,196
Other Long-term Farm Assets	\$885	\$1,005	\$909	\$909	\$0	\$0
Total Long-term Farm Assets	\$134,384	\$131,030	\$113,101	\$108,533	\$293,118	\$277,772
<b>Total Farm Assets</b>	<b>\$270,942</b>	<b>\$271,525</b>	<b>\$221,901</b>	<b>\$210,337</b>	<b>\$500,967</b>	<b>\$537,791</b>
<b>Nonfarm Assets</b>	<b>\$46,215</b>	<b>\$49,075</b>	<b>\$33,314</b>	<b>\$34,089</b>	<b>\$28,471</b>	<b>\$31,808</b>
<b>Total Assets</b>	<b>\$317,157</b>	<b>\$320,601</b>	<b>\$255,215</b>	<b>\$244,426</b>	<b>\$529,438</b>	<b>\$569,599</b>
<b>Liabilities</b>						
-----	-----	-----	-----	-----	-----	-----
<b>Current Farm Liabilities</b>						
Accounts Payable	\$4,065	\$1,688	\$9,585	\$1,962	\$1,433	\$0
Current Notes	\$18,772	\$20,647	\$26,086	\$34,237	\$35,401	\$33,640
Total Current Farm Liabilities	\$22,838	\$22,334	\$35,671	\$36,199	\$36,834	\$33,640
<b>Intermediate Farm Liabilities</b>	<b>\$43,031</b>	<b>\$40,923</b>	<b>\$51,469</b>	<b>\$53,660</b>	<b>\$22,859</b>	<b>\$23,969</b>
<b>Long-term Farm Liabilities</b>	<b>\$106,151</b>	<b>\$106,387</b>	<b>\$148,866</b>	<b>\$149,030</b>	<b>\$144,662</b>	<b>\$150,658</b>
<b>Total Farm Liabilities</b>	<b>\$172,019</b>	<b>\$169,645</b>	<b>\$236,006</b>	<b>\$238,888</b>	<b>\$204,355</b>	<b>\$208,267</b>
<b>Nonfarm Liabilities</b>	<b>\$526</b>	<b>\$673</b>	<b>\$375</b>	<b>\$332</b>	<b>\$0</b>	<b>\$1,700</b>
<b>Total Liabilities</b>	<b>\$172,545</b>	<b>\$170,318</b>	<b>\$236,381</b>	<b>\$239,220</b>	<b>\$204,355</b>	<b>\$209,967</b>
<b>Net Worth</b>	<b>\$144,610</b>	<b>\$150,282</b>	<b>\$18,833</b>	<b>\$5,205</b>	<b>\$325,082</b>	<b>\$359,632</b>
<b>Net Worth Change</b>		<b>\$5,670</b>		<b>-\$13,627</b>		<b>\$34,548</b>
<b>Solvency Measures for Farm Only</b>						
-----	-----	-----	-----	-----	-----	-----
Curr. + Interm. Liab. / Assets (Percent)	48	45	80	88	29	22
Long-term Liabilities / Assets (Percent)	79	81	132	137	51	54
Total Liabilities / Assets (Percent)	63	62	106	114	47	44

TABLE 7  
 \*\*\*\* CROP PRODUCTION AND MARKETING SUMMARY FOR 1986 \*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Farms Sorted According to Farm Profit/Loss)

	Average For All Farms	Average For Low 20%	Average For High 20%
<b>Number of Farms</b>	<b>61</b>	<b>12</b>	<b>12</b>
<b>Total Acres Owned</b>	<b>264</b>	<b>220</b>	<b>494</b>
<b>Total Crop Acres</b>	<b>376</b>	<b>337</b>	<b>555</b>
<b>Crop Acres Owned</b>	<b>198</b>	<b>143</b>	<b>386</b>
<b>Crop Acres Cash Rented</b>	<b>157</b>	<b>188</b>	<b>140</b>
<b>Crop Acres Share Rented</b>	<b>21</b>	<b>6</b>	<b>29</b>
<b>Total Pasture Acres</b>	<b>7</b>	<b>0</b>	<b>7</b>
 <b>Average Price Received</b>			
 (For Cash Sales Only)			
<b>Corn per Bushel</b>	<b>\$2.02</b>	<b>\$1.82</b>	<b>\$2.27</b>
<b>Oats per Bushel</b>	<b>\$1.41</b>	<b>\$1.75</b>	<b>\$1.00</b>
<b>Spring Wheat per Bushel</b>	<b>\$2.28</b>	<b>\$1.93</b>	<b>\$2.66</b>
<b>Soybeans per Bushel</b>	<b>\$5.07</b>	<b>\$5.65</b>	<b>\$5.14</b>
<b>Alfalfa Hay per Ton</b>	<b>\$61.93</b>	<b>\$41.13</b>	<b>\$81.52</b>
 <b>Average Yield per Acre</b>			
 (On Owned Land Only)			
<b>Corn (bu)</b>	<b>140.31</b>	<b>134.01</b>	<b>145.05</b>
<b>Oats (bu)</b>	<b>57.14</b>	<b>58.58</b>	<b>47.49</b>
<b>Spring Wheat (bu)</b>	<b>42.18</b>	<b>35.33</b>	<b>60.59</b>
<b>Soybeans (bu)</b>	<b>40.81</b>	<b>35.50</b>	<b>43.15</b>

**TABLE 8**  
**\*\*\*\* HOUSEHOLD AND PERSONAL EXPENSES FOR 1986 \*\*\*\***  
**Southeast Minnesota Farm Business Management Association**  
**(Average of all farms reporting)**

	<b>Average For All Farms</b>
<b>Number of Farms</b>	<b>15</b>
<b>Average Family Size</b>	<b>3.53</b>
<b>Household Expenses</b>	
Food and Meals	\$3,955
Medical Care and Health Insurance	\$2,850
Church and Charity Donations	\$2,434
Operation and Supplies	\$986
Clothing and Clothing Materials	\$1,363
Gifts and Special Events	\$1,053
Personal Share of Auto and Truck	\$1,106
Personal Care and Spending	\$787
Education	\$571
Recreation	\$921
Household Real Estate Taxes	\$209
Dwelling Rent	\$56
Telephone and Electricity	\$950
Living from the Farm (Noncash)	\$378
<b>Total Family Living Expenses</b>	<b>\$17,619</b>
<b>Capital Expenditures</b>	
Upkeep on Dwelling	\$232
Furnishings and Equipment	\$1,505
Household Capital Purchases	\$680
Personal Vehicles & Other Purchases	\$0
Nonfarm Real Estate Purchased	\$144
Life Insurance Payments	\$1,375
Savings	\$2,592
<b>Total Capital Expenditures</b>	<b>\$6,528</b>
<b>Income Taxes</b>	<b>\$3,176</b>
<b>Total Family uses of Cash</b>	<b>\$26,945</b>

**TABLE 9**  
**\*\*\*\*\* NONFARM INCOME AND OPERATOR INFORMATION FOR 1986 \*\*\*\*\***  
**Southeast Minnesota Farm Business Management Association**  
**(Farms Sorted According to Farm Profit/Loss)**

	Average For All Farms	Average For Low 20%	Average For High 20%
<b>Number of Farms</b>	<b>61</b>	<b>12</b>	<b>12</b>
<b>Nonfarm Income</b>			
<b>-----</b>			
Wages	\$4,843	\$14,422	\$567
Net Nonfarm Business Income	\$506	\$1,437	-\$29
Rental Income	\$430	\$1,535	\$0
Interest and Dividends	\$1,878	\$228	\$2,000
Tax Refunds	\$336	\$515	\$351
Other Nonfarm Income	\$437	\$1,631	\$0
<b>Total Nonfarm Income</b>	<b>\$8,429</b>	<b>\$19,768</b>	<b>\$2,887</b>
<b>Operator Information</b>			
<b>-----</b>			
Average Number of Operators	1.31	0.92	1.83
Average Age of Operators	42.48	47.36	39.32
Average Number of Years Farming	19.49	23.73	16.73

## EXPLANATORY NOTES FOR CROPS TABLES

The "Crop Enterprise Analysis" tables show the average physical production, gross return, direct costs, overhead costs, and net returns per acre. All costs are actual costs; no opportunity costs are included. The "Net Return per Acre" is the "Gross Return per Acre" minus the direct and overhead costs. The "Net cash flow generated for principal payments, income taxes, and family living" is calculated as "Net return per acre" plus "Depreciation." (All overhead costs except depreciation are assumed to be cash costs.) The last section of each crop table contains economic efficiency measures which provide useful standards or goals for individual managers.

The crop enterprise tables do not include any government program benefits. If they were included, the returns would be better and the land costs would be more in line with the returns.

There are potentially three tables for each group depending on the farmer's tenure on the land. The crop tables may be for (1) owned land, (2) cash rented land, or (3) share rented land. It is possible for an individual farm to have data in all three tables if all three land tenure categories are represented in that farm business. When there are less than five farms with a particular crop and tenure, that table is not included in the report. Farms are classified into low 20% or high 20% on the basis of returns to overhead costs. The classification is done separately for each table, i.e., an individual farm may be in the low 20% for one crop, the high 20% for a second, and the middle 60% for a third. When there are less than 25 total farms with any particular crop and farmer's tenure, only overall averages are presented.

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

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

Rounding of individual items for the report may have caused minor discrepancies with the calculated totals.

TABLE 10-1

\*\*\*\*\* 1986 Crop Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Farms Sorted According to Return to Overhead per Acre)

## CORN ON OWNED LAND

	Average For All Farms	Average For Low 20%	Average For High 20%
Number of Fields	47	9	9
Number of Farms	47	9	9
Acres	109.12	59.72	165.11
Yield per Acre	140.31	116.22	147.71
Operators Share of Yield %	100	100	100
Value per Bushel	\$1.72	\$1.72	\$1.72
Crop Product Return per Acre	\$241.33	\$199.90	\$254.07
Other Crop Income per Acre	\$0.23	\$0.00	\$0.27
Gross Return per Acre	\$241.56	\$199.90	\$254.34
Direct Costs per Acre			
Seed	\$20.87	\$20.66	\$19.88
Fertilizer	\$35.86	\$45.62	\$36.60
Chemicals	\$24.17	\$24.31	\$22.08
Crop Insurance	\$0.99	\$1.13	\$0.18
Custom Work Hired	\$6.28	\$24.99	\$1.50
Fuel and Oil	\$12.52	\$13.64	\$11.81
Repairs	\$26.41	\$33.20	\$18.74
Crop Drying	\$8.66	\$11.46	\$4.87
Crop Marketing	\$1.54	\$0.00	\$0.72
Utilities	\$0.30	\$0.00	\$0.94
Lease Payments	\$0.25	\$0.00	\$0.00
Miscellaneous Crop Expense	\$0.37	\$1.43	\$0.11
Operating Interest	\$3.69	\$10.74	\$1.34
Total Direct Costs per Acre	\$141.91	\$187.17	\$118.79
Return to Overhead per Acre	\$99.65	\$12.73	\$135.55
Overhead Costs per Acre (as allocated by farmers)			
Utilities	\$1.35	\$1.35	\$1.19
Hired Labor	\$6.05	\$6.53	\$2.19
Farm Insurance	\$2.84	\$3.81	\$2.57
Machinery Lease Payments	\$1.00	\$1.41	\$0.50
Real Estate Taxes	\$11.24	\$7.45	\$11.30
Miscellaneous Farm Expense	\$3.60	\$2.79	\$4.65
Interest	\$56.56	\$57.44	\$62.21
Depreciation	\$53.02	\$37.02	\$68.70
Total Overhead Costs per Acre	\$135.66	\$117.80	\$153.31
Total Listed Costs per Acre	\$277.56	\$304.98	\$272.09
Net Return per Acre	-\$36.00	-\$105.07	-\$17.75
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	\$17.01	-\$68.05	\$50.95
Total Direct Costs per Bushel	\$1.01	\$1.61	\$0.80
Total Listed Costs per Bushel	\$1.98	\$2.62	\$1.84
Net Return per Bushel	-\$0.26	-\$0.90	-\$0.12
Break Even Yield per Acre	161.37	177.31	158.19

TABLE 10-2

\*\*\*\*\* 1986 Crop Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Farms Sorted According to Return to Overhead per Acre)

## CORN ON CASH RENTED LAND

	Average For All Farms	Average For Low 20%	Average For High 20%
Number of Fields	35	7	7
Number of Farms	35	7	7
Acres	119.97	88.94	79.36
Yield per Acre	136.66	126.57	158.58
Operators Share of Yield %	100	100	100
Value per Bushel	\$1.72	\$1.72	\$1.72
Crop Product Return per Acre	\$235.05	\$217.69	\$272.76
Other Crop Income per Acre	\$2.75	\$0.00	\$0.00
Gross Return per Acre	\$237.80	\$217.69	\$272.76
Direct Costs per Acre			
Seed	\$20.04	\$20.33	\$18.88
Fertilizer	\$37.07	\$38.47	\$45.41
Chemicals	\$23.16	\$17.39	\$20.43
Crop Insurance	\$2.48	\$1.90	\$0.79
Custom Work Hired	\$8.16	\$18.86	\$1.75
Fuel and Oil	\$10.59	\$13.36	\$8.57
Repairs	\$22.70	\$23.79	\$14.67
Crop Drying	\$12.27	\$14.77	\$16.21
Crop Marketing	\$0.42	\$0.00	\$1.69
Utilities	\$0.08	\$0.00	\$0.00
Land Rent	\$61.90	\$75.46	\$62.81
Lease Payments	\$0.81	\$0.00	\$5.98
Miscellaneous Crop Expense	\$0.93	\$0.45	\$0.18
Operating Interest	\$6.40	\$14.76	\$2.23
Total Direct Costs per Acre	\$207.01	\$239.54	\$199.60
Return to Overhead per Acre	\$30.80	-\$21.85	\$73.15
Overhead Costs per Acre (as allocated by farmers)			
Utilities	\$1.49	\$0.82	\$0.99
Hired Labor	\$4.80	\$2.39	\$1.59
Farm Insurance	\$1.31	\$1.34	\$1.26
Machinery Lease Payments	\$5.24	\$1.23	\$1.13
Real Estate Taxes	\$0.00	\$0.00	\$0.00
Miscellaneous Farm Expense	\$2.63	\$1.51	\$1.03
Interest	\$13.03	\$3.04	\$5.12
Depreciation	\$28.17	\$23.70	\$41.52
Total Overhead Costs per Acre	\$56.67	\$34.03	\$52.64
Total Listed Costs per Acre	\$263.68	\$273.57	\$252.25
Net Return per Acre	-\$25.88	-\$55.88	\$20.51
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	\$2.29	-\$32.18	\$62.03
Total Direct Costs per Bushel	\$1.51	\$1.89	\$1.26
Total Listed Costs per Bushel	\$1.93	\$2.16	\$1.59
Net Return per Bushel	-\$0.19	-\$0.44	\$0.13
Break Even Yield per Acre	153.3	159.05	146.65

TABLE 10-3

\*\*\*\*\* 1986 Crop Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

## CORN ON SHARE RENTED LAND

Number of Fields	8
Number of Farms	8
Acres	68.29
Yield per Acre	139.04
Operators Share of Yield %	55.84
Value per Bushel	\$1.72
Crop Product Return per Acre	\$133.54
Other Crop Income per Acre	\$0.00
Gross Return per Acre	\$133.54
Direct Costs per Acre	
Seed	\$12.55
Fertilizer	\$24.96
Chemicals	\$12.35
Crop Insurance	\$1.64
Custom Work Hired	\$3.33
Fuel and Oil	\$9.83
Repairs	\$15.32
Crop Drying	\$7.05
Lease Payments	\$0.09
Miscellaneous Crop Expense	\$0.53
Operating Interest	\$4.31
Total Direct Costs per Acre	\$91.97
Return to Overhead per Acre	\$41.57
Overhead Costs per Acre (as allocated by farmers)	
Utilities	\$0.73
Hired Labor	\$2.89
Farm Insurance	\$0.63
Machinery Lease Payments	\$0.01
Real Estate Taxes	\$0.00
Miscellaneous Farm Expense	\$1.43
Interest	\$4.02
Depreciation	\$33.26
Total Overhead Costs per Acre	\$42.97
Total Listed Costs per Acre	\$134.94
Net Return per Acre	-\$1.40
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	\$31.86
Total Direct Costs per Bushel	\$1.18
Total Listed Costs per Bushel	\$1.74
Net Return per Bushel	\$0.01
Break Even Yield per Acre	140.5

TABLE 10-4

\*\*\*\*\* 1986 Crop Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Farms Sorted According to Return to Overhead per Acre)

## SOYBEANS ON OWNED LAND

	Average For All Farms	Average For Low 20%	Average For High 20%
Number of Fields	26	5	5
Number of Farms	26	5	5
Acres	60.42	36.3	73.6
Yield per Acre	40.81	24.41	48.43
Operators Share of Yield %	100	100	100
Value per Bushel	\$4.60	\$4.60	\$4.60
Crop Product Return per Acre	\$187.74	\$112.30	\$222.77
Other Crop Income per Acre	\$0.00	\$0.00	\$0.00
Gross Return per Acre	\$187.74	\$112.30	\$222.77
Direct Costs per Acre			
Seed	\$10.24	\$10.18	\$10.30
Fertilizer	\$4.48	\$1.64	\$1.65
Chemicals	\$26.95	\$19.98	\$23.25
Crop Insurance	\$3.26	\$5.28	\$2.75
Custom Work Hired	\$2.34	\$14.17	\$0.05
Fuel and Oil	\$10.01	\$13.05	\$8.73
Repairs	\$17.71	\$25.22	\$16.25
Crop Drying	\$0.23	\$0.00	\$0.21
Crop Marketing	\$0.48	\$0.00	\$2.04
Lease Payments	\$0.04	\$0.00	\$0.00
Miscellaneous Crop Expense	\$0.23	\$0.00	\$0.18
Operating Interest	\$3.07	\$2.75	\$0.41
Total Direct Costs per Acre	\$79.05	\$92.27	\$65.81
Return to Overhead per Acre	\$108.69	\$20.03	\$156.96
Overhead Costs per Acre (as allocated by farmers)			
Utilities	\$1.42	\$0.48	\$2.87
Hired Labor	\$4.21	\$12.68	\$1.95
Farm Insurance	\$2.09	\$1.96	\$2.74
Machinery Lease Payments	\$2.05	\$0.00	\$0.00
Real Estate Taxes	\$12.68	\$11.71	\$9.84
Miscellaneous Farm Expense	\$3.13	\$2.16	\$6.64
Interest	\$69.04	\$64.40	\$36.36
Depreciation	\$39.81	\$27.65	\$36.39
Total Overhead Costs per Acre	\$134.43	\$121.05	\$96.80
Total Listed Costs per Acre	\$213.48	\$213.31	\$162.61
Net Return per Acre	-\$25.74	-\$101.02	\$60.16
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	\$14.07	-\$73.37	\$96.55
Total Direct Costs per Bushel	\$1.94	\$3.78	\$1.36
Total Listed Costs per Bushel	\$5.23	\$8.74	\$3.36
Net Return per Bushel	-\$0.63	-\$4.14	\$1.24
Break Even Yield per Acre	46.41	46.37	35.35

TABLE 10-5

\*\*\*\*\* 1986 Crop Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

## SOYBEANS ON CASH RENTED LAND

Number of Fields	24
Number of Farms	24
Acres	91.03
Yield per Acre	35.81
Operators Share of Yield %	100
Value per Bushel	\$4.60
Crop Product Return per Acre	\$164.73
Other Crop Income per Acre	\$15.15
Gross Return per Acre	\$179.88
Direct Costs per Acre	
Seed	\$9.37
Fertilizer	\$3.29
Chemicals	\$26.65
Crop Insurance	\$7.78
Custom Work Hired	\$1.79
Fuel and Oil	\$8.77
Repairs	\$16.70
Crop Drying	\$0.19
Crop Marketing	\$1.74
Land Rent	\$62.67
Lease Payments	\$0.01
Miscellaneous Crop Expense	\$0.84
Operating Interest	\$6.62
Total Direct Costs per Acre	\$146.43
Return to Overhead per Acre	\$33.45
Overhead Costs per Acre (as allocated by farmers)	
Utilities	\$1.24
Hired Labor	\$6.26
Farm Insurance	\$1.15
Machinery Lease Payments	\$6.14
Real Estate Taxes	\$0.00
Miscellaneous Farm Expense	\$3.20
Interest	\$10.50
Depreciation	\$22.74
Total Overhead Costs per Acre	\$51.23
Total Listed Costs per Acre	\$197.66
Net Return per Acre	-\$17.78
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	\$4.96
Total Direct Costs per Bushel	\$4.09
Total Listed Costs per Bushel	\$5.52
Net Return per Bushel	-\$0.50
Break Even Yield per Acre	42.97

TABLE 10-6

\*\*\*\*\* 1986 Crop Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

## SOYBEANS ON SHARE RENTED LAND

Number of Fields	6
Number of Farms	6
Acres	57.77
Yield per Acre	39.46
Operators Share of Yield %	50.54
Value per Bushel	\$4.60
Crop Product Return per Acre	\$91.74
Other Crop Income per Acre	\$0.00
Gross Return per Acre	\$91.74
Direct Costs per Acre	
Seed	\$4.50
Fertilizer	\$1.23
Chemicals	\$8.62
Crop Insurance	\$2.88
Custom Work Hired	\$1.06
Fuel and Oil	\$4.72
Repairs	\$8.71
Crop Drying	\$0.60
Miscellaneous Crop Expense	\$0.35
Operating Interest	\$4.01
Total Direct Costs per Acre	\$36.68
Return to Overhead per Acre	\$55.06
Overhead Costs per Acre (as allocated by farmers)	
Utilities	\$0.44
Hired Labor	\$0.02
Farm Insurance	\$0.45
Machinery Lease Payments	\$0.01
Real Estate Taxes	\$0.00
Miscellaneous Farm Expense	\$0.73
Interest	\$1.54
Depreciation	\$23.80
Total Overhead Costs per Acre	\$26.99
Total Listed Costs per Acre	\$63.67
Net Return per Acre	\$28.07
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	\$51.87
Total Direct Costs per Bushel	\$1.84
Total Listed Costs per Bushel	\$3.19
Net Return per Bushel	\$1.41
Break Even Yield per Acre	27.39

TABLE 10-7

\*\*\*\*\* 1986 Crop Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

## OATS ON OWNED LAND

Number of Fields	24
Number of Farms	24
Acres	24.53
Yield per Acre	57.14
Operators Share of Yield %	100
Value per Bushel	\$0.80
Crop Product Return per Acre	\$45.71
Other Crop Income per Acre	\$31.09
Gross Return per Acre	\$76.80
Direct Costs per Acre	
Seed	\$8.55
Fertilizer	\$3.06
Chemicals	\$0.10
Crop Insurance	\$0.43
Custom Work Hired	\$9.58
Fuel and Oil	\$8.13
Repairs	\$16.87
Miscellaneous Crop Expense	\$1.27
Operating Interest	\$2.89
Total Direct Costs per Acre	\$50.89
Return to Overhead per Acre	\$25.91
Overhead Costs per Acre (as allocated by farmers)	
Utilities	\$0.57
Hired Labor	\$4.65
Farm Insurance	\$2.17
Machinery Lease Payments	\$0.16
Real Estate Taxes	\$8.67
Miscellaneous Farm Expense	\$2.86
Interest	\$39.49
Depreciation	\$23.66
Total Overhead Costs per Acre	\$82.22
Total Listed Costs per Acre	\$133.11
Net Return per Acre	-\$56.31
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	-\$32.65
Total Direct Costs per Bushel	\$0.89
Total Listed Costs per Bushel	\$2.33
Net Return per Bushel	-\$0.99
Break Even Yield per Acre	166.39

TABLE 10-8

\*\*\*\*\* 1986 Crop Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

## OATS ON CASH RENTED LAND

Number of Fields	13
Number of Farms	13
Acres	27.84
Yield per Acre	58.72
Operators Share of Yield %	100
Value per Bushel	\$0.80
Crop Product Return per Acre	\$46.97
Other Crop Income per Acre	\$31.38
Gross Return per Acre	\$78.35
Direct Costs per Acre	
Seed	\$8.04
Fertilizer	\$2.49
Chemicals	\$0.03
Crop Insurance	\$0.22
Custom Work Hired	\$8.87
Fuel and Oil	\$6.18
Repairs	\$16.00
Land Rent	\$53.56
Miscellaneous Crop Expense	\$1.14
Operating Interest	\$3.97
Total Direct Costs per Acre	\$100.52
Return to Overhead per Acre	-\$22.17
Overhead Costs per Acre (as allocated by farmers)	
Utilities	\$1.01
Hired Labor	\$8.75
Farm Insurance	\$1.67
Machinery Lease Payments	\$3.99
Real Estate Taxes	\$0.00
Miscellaneous Farm Expense	\$2.83
Interest	\$4.88
Depreciation	\$17.09
Total Overhead Costs per Acre	\$40.24
Total Listed Costs per Acre	\$140.75
Net Return per Acre	-\$62.41
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	-\$45.31
Total Direct Costs per Bushel	\$1.71
Total Listed Costs per Bushel	\$2.40
Net Return per Bushel	-\$1.06
Break Even Yield per Acre	175.94

TABLE 10-9

\*\*\*\*\* 1986 Crop Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

## BARLEY ON OWNED LAND

Number of Fields	7
Number of Farms	7
Acres	32.51
Yield per Acre	56.07
Operators Share of Yield %	100
Value per Bushel	\$1.25
Crop Product Return per Acre	\$70.09
Other Crop Income per Acre	\$11.83
Gross Return per Acre	\$81.92
Direct Costs per Acre	
Seed	\$9.15
Fertilizer	\$9.10
Chemicals	\$0.18
Custom Work Hired	\$5.88
Fuel and Oil	\$6.82
Repairs	\$16.61
Miscellaneous Crop Expense	\$0.29
Operating Interest	\$0.98
Total Direct Costs per Acre	\$49.01
Return to Overhead per Acre	\$32.91
Overhead Costs per Acre (as allocated by farmers)	
Utilities	\$0.40
Hired Labor	\$7.11
Farm Insurance	\$2.99
Machinery Lease Payments	\$0.03
Real Estate Taxes	\$13.98
Miscellaneous Farm Expense	\$2.94
Interest	\$16.03
Depreciation	\$28.53
Total Overhead Costs per Acre	\$72.00
Total Listed Costs per Acre	\$121.02
Net Return per Acre	-\$39.10
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	-\$10.57
Total Direct Costs per Bushel	\$0.87
Total Listed Costs per Bushel	\$2.16
Net Return per Bushel	-\$0.70
Break Even Yield per Acre	96.81

TABLE 10-10

\*\*\*\*\* 1986 Crop Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

## SPRING WHEAT ON OWNED LAND

Number of Fields	7
Number of Farms	7
Acres	25.17
Yield per Acre	42.18
Operators Share of Yield %	100
Value per Bushel	\$2.60
Crop Product Return per Acre	\$109.67
Other Crop Income per Acre	\$30.06
Gross Return per Acre	\$139.74
Direct Costs per Acre	
Seed	\$11.71
Fertilizer	\$18.20
Chemicals	\$1.10
Custom Work Hired	\$8.73
Fuel and Oil	\$8.91
Repairs	\$18.31
Miscellaneous Crop Expense	\$1.37
Operating Interest	\$3.09
Total Direct Costs per Acre	\$71.42
Return to Overhead per Acre	\$68.32
Overhead Costs per Acre (as allocated by farmers)	
Utilities	\$0.76
Hired Labor	\$2.16
Farm Insurance	\$1.33
Machinery Lease Payments	\$1.08
Real Estate Taxes	\$15.00
Miscellaneous Farm Expense	\$1.09
Interest	\$33.28
Depreciation	\$23.55
Total Overhead Costs per Acre	\$78.25
Total Listed Costs per Acre	\$149.67
Net Return per Acre	-\$9.93
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	\$13.62
Total Direct Costs per Bushel	\$1.69
Total Listed Costs per Bushel	\$3.55
Net Return per Bushel	-\$0.24
Break Even Yield per Acre	57.56

TABLE 10-11

\*\*\*\*\* 1986 Crop Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

## SPRING WHEAT ON CASH RENTED LAND

Number of Fields	9
Number of Farms	9
Acres	16.92
Yield per Acre	42.19
Operators Share of Yield %	100
Value per Bushel	\$2.60
Crop Product Return per Acre	\$109.69
Other Crop Income per Acre	\$15.78
Gross Return per Acre	\$125.47
Direct Costs per Acre	
Seed	\$12.14
Fertilizer	\$15.67
Crop Insurance	\$1.49
Custom Work Hired	\$4.18
Fuel and Oil	\$7.02
Repairs	\$14.37
Land Rent	\$60.79
Miscellaneous Crop Expense	\$1.54
Operating Interest	\$2.60
Total Direct Costs per Acre	\$119.79
Return to Overhead per Acre	\$5.68
Overhead Costs per Acre (as allocated by farmers)	
Utilities	\$0.80
Hired Labor	\$6.61
Farm Insurance	\$1.49
Machinery Lease Payments	\$7.77
Real Estate Taxes	\$0.00
Miscellaneous Farm Expense	\$2.44
Interest	\$13.60
Depreciation	\$11.86
Total Overhead Costs per Acre	\$44.59
Total Listed Costs per Acre	\$164.38
Net Return per Acre	-\$38.91
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	-\$27.05
Total Direct Costs per Bushel	\$2.84
Total Listed Costs per Bushel	\$3.90
Net Return per Bushel	-\$0.92
Break Even Yield per Acre	63.22

TABLE 10-12

\*\*\*\*\* 1986 Crop Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

## CORN SILAGE ON OWNED LAND

Number of Fields	24
Number of Farms	24
Acres	15.4
Yield per Acre	18.42
Operators Share of Yield %	100
Value per Ton	\$13.00
Crop Product Return per Acre	\$239.43
Other Crop Income per Acre	\$0.00
Gross Return per Acre	\$239.43
Direct Costs per Acre	
Seed	\$22.58
Fertilizer	\$32.46
Chemicals	\$26.42
Crop Insurance	\$1.73
Custom Work Hired	\$2.24
Fuel and Oil	\$13.84
Repairs	\$35.06
Miscellaneous Crop Expense	\$0.64
Operating Interest	\$2.92
Total Direct Costs per Acre	\$137.90
Return to Overhead per Acre	\$101.53
Overhead Costs per Acre (as allocated by farmers)	
Utilities	\$0.86
Hired Labor	\$5.58
Farm Insurance	\$2.69
Machinery Lease Payments	\$0.17
Real Estate Taxes	\$8.53
Miscellaneous Farm Expense	\$2.84
Interest	\$48.62
Depreciation	\$51.28
Total Overhead Costs per Acre	\$120.56
Total Listed Costs per Acre	\$258.45
Net Return per Acre	-\$19.02
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	\$32.25
Total Direct Costs per Ton	\$7.49
Total Listed Costs per Ton	\$14.03
Net Return per Ton	-\$1.03
Break Even Yield per Acre	19.88

TABLE 10-13

\*\*\*\*\* 1986 Crop Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

## CORN SILAGE ON CASH RENTED LAND

Number of Fields	7
Number of Farms	7
Acres	18.06
Yield per Acre	17.05
Operators Share of Yield %	100
Value per Ton	\$13.00
Crop Product Return per Acre	\$221.64
Other Crop Income per Acre	\$0.00
Gross Return per Acre	\$221.64
Direct Costs per Acre	
Seed	\$20.58
Fertilizer	\$30.89
Chemicals	\$28.90
Crop Insurance	\$2.94
Custom Work Hired	\$7.51
Fuel and Oil	\$11.56
Repairs	\$28.31
Land Rent	\$63.31
Miscellaneous Crop Expense	\$0.02
Operating Interest	\$2.95
Total Direct Costs per Acre	\$196.97
Return to Overhead per Acre	\$24.67
Overhead Costs per Acre (as allocated by farmers)	
Utilities	\$0.64
Hired Labor	\$1.93
Farm Insurance	\$1.19
Machinery Lease Payments	\$5.56
Real Estate Taxes	\$0.00
Miscellaneous Farm Expense	\$1.57
Interest	\$12.37
Depreciation	\$28.41
Total Overhead Costs per Acre	\$51.67
Total Listed Costs per Acre	\$248.63
Net Return per Acre	-\$27.00
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	\$1.42
Total Direct Costs per Ton	\$11.55
Total Listed Costs per Ton	\$14.58
Net Return per Ton	-\$1.58
Break Even Yield per Acre	19.13

TABLE 10-14

\*\*\*\*\* 1986 Crop Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Farms Sorted According to Return to Overhead per Acre)

## ALFALFA HAY ON OWNED LAND

	Average For All Farms	Average For Low 20%	Average For High 20%
Number of Fields	37	7	7
Number of Farms	37	7	7
Acres	50.65	39.23	48.29
Yield per Acre	4.38	3.03	6.
Operators Share of Yield %	100	100	100
Value per Ton	\$50.00	\$50.00	\$50.00
Crop Product Return per Acre	\$218.90	\$151.31	\$299.88
Other Crop Income per Acre	\$0.81	\$0.00	\$0.00
Gross Return per Acre	\$219.71	\$151.31	\$299.88
Direct Costs per Acre			
Seed	\$11.30	\$15.70	\$12.80
Fertilizer	\$13.61	\$9.69	\$19.93
Chemicals	\$0.61	\$0.00	\$0.71
Custom Work Hired	\$3.82	\$8.17	\$0.12
Fuel and Oil	\$12.28	\$14.10	\$12.18
Repairs	\$32.40	\$29.59	\$25.78
Crop Marketing	\$0.01	\$0.09	\$0.00
Miscellaneous Crop Expense	\$3.52	\$6.97	\$1.70
Operating Interest	\$2.76	\$5.00	\$0.32
Total Direct Costs per Acre	\$80.33	\$89.30	\$73.54
Return to Overhead per Acre	\$139.38	\$62.01	\$226.34
Overhead Costs per Acre (as allocated by farmers)			
Utilities	\$0.80	\$1.43	\$0.77
Hired Labor	\$7.22	\$11.67	\$10.07
Farm Insurance	\$2.92	\$3.34	\$2.93
Machinery Lease Payments	\$0.59	\$3.17	\$0.30
Real Estate Taxes	\$9.08	\$8.22	\$10.68
Miscellaneous Farm Expense	\$2.79	\$3.27	\$4.13
Interest	\$52.82	\$37.88	\$43.54
Depreciation	\$50.81	\$40.91	\$64.45
Total Overhead Costs per Acre	\$127.04	\$109.89	\$136.87
Total Listed Costs per Acre	\$207.37	\$199.19	\$210.41
Net Return per Acre	\$12.34	-\$47.88	\$89.47
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	\$63.15	-\$6.97	\$153.92
Total Direct Costs per Ton	\$18.35	\$29.51	\$12.26
Total Listed Costs per Ton	\$47.37	\$65.82	\$35.08
Net Return per Ton	\$2.82	-\$15.82	\$14.92
Break Even Yield per Acre	4.15	3.98	4.21

TABLE 10-15

\*\*\*\*\* 1986 Crop Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

## ALFALFA HAY ON CASH RENTED LAND

Number of Fields	18
Number of Farms	18
Acres	50.99
Yield per Acre	4.22
Operators Share of Yield %	100
Value per Ton	\$50.00
Crop Product Return per Acre	\$210.93
Other Crop Income per Acre	\$1.48
Gross Return per Acre	\$212.41
Direct Costs per Acre	
Seed	\$10.64
Fertilizer	\$12.59
Chemicals	\$0.78
Custom Work Hired	\$3.83
Fuel and Oil	\$9.63
Repairs	\$28.54
Land Rent	\$57.40
Miscellaneous Crop Expense	\$2.45
Operating Interest	\$3.38
Total Direct Costs per Acre	\$129.23
Return to Overhead per Acre	\$83.18
Overhead Costs per Acre (as allocated by farmers)	
Utilities	\$0.51
Hired Labor	\$10.73
Farm Insurance	\$1.54
Machinery Lease Payments	\$1.49
Real Estate Taxes	\$0.00
Miscellaneous Farm Expense	\$1.48
Interest	\$7.91
Depreciation	\$36.75
Total Overhead Costs per Acre	\$60.40
Total Listed Costs per Acre	\$189.63
Net Return per Acre	\$22.78
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	\$59.52
Total Direct Costs per Ton	\$30.63
Total Listed Costs per Ton	\$44.95
Net Return per Ton	\$5.40
Break Even Yield per Acre	3.79

TABLE 10-16

\*\*\*\*\* 1986 Crop Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

## OATLAGE ON OWNED LAND

Number of Fields	9
Number of Farms	8
Acres	33.85
Yield per Acre	5.98
Operators Share of Yield %	100
Value per Ton	\$10.00
Crop Product Return per Acre	\$59.82
Other Crop Income per Acre	\$0.00
Gross Return per Acre	\$59.82
Direct Costs per Acre	
Seed	\$7.37
Fertilizer	\$5.59
Chemicals	\$0.81
Crop Insurance	\$0.06
Fuel and Oil	\$9.28
Repairs	\$16.25
Operating Interest	\$0.13
Total Direct Costs per Acre	\$39.49
Return to Overhead per Acre	\$20.33
Overhead Costs per Acre (as allocated by farmers)	
Utilities	\$1.00
Hired Labor	\$7.26
Farm Insurance	\$3.57
Machinery Lease Payments	\$0.36
Real Estate Taxes	\$11.19
Miscellaneous Farm Expense	\$4.08
Interest	\$68.21
Depreciation	\$46.90
Total Overhead Costs per Acre	\$142.56
Total Listed Costs per Acre	\$182.06
Net Return per Acre	-\$122.23
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	-\$75.33
Total Direct Costs per Ton	\$6.60
Total Listed Costs per Ton	\$30.43
Net Return per Ton	-\$20.43
Break Even Yield per Acre	18.21

TABLE 10-17

\*\*\*\*\* 1986 Crop Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Farms Sorted According to Return to Overhead per Acre)

## SET ASIDE ON OWNED LAND

	Average For All Farms	Average For Low 20%	Average For High 20%
Number of Fields	38	8	8
Number of Farms	38	8	8
Acres	32.07	25.61	39.53
Yield per Acre	494.97	359.48	568.29
Operators Share of Yield %	100	100	100
Value per Dollar	\$1.00	\$1.00	\$1.00
Crop Product Return per Acre	\$494.97	\$359.48	\$568.29
Other Crop Income per Acre	\$141.16	\$75.80	\$296.95
Gross Return per Acre	\$636.13	\$435.28	\$865.24
Direct Costs per Acre			
Seed	\$11.07	\$12.99	\$15.46
Fertilizer	\$10.08	\$21.01	\$17.48
Chemicals	\$1.16	\$0.00	\$0.00
Custom Work Hired	\$2.87	\$1.46	\$0.29
Fuel and Oil	\$10.70	\$10.04	\$13.41
Repairs	\$23.24	\$23.99	\$28.82
Miscellaneous Crop Expense	\$2.16	\$0.64	\$4.61
Operating Interest	\$2.03	\$3.64	\$2.13
Total Direct Costs per Acre	\$63.30	\$73.78	\$82.20
Return to Overhead per Acre	\$572.83	\$361.50	\$783.04
Overhead Costs per Acre (as allocated by farmers)			
Utilities	\$0.66	\$0.51	\$0.81
Hired Labor	\$6.15	\$5.04	\$5.45
Farm Insurance	\$3.00	\$3.55	\$3.48
Machinery Lease Payments	\$0.94	\$4.44	\$0.70
Real Estate Taxes	\$11.23	\$8.46	\$9.92
Miscellaneous Farm Expense	\$3.77	\$1.85	\$5.71
Interest	\$57.51	\$59.53	\$74.84
Depreciation	\$46.81	\$44.58	\$78.10
Total Overhead Costs per Acre	\$130.08	\$127.98	\$179.00
Total Listed Costs per Acre	\$193.38	\$201.76	\$261.19
Net Return per Acre	\$442.75	\$233.52	\$604.05
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	\$489.56	\$278.10	\$682.14
Total Direct Costs per Dollar	\$0.13	\$0.21	\$0.14
Total Listed Costs per Dollar	\$0.39	\$0.56	\$0.46
Net Return per Dollar	\$0.89	\$0.65	\$1.06
Break Even Yield per Acre	193.38	201.76	261.19

TABLE 10-18

\*\*\*\*\* 1986 Crop Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Farms Sorted According to Return to Overhead per Acre)

## SET ASIDE ON CASH RENTED LAND

	Average For All Farms	Average For Low 20%	Average For High 20%
Number of Fields	29	6	6
Number of Farms	29	6	6
Acres	39.71	48.65	31.43
Yield per Acre	445.81	396.72	496.09
Operators Share of Yield %	100	100	100
Value per Dollar	\$1.00	\$1.00	\$1.00
Crop Product Return per Acre	\$445.81	\$396.72	\$496.09
Other Crop Income per Acre	\$82.77	\$22.58	\$174.36
Gross Return per Acre	\$528.59	\$419.30	\$670.45
Direct Costs per Acre			
Seed	\$6.21	\$6.87	\$4.23
Fertilizer	\$2.55	\$0.63	\$8.23
Chemicals	\$0.46	\$0.00	\$0.00
Custom Work Hired	\$2.12	\$0.17	\$8.00
Fuel and Oil	\$8.30	\$7.60	\$9.35
Repairs	\$20.13	\$17.11	\$15.72
Land Rent	\$60.18	\$62.90	\$58.62
Miscellaneous Crop Expense	\$0.91	\$0.76	\$1.92
Operating Interest	\$3.87	\$0.89	\$0.77
Total Direct Costs per Acre	\$104.73	\$96.93	\$106.84
Return to Overhead per Acre	\$423.86	\$322.37	\$563.61
Overhead Costs per Acre (as allocated by farmers)			
Utilities	\$0.66	\$0.54	\$0.33
Hired Labor	\$7.39	\$5.29	\$2.86
Farm Insurance	\$1.27	\$1.44	\$1.53
Machinery Lease Payments	\$4.89	\$11.00	\$3.23
Real Estate Taxes	\$0.00	\$0.00	\$0.00
Miscellaneous Farm Expense	\$2.47	\$2.11	\$1.20
Interest	\$8.11	\$19.21	\$6.28
Depreciation	\$22.99	\$11.34	\$23.06
Total Overhead Costs per Acre	\$47.80	\$50.95	\$38.49
Total Listed Costs per Acre	\$152.52	\$147.88	\$145.33
Net Return per Acre	\$376.06	\$271.42	\$525.13
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	\$399.06	\$282.76	\$548.19
Total Direct Costs per Dollar	\$0.23	\$0.24	\$0.22
Total Listed Costs per Dollar	\$0.34	\$0.37	\$0.29
Net Return per Dollar	\$0.84	\$0.68	\$1.06
Break Even Yield per Acre	152.52	147.88	145.33

TABLE 10-19

\*\*\*\*\* 1986 Crop Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

## SET ASIDE ON SHARE RENTED LAND

Number of Fields	5
Number of Farms	5
Acres	20.76
Yield per Acre	507.21
Operators Share of Yield %	57.71
Value per Dollar	\$1.00
Crop Product Return per Acre	\$292.71
Other Crop Income per Acre	\$40.10
Gross Return per Acre	\$332.81
Direct Costs per Acre	
Seed	\$0.12
Fuel and Oil	\$5.94
Repairs	\$10.79
Miscellaneous Crop Expense	\$0.20
Operating Interest	\$2.41
Total Direct Costs per Acre	\$19.46
Return to Overhead per Acre	\$313.35
Overhead Costs per Acre (as allocated by farmers)	
Utilities	\$0.23
Hired Labor	\$5.04
Farm Insurance	\$0.29
Machinery Lease Payments	\$0.02
Real Estate Taxes	\$0.00
Miscellaneous Farm Expense	\$1.28
Interest	\$3.15
Depreciation	\$24.15
Total Overhead Costs per Acre	\$34.16
Total Listed Costs per Acre	\$53.61
Net Return per Acre	\$279.20
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	\$303.35
Total Direct Costs per Dollar	\$0.07
Total Listed Costs per Dollar	\$0.18
Net Return per Dollar	\$0.94
Break Even Yield per Acre	92.91

## EXPLANATORY NOTES FOR LIVESTOCK TABLES

The "Livestock Enterprise Analysis" tables show the average physical production, gross returns, direct costs, overhead costs, and net returns per budget unit. All costs are actual costs; no opportunity costs are included. The "Net Return" to the enterprise is the "Total Return" minus the direct and overhead costs. The "Net cash flow for principal payments, income taxes, and family living" is the "Net Return" plus "Depreciation" and minus "Home Use," "Fed," and "Butchered." The last 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.

The "Dairy (Milking Herd)" enterprise contains the information for only the milking herd (which includes dry cows). "Dairy Heifers" are those heifers kept for replacement into the milking herd. "Dairy Heifers and Feeder Stock" includes replacement heifers and dairy animals intended for feeding and slaughter. "Dairy Steers" includes only steers for feeding. The "All Dairy" table includes those farms in the "Dairy (Milking Herd)", "Dairy Heifers", and "Dairy Heifers and Feeder Stock" tables; it does not include "Dairy Steers."

The "All Beef Finishing" table includes the FINANX codes for beef, steer calf, heifer calf, yearling steer, and yearling heifer finishing.

When there is a sufficient number (i.e., more than 24), farms are divided into low 20% and high 20% on the basis of returns to overhead costs. The classification is done separately for each livestock enterprise.

"Lbs. feed per lb. of gain" is the lbs. of total feed divided by "Gross production." The total feed is calculated by adding total pounds of feed. For some feedstuffs, these pounds per unit are used: corn, 56; oats, 32; barley, 48; grain sorghum, 56; wheat, 60; millet, 48; haylage, 1,000; corn silage, 666.67; oatlage, 1,000; and sorghum silage, 666.67.

The calving and weaning percentages are calculated as the number of calves which are calved and weaned, respectively, divided by the number of cows which are supposed to bear young.

Rounding of individual items for the report may have caused minor discrepancies with the calculated totals.

TABLE 11-1

\*\*\*\*\* 1986 Livestock Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Farms Sorted According to Return to Overhead per Head)

## Dairy (Milking Herd) -- Average Per Dairy Cow

Number of Farms	Average For All Farms		Average For Low 20%		Average For High 20%	
	36	Quantity	7	Quantity	7	Value
Milk Sold (lbs)	15448.25	\$1,894.92	14440.90	\$1,768.70	17233.49	\$2,135.47
Milk Used in Home (lbs)	6.49	\$0.65	0.00	\$0.00	11.19	\$1.12
Milk Fed to Animals (lbs)	14.45	\$1.44	0.00	\$0.00	9.28	\$0.93
Sales (hd)	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00
Livestock transferred out (hd)	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00
Butchered (hd)	0.00	\$1.27	0.00	\$0.42	0.01	\$2.09
Cull sales (hd)	0.36	\$160.95	0.36	\$146.47	0.40	\$211.57
Less Livestock purchased (hd)	0.02	\$13.31	0.04	\$33.33	0.01	\$4.28
Less Livestock transferred in (hd)	0.37	\$234.19	0.31	\$178.17	0.41	\$231.31
Change in inventory (hd)	-0.01	\$6.90	-0.06	\$64.78	-0.02	\$16.37
Gross production		\$1,804.83		\$1,639.31		\$2,131.97
Other Income		\$0.00		\$0.00		\$0.00
Total Return		\$1,804.83		\$1,639.31		\$2,131.97
Direct Costs						
Corn (bu)	107.14	\$204.17	128.14	\$243.47	116.13	\$224.28
Oats (bu)	5.49	\$6.47	3.56	\$4.27	1.69	\$2.03
Barley (bu)	0.82	\$1.26	2.66	\$3.99	0.00	\$0.00
Protein, Minerals, Etc. (lbs)	1204.23	\$175.11	1860.78	\$280.41	855.01	\$134.51
Complete Ration (lbs)	252.46	\$13.77	70.99	\$5.62	527.56	\$25.17
Alfalfa Hay (lbs)	5536.74	\$157.64	3731.02	\$106.15	7258.50	\$210.02
Alfalfa Haylage (lbs)	4707.00	\$981.94	6412.94	\$110.05	1819.17	\$36.38
Corn Silage (lbs)	5162.73	\$35.03	3001.38	\$20.60	3663.82	\$24.75
Oat Silage (lbs)	357.68	\$1.79	0.00	\$0.00	392.94	\$1.96
Pasture (days)	10.44	\$2.76	25.58	\$5.70	1.32	\$0.44
Breeding		\$29.67		\$35.29		\$24.85
Veterinarian and Medicine		\$55.72		\$96.30		\$40.67
Supplies		\$145.38		\$148.06		\$147.56
Marketing		\$95.98		\$58.19		\$38.95
Fuel and Oil		\$13.53		\$15.88		\$10.11
Repairs		\$55.83		\$72.14		\$50.75
Special Hired Labor		\$2.72		\$11.83		\$0.00
Machinery Work Hired		\$4.09		\$17.78		\$0.00
Utilities		\$0.20		\$0.00		\$0.00
Lease Payments		\$2.16		\$0.00		\$0.17
Bedding		\$2.48		\$1.18		\$0.91
Operating Interest		\$6.32		\$14.08		\$0.00
Total Direct Costs		\$1,052.00		\$1,250.99		\$973.52
Return to Overhead		\$752.83		\$388.32		\$1,158.45
Overhead Costs (allocated by farmers)						
Utilities		\$64.50		\$65.31		\$63.35
Real Estate Taxes		\$8.80		\$12.45		\$7.10
Farm Insurance		\$10.90		\$8.01		\$10.72
Overhead Hired Labor		\$63.80		\$57.78		\$68.40
Lease Payments		\$30.82		\$53.59		\$13.90
Miscellaneous Farm Expense		\$11.18		\$11.18		\$13.96
Interest		\$62.27		\$63.41		\$37.96
Depreciation		\$174.75		\$145.57		\$223.97
Total Overhead Costs		\$427.01		\$417.29		\$439.37
Total Listed Costs		\$1,479.01		\$1,668.28		\$1,412.89
Net Return		\$325.82		-\$28.97		\$719.08
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living		\$497.21		\$116.18		\$938.91
Other Information						
Average Number of Cows Per Farm		61.20		72.44		78.53
Lbs of Milk Produced per Cow		15469.19		14440.90		17253.96
Percent of Barn Capacity Used		105.11		96.22		118.98
Percent of Milk Sold as Butterfat		3.70		3.70		3.70
Percent of Dairy Herd Culled		36.04		35.89		39.84
Lbs Milk Produced per lb Conc. Fed		2.00		1.54		2.17
Avg. Price Received per Cwt Milk Sold		\$12.27		\$12.25		\$12.39

TABLE 11-2

\*\*\*\*\* 1986 Livestock Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

## Dairy Heifers &amp; Feeder Stock -- Average Per Head

Number of Farms	23	Quantity	Value
Sales (lbs)			\$156.83
Livestock Transferred Out (lbs)			\$163.32
Butchered (lbs)			\$4.77
Cull Sales (lbs)			\$0.00
Less Livestock Purchased (lbs)			\$6.38
Less Livestock Transferred In (lbs)			\$0.00
Change in Inventory (lbs)			-\$20.67
Gross Production			\$297.88
Other Income			\$0.00
Total Return			\$297.88
Direct Costs			
Corn (bu)		29.74	\$56.31
Oats (bu)		4.82	\$5.84
Barley (bu)		0.05	\$0.07
Protein, Minerals, Etc. (lbs)		240.86	\$39.05
Complete Ration (lbs)		15.76	\$3.26
Alfalfa Hay (lbs)		2055.03	\$55.04
Stover (lbs)		197.62	\$0.81
Alfalfa Haylage (lbs)		1278.30	\$15.88
Corn Silage (lbs)		2675.42	\$18.16
Oat Silage (lbs)		105.07	\$0.53
Milk (lbs)		9.14	\$0.91
Pasture (days)		3.11	\$1.03
Breeding			\$5.76
Veterinarian and Medicine			\$2.90
Supplies			\$2.26
Marketing			\$2.53
Fuel and Oil			\$2.39
Repairs			\$7.40
Utilities			\$0.35
Bedding			\$1.50
Operating Interest			\$0.74
Total Direct Costs			\$222.73
Return to Overhead			\$75.15
Overhead Costs (allocated by farmers)			
Utilities			\$5.96
Real Estate Taxes			\$1.89
Farm Insurance			\$1.80
Overhead Hired Labor			\$8.03
Lease Payments			\$1.17
Miscellaneous Farm Expense			\$1.82
Interest			\$10.24
Depreciation			\$19.25
Total Overhead Costs			\$50.16
Total Listed Costs			\$272.89
Net Return			\$24.99
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living			\$39.47
Other information			
Number of Animals Purchased per Farm			1.57
Number of Animals Sold per Farm			25.52
Number of Animals Trans. Out per Farm			18.83
Number of Animals Trans. In per Farm			0.00
Percentage Death Loss			7.35

TABLE 11-3

\*\*\*\*\* 1986 Livestock Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

## Dairy Heifers -- Average Per Head

Number of Farms	15	Quantity	Value
Sales (lbs)			\$55.94
Livestock Transferred Out (lbs)			\$229.14
Butchered (lbs)			\$4.02
Cull Sales (lbs)			\$0.00
Less Livestock Purchased (lbs)			\$0.21
Less Livestock Transferred In (lbs)			\$0.00
Change in Inventory (lbs)			-\$3.42
Gross Production			\$285.47
Other Income			\$0.00
Total Return			\$285.47
Direct Costs			
Corn (bu)	18.52		\$35.23
Oats (bu)	2.94		\$3.57
Barley (bu)	0.24		\$0.37
Protein, Minerals, Etc. (lbs)	160.67		\$23.27
Complete Ration (lbs)	44.58		\$7.05
Alfalfa Hay (lbs)	3108.04		\$88.49
Stover (lbs)	4.27		\$0.02
Alfalfa Haylage (lbs)	1253.47		\$19.64
Corn Silage (lbs)	4264.65		\$29.20
Oat Silage (lbs)	197.99		\$0.99
Milk (lbs)	12.25		\$1.22
Pasture (days)	12.49		\$3.65
Breeding			\$10.10
Veterinarian and Medicine			\$6.05
Supplies			\$4.02
Marketing			\$1.41
Fuel and Oil			\$1.83
Repairs			\$8.99
Bedding			\$1.83
Operating Interest			\$1.62
Total Direct Costs			\$248.55
Return to Overhead			\$36.92
Overhead Costs (allocated by farmers)			
Utilities			\$6.15
Real Estate Taxes			\$1.01
Farm Insurance			\$1.97
Overhead Hired Labor			\$12.19
Lease Payments			\$7.01
Miscellaneous Farm Expense			\$1.84
Interest			\$10.50
Depreciation			\$30.93
Total Overhead Costs			\$71.60
Total Listed Costs			\$320.15
Net Return			-\$34.68
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living			-\$7.77
Other Information			
Number of Animals Purchased per Farm			0.06
Number of Animals Sold per Farm			33.13
Percentage Death Loss			7.21
Avg. Price Paid per Animal Bought			\$300.00

TABLE 11-4  
\*\*\*\*\* 1986 Livestock Enterprise Analysis \*\*\*\*\*  
Southeast Minnesota Farm Business Management Association  
(Farms Sorted According to Return to Overhead per Head)

All Dairy -- Average Per Dairy Cow						
Number of Farms	Average For All Farms		Average For Low 20%		Average For High 20%	
	36	Quantity	7	Quantity	7	Quantity
Milk Sold (lbs)	15448.24	\$1,894.92	16591.49	\$2,006.10	14604.28	\$1,747.74
Milk Used in Home (lbs)	6.49	\$0.65	0.00	\$0.00	27.59	\$2.76
Milk Fed to Animals (lbs)	14.44	\$1.44	0.00	\$0.00	90.51	\$9.05
Sales (hd)	0.44	\$126.76	0.45	\$129.00	0.65	\$145.03
Livestock transferred out (hd)	0.46	\$264.58	0.47	\$251.15	0.35	\$215.04
Butchered (hd)	0.01	\$7.30	0.00	\$1.71	0.01	\$2.77
Cull sales (hd)	0.36	\$160.95	0.43	\$198.47	0.30	\$181.08
Less Livestock purchased (hd)	0.02	\$14.60	0.04	\$39.30	0.00	\$0.00
Less Livestock transferred in (hd)	0.37	\$234.19	0.33	\$227.20	0.35	\$213.68
Change in inventory (hd)	-0.01	-\$11.82	-0.04	-\$17.17	-0.06	-\$4.50
Gross production		\$2,195.98		\$2,302.75		\$2,085.28
Other Income		\$0.00		\$0.00		\$0.00
Total Return		\$2,195.98		\$2,302.75		\$2,085.28
Direct Costs						
Corn (bu)	140.31	\$267.05	178.19	\$337.09	94.61	\$176.52
Oats (bu)	10.86	\$12.98	7.58	\$9.43	9.97	\$12.12
Barley (bu)	1.01	\$1.55	0.00	\$0.00	0.00	\$0.00
Protein, Minerals, Etc. (lbs)	1477.18	\$217.74	2211.37	\$337.44	820.79	\$108.50
Complete Ration (lbs)	292.31	\$20.63	1.33	\$0.80	77.20	\$11.87
Alfalfa Hay (lbs)	8993.69	\$253.59	8004.45	\$221.49	7897.05	\$208.30
Stover (lbs)	146.15	\$0.60	276.47	\$1.04	20.31	\$0.10
Alfalfa Haylage (lbs)	6217.60	\$103.64	10795.98	\$193.15	4266.84	\$55.27
Corn Silage (lbs)	9727.20	\$66.21	10122.63	\$70.42	8513.37	\$56.85
Oat Silage (lbs)	560.11	\$2.80	0.00	\$0.00	2682.01	\$13.41
Milk (lbs)	14.44	\$1.44	0.00	\$0.00	90.51	\$9.05
Pasture (days)	20.66	\$5.83	32.86	\$7.56	50.59	\$15.11
Breeding		\$40.28		\$44.42		\$25.06
Veterinarian and Medicine		\$61.65		\$101.79		\$28.29
Supplies		\$149.58		\$171.47		\$131.63
Marketing		\$56.51		\$71.06		\$60.24
Fuel and Oil		\$16.36		\$21.06		\$13.26
Repairs		\$66.94		\$99.53		\$56.62
Special Hired Labor		\$2.72		\$0.00		\$0.00
Machinery Work Hired		\$4.09		\$20.10		\$0.00
Utilities		\$0.45		\$0.00		\$0.00
Lease Payments		\$2.16		\$0.00		\$15.24
Bedding		\$4.61		\$6.91		\$7.78
Operating Interest		\$7.89		\$28.11		\$5.36
Total Direct Costs		\$1,367.29		\$1,742.89		\$1,010.55
Return to Overhead		\$828.69		\$559.86		\$1,074.73
Overhead Costs (allocated by farmers)						
Utilities		\$72.20		\$87.21		\$67.65
Real Estate Taxes		\$10.78		\$16.37		\$10.41
Farm Insurance		\$13.35		\$11.01		\$13.41
Overhead Hired Labor		\$77.40		\$87.91		\$56.27
Lease Payments		\$36.14		\$63.81		\$0.00
Miscellaneous Farm Expense		\$13.54		\$13.16		\$15.21
Interest		\$75.78		\$127.36		\$59.15
Depreciation		\$208.24		\$193.29		\$149.04
Total Overhead Costs		\$507.42		\$600.11		\$371.14
Total Listed Costs		\$1,874.71		\$2,343.00		\$1,381.69
Net Return		\$321.27		-\$40.25		\$703.59
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living		\$520.12		\$151.33		\$838.05
Other Information						
Average Number of Cows Per Farm		61.19		64.07		42.18
Lbs of Milk Produced per Cow		15469.18		16591.49		14722.39
Percent of Barn Capacity Used		105.10		90.78		105.84
Percent of Milk Sold as Butterfat		3.69		3.57		3.75
Percent of Dairy Herd Culled		36.04		43.92		30.13
Lbs Milk Produced per lb Conc. Fed		2.00		1.75		2.68
Avg. Price Received per Cwt Milk Sold		\$12.27		\$12.09		\$11.97

TABLE 11-5

\*\*\*\*\* 1986 Livestock Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

## Dairy Steers -- Average Per Cwt Produced

Number of Farms	5	Quantity	Value
Sales (lbs)	156.09	\$80.01	
Livestock Transferred Out (lbs)	0.00	\$0.00	
Butchered (lbs)	3.25	\$1.63	
Cull Sales (lbs)	0.00	\$0.00	
Less Livestock Purchased (lbs)	1.35	\$1.48	
Less Livestock Transferred In (lbs)	41.41	\$20.70	
Change in Inventory (lbs)	-16.58	-\$9.17	
Gross Production	100.00	\$50.28	
Other Income		\$0.00	
Total Return		\$50.28	
Direct Costs			
Corn (bu)	10.51	\$20.15	
Barley (bu)	0.83	\$1.26	
Protein, Minerals, Etc. (lbs)	25.70	\$3.68	
Alfalfa Hay (lbs)	397.25	\$11.88	
Alfalfa Haylage (lbs)	68.45	\$0.86	
Corn Silage (lbs)	213.21	\$1.49	
Veterinarian and Medicine		\$0.28	
Supplies		\$0.03	
Marketing		\$0.98	
Fuel and Oil		\$0.26	
Repairs		\$0.96	
Lease Payments		\$0.34	
Bedding		\$0.20	
Operating Interest		\$0.01	
Total Direct Costs		\$42.36	
Return to Overhead		\$7.92	
Overhead Costs (allocated by farmers)			
Utilities		\$1.00	
Real Estate Taxes		\$0.21	
Farm Insurance		\$0.36	
Overhead Hired Labor		\$1.10	
Lease Payments		\$0.35	
Miscellaneous Farm Expense		\$0.49	
Interest		\$1.16	
Depreciation		\$7.52	
Total Overhead Costs		\$12.19	
Total Listed Costs		\$54.55	
Net Return		-\$4.27	
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living		\$1.62	
Other Information			
Number of Animals Purchased per Farm		1.40	
Number of Animals Sold per Farm		41.00	
Percentage Death Loss		0.26	
Effective Daily Gain (lbs)		2.43	
Lbs of Feed Fed per lb of Gain		11.57	
Avg. Weight per Animal Bought		342.86	
Avg. Weight per Animal Sold		1357.01	
Avg. Price Paid per Animal Bought		\$377.14	
Avg. \$ per Cwt Recd. per Animal Sold		\$51.26	

TABLE 11-6

\*\*\*\*\* 1986 Livestock Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

## Dairy Steers -- Average Per Head

Number of Farms	5	Quantity	Value
Sales (lbs)		1381.95	\$708.37
Livestock Transferred Out (lbs)		0.00	\$0.00
Butchered (lbs)		28.81	\$14.41
Cull Sales (lbs)		0.00	\$0.00
Less Livestock Purchased (lbs)		11.92	\$13.11
Less Livestock Transferred In (lbs)		366.62	\$183.31
Change in Inventory (lbs)		-146.84	-\$81.19
Gross Production		885.38	\$445.17
Other Income			\$0.00
Total Return			\$445.17
Direct Costs			
Corn (bu)		93.08	\$178.40
Barley (bu)		7.39	\$11.18
Protein, Minerals, Etc. (lbs)		227.52	\$32.55
Alfalfa Hay (lbs)		3517.14	\$105.18
Alfalfa Haylage (lbs)		606.06	\$7.58
Corn Silage (lbs)		1887.73	\$13.15
Veterinarian and Medicine			\$2.45
Supplies			\$0.23
Marketing			\$8.64
Fuel and Oil			\$2.29
Repairs			\$8.49
Lease Payments			\$2.98
Bedding			\$1.79
Operating Interest			\$0.11
Total Direct Costs			\$375.02
Return to Overhead			\$70.15
Overhead Costs (allocated by farmers)			
Utilities			\$8.89
Real Estate Taxes			\$1.84
Farm Insurance			\$3.19
Overhead Hired Labor			\$9.76
Lease Payments			\$3.06
Miscellaneous Farm Expense			\$4.32
Interest			\$10.28
Depreciation			\$66.58
Total Overhead Costs			\$107.93
Total Listed Costs			\$482.95
Net Return			-\$37.78
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living			\$14.39
Other Information			
Number of Animals Purchased per Farm			1.40
Number of Animals Sold per Farm			41.00
Percentage Death Loss			0.26
Effective Daily Gain (lbs)			2.43
Lbs of Feed Fed per lb of Gain			11.57
Avg. Weight per Animal Bought			342.86
Avg. Weight per Animal Sold			1357.01
Avg. Price Paid per Animal Bought			\$377.14
Avg. \$ per Cwt Recd. per Animal Sold			\$51.26

TABLE 11-7

\*\*\*\*\* 1986 Livestock Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

## Farrow-to-Finish Hogs -- Average Per Litter

Number of Farms	11	Quantity	Value
Sales (lbs)		1775.60	\$894.34
Livestock Transferred Out (lbs)		0.00	\$0.00
Butchered (lbs)		3.59	\$1.15
Cull Sales (lbs)		139.54	\$61.77
Less Livestock Purchased (lbs)		24.39	\$20.27
Less Livestock Transferred In (lbs)		0.00	\$0.00
Change in Inventory (lbs)		64.53	\$40.06
Gross Production		1958.88	\$977.05
Other Income			\$0.00
Total Return			\$977.05
Direct Costs			
Corn (bu)		101.49	\$192.83
Oats (bu)		4.73	\$6.63
Barley (bu)		0.81	\$1.22
Protein, Minerals, Etc. (lbs)		1750.65	\$215.73
Complete Ration (lbs)		275.81	\$21.95
Pasture (days)		0.71	\$0.12
Veterinarian and Medicine			\$8.91
Supplies			\$23.62
Marketing			\$4.56
Fuel and Oil			\$2.96
Repairs			\$10.03
Special Hired Labor			\$0.81
Utilities			\$1.34
Bedding			\$0.84
Operating Interest			\$1.93
Total Direct Costs			\$493.49
Return to Overhead			\$483.56
Overhead Costs (allocated by farmers)			
Utilities			\$23.93
Real Estate Taxes			\$4.82
Farm Insurance			\$5.86
Overhead Hired Labor			\$26.27
Lease Payments			\$0.55
Miscellaneous Farm Expense			\$4.27
Interest			\$39.15
Depreciation			\$82.37
Total Overhead Costs			\$187.22
Total Listed Costs			\$680.71
Net Return			\$296.34
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living			\$377.56
Other information			
Number of Litters Farrowed per Farm			112.00
Number of Litters per Crate			5.87
Number of Litters per Sow			1.74
Pigs Born per Litter			9.66
Pigs Weaned per Litter			8.06
Lbs of Feed Fed per lb of Gain			4.03
Avg. Weight of Market Hogs Sold (lbs)			237.23
Avg. \$ per Cwt Received for Hogs Sold			\$50.37

TABLE 11-8

\*\*\*\*\* 1986 Livestock Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

## Farrow-to-Finish Hogs -- Average Per Cwt Produced

Number of Farms	11	Quantity	Value
Sales (lbs)		90.64	\$45.66
Livestock Transferred Out (lbs)		0.00	\$0.00
Butchered (lbs)		0.18	\$0.06
Cull Sales (lbs)		7.12	\$3.15
Less Livestock Purchased (lbs)		1.25	\$1.03
Less Livestock Transferred In (lbs)		0.00	\$0.00
Change in Inventory (lbs)		3.29	\$2.05
Gross Production	100.00		\$49.88
Other Income			\$0.00
Total Return			\$49.88
Direct Costs			
Corn (bu)		5.18	\$9.84
Oats (bu)		0.24	\$0.34
Barley (bu)		0.04	\$0.06
Protein, Minerals, Etc. (lbs)	89.37		\$11.01
Complete Ration (lbs)	14.08		\$1.12
Pasture (days)	0.04		\$0.01
Veterinarian and Medicine			\$0.45
Supplies			\$1.21
Marketing			\$0.23
Fuel and Oil			\$0.15
Repairs			\$0.51
Special Hired Labor			\$0.04
Utilities			\$0.07
Bedding			\$0.04
Operating Interest			\$0.10
Total Direct Costs			\$25.19
Return to Overhead			\$24.69
Overhead Costs (allocated by farmers)			
Utilities			\$1.22
Real Estate Taxes			\$0.25
Farm Insurance			\$0.30
Overhead Hired Labor			\$1.34
Lease Payments			\$0.03
Miscellaneous Farm Expense			\$0.22
Interest			\$2.00
Depreciation			\$4.21
Total Overhead Costs			\$9.56
Total Listed Costs			\$34.75
Net Return			\$15.13
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living			\$19.28
Other information			
Number of Litters Farrowed per Farm			112.00
Number of Litters per Crate			5.87
Number of Litters per Sow			1.74
Pigs Born per Litter			9.66
Pigs Weaned per Litter			8.06
Lbs of Feed Fed per lb of Gain			4.03
Avg. Weight of Market Hogs Sold (lbs)			237.23
Avg. \$ per Cwt Received for Hogs Sold			\$50.37

TABLE 11-9

\*\*\*\*\* 1986 Livestock Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

## Hog Finishing -- Average Per Head Sold

Number of Farms	7	Quantity	Value
Sales (lbs)		239.89	\$121.87
Livestock Transferred Out (lbs)		0.31	\$0.19
Butchered (lbs)		0.20	\$0.09
Cull Sales (lbs)		0.00	\$0.00
Less Livestock Purchased (lbs)		46.90	\$48.17
Less Livestock Transferred In (lbs)		6.29	\$4.98
Change in Inventory (lbs)		4.76	\$6.48
Gross Production		191.98	\$75.47
Other Income			\$0.00
Total Return			\$75.47
Direct Costs			
Corn (bu)		11.60	\$22.03
Barley (bu)		0.11	\$0.14
Other Grain (lbs)		0.06	\$0.16
Protein, Minerals, Etc. (lbs)		154.24	\$21.14
Complete Ration (lbs)		3.68	\$0.35
Veterinarian and Medicine			\$0.13
Supplies			\$0.60
Marketing			\$1.04
Fuel and Oil			\$0.42
Repairs			\$1.35
Bedding			\$0.06
Operating Interest			\$0.23
Total Direct Costs			\$47.65
Return to Overhead			\$27.82
Overhead Costs (allocated by farmers)			
Utilities			\$1.94
Real Estate Taxes			\$0.46
Farm Insurance			\$0.27
Overhead Hired Labor			\$0.70
Lease Payments			\$0.84
Miscellaneous Farm Expense			\$0.49
Interest			\$3.25
Depreciation			\$7.13
Total Overhead Costs			\$15.08
Total Listed Costs			\$62.73
Net Return			\$12.74
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living			\$19.78
Other Information			
Number of Animals Purchased per Farm			739.57
Number of Animals Sold per Farm			775.43
Percentage Death Loss			3.43
Effective Daily Gain (lbs)			1.02
Lbs of Feed Fed per lb of Gain			4.30
Avg. Weight per Animal Bought			49.17
Avg. Weight per Animal Sold			239.89
Avg. Price Paid per Animal Bought			\$50.51
Avg. \$ per Cwt Recd. per Animal Sold			\$50.80

TABLE 11-10

\*\*\*\*\* 1986 Livestock Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

## Hog Finishing -- Average Per Cwt Produced

Number of Farms	7	Quantity	Value
Sales (lbs)		124.96	\$63.48
Livestock Transferred Out (lbs)		0.16	\$0.10
Butchered (lbs)		0.11	\$0.05
Cull Sales (lbs)		0.00	\$0.00
Less Livestock Purchased (lbs)		24.43	\$25.09
Less Livestock Transferred In (lbs)		3.28	\$2.59
Change in Inventory (lbs)		2.48	\$3.38
Gross Production		100.00	\$39.31
Other Income			\$0.00
Total Return			\$39.31
Direct Costs			
Corn (bu)		6.04	\$11.48
Barley (bu)		0.06	\$0.07
Other Grain (lbs)		0.03	\$0.08
Protein, Minerals, Etc. (lbs)		80.34	\$11.01
Complete Ration (lbs)		1.92	\$0.18
Veterinarian and Medicine			\$0.07
Supplies			\$0.31
Marketing			\$0.54
Fuel and Oil			\$0.22
Repairs			\$0.70
Bedding			\$0.03
Operating Interest			\$0.12
Total Direct Costs			\$24.82
Return to Overhead			\$14.49
Overhead Costs (allocated by farmers)			
Utilities			\$1.01
Real Estate Taxes			\$0.24
Farm Insurance			\$0.14
Overhead Hired Labor			\$0.37
Lease Payments			\$0.44
Miscellaneous Farm Expense			\$0.25
Interest			\$1.69
Depreciation			\$3.71
Total Overhead Costs			\$7.86
Total Listed Costs			\$32.68
Net Return			\$6.63
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living			\$10.29
Other Information			
Number of Animals Purchased per Farm			739.57
Number of Animals Sold per Farm			775.43
Percentage Death Loss			3.43
Effective Daily Gain (lbs)			1.02
Lbs of Feed Fed per lb of Gain			4.30
Avg. Weight per Animal Bought			49.17
Avg. Weight per Animal Sold			239.89
Avg. Price Paid per Animal Bought			\$50.51
Avg. \$ per Cwt Recd. per Animal Sold			\$50.80

TABLE 11-11

\*\*\*\*\* 1986 Livestock Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

## Beef Cow-Calf -- Average Per Cow

Number of Farms	7	Quantity	Value
Sales (lbs)		190.61	\$118.63
Livestock Transferred Out (lbs)		280.11	\$162.70
Butchered (lbs)		8.58	\$1.97
Cull Sales (lbs)		219.89	\$80.77
Less Livestock Purchased (lbs)		19.21	\$14.49
Less Livestock Transferred In (lbs)		34.32	\$17.46
Change in Inventory (lbs)		-107.31	-\$15.82
Gross Production		538.34	\$316.29
Other Income			\$0.00
Total Return			\$316.29
Direct Costs			
Corn (bu)		5.54	\$10.53
Oats (bu)		0.45	\$0.54
Protein, Minerals, Etc. (lbs)		99.14	\$12.49
Complete Ration (lbs)		0.64	\$0.09
Alfalfa Hay (lbs)		2474.10	\$63.78
Stover (lbs)		95.33	\$0.48
Alfalfa Haylage (lbs)		603.75	\$10.41
Corn Silage (lbs)		3247.54	\$16.24
Pasture (days)		57.83	\$14.31
Veterinarian and Medicine			\$9.29
Supplies			\$0.80
Marketing			\$6.07
Fuel and Oil			\$1.93
Repairs			\$3.23
Bedding			\$0.79
Operating Interest			\$1.70
Total Direct Costs			\$152.68
Return to Overhead			\$163.61
Overhead Costs (allocated by farmers)			
Utilities			\$11.02
Real Estate Taxes			\$1.40
Farm Insurance			\$2.54
Overhead Hired Labor			\$4.18
Lease Payments			\$0.66
Miscellaneous Farm Expense			\$5.68
Interest			\$7.00
Depreciation			\$24.51
Total Overhead Costs			\$56.99
Total Listed Costs			\$209.67
Net Return			\$106.62
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living			\$129.16
Other Information			
Average Number of Cows per Farm			44.96
Calving Percentage			72.22
Weaning Percentage			91.85
Percent of Cows Culled			19.70
Avg. Weight per Calf Sold			576.78
Avg. \$ per Cwt Received per Calf Sold			\$62.24

TABLE 11-12

\*\*\*\*\* 1986 Livestock Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

## Beef Cow-Calf -- Average Per Cwt Produced

Number of Farms	7	Quantity	Value
Sales (lbs)		35.41	\$22.04
Livestock Transferred Out (lbs)		52.03	\$30.22
Butchered (lbs)		1.59	\$0.37
Cull Sales (lbs)		40.85	\$15.00
Less Livestock Purchased (lbs)		3.57	\$2.69
Less Livestock Transferred In (lbs)		6.37	\$3.24
Change in Inventory (lbs)		-19.93	-\$2.94
Gross Production		100.00	\$58.75
Other Income			\$0.00
Total Return			\$58.75
Direct Costs			
Corn (bu)		1.03	\$1.96
Oats (bu)		0.08	\$0.10
Protein, Minerals, Etc. (lbs)		18.42	\$2.32
Complete Ration (lbs)		0.12	\$0.02
Alfalfa Hay (lbs)		459.58	\$11.85
Stover (lbs)		17.71	\$0.09
Alfalfa Haylage (lbs)		112.15	\$1.93
Corn Silage (lbs)		603.25	\$3.02
Pasture (days)		10.74	\$2.66
Veterinarian and Medicine			\$1.73
Supplies			\$0.15
Marketing			\$1.13
Fuel and Oil			\$0.36
Repairs			\$0.60
Bedding			\$0.15
Operating Interest			\$0.32
Total Direct Costs			\$28.36
Return to Overhead			\$30.39
Overhead Costs (allocated by farmers)			
Utilities			\$2.05
Real Estate Taxes			\$0.26
Farm Insurance			\$0.47
Overhead Hired Labor			\$0.78
Lease Payments			\$0.12
Miscellaneous Farm Expense			\$1.06
Interest			\$1.30
Depreciation			\$4.55
Total Overhead Costs			\$10.59
Total Listed Costs			\$38.95
Net Return			\$19.80
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living			\$23.98
Other Information			
Average Number of Cows per Farm			44.96
Calving Percentage			72.22
Weaning Percentage			91.85
Percent of Cows Culled			19.70
Avg. Weight per Calf Sold			576.78
Avg. \$ per Cwt Received per Calf Sold			\$62.24

TABLE 11-13

\*\*\*\*\* 1986 Livestock Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

## All Beef Finishing Combined -- Average Per Head Sold

Number of Farms	10	Quantity	Value
Sales (lbs)		1168.23	\$643.86
Livestock Transferred Out (lbs)		9.54	\$4.96
Butchered (lbs)		7.26	\$3.67
Cull Sales (lbs)		0.00	\$0.00
Less Livestock Purchased (lbs)		408.75	\$277.18
Less Livestock Transferred In (lbs)		97.81	\$55.84
Change in Inventory (lbs)		40.69	\$22.44
Gross Production		719.16	\$341.91
Other Income			\$0.00
Total Return			\$341.91
Direct Costs			
Corn (bu)		62.29	\$115.44
Oats (bu)		1.48	\$1.78
Barley (bu)		1.37	\$1.87
Protein, Minerals, Etc. (lbs)		275.56	\$39.45
Alfalfa Hay (lbs)		1076.92	\$31.21
Alfalfa Haylage (lbs)		712.76	\$9.25
Corn Silage (lbs)		2989.29	\$20.70
Veterinarian and Medicine			\$6.02
Supplies			\$4.48
Marketing			\$14.64
Fuel and Oil			\$2.80
Repairs			\$12.33
Machinery Work Hired			\$0.20
Bedding			\$3.63
Operating Interest			\$0.22
Total Direct Costs			\$263.99
Return to Overhead			\$77.92
Overhead Costs (allocated by farmers)			
Utilities			\$8.06
Real Estate Taxes			\$1.56
Farm Insurance			\$1.61
Overhead Hired Labor			\$1.61
Lease Payments			\$2.41
Miscellaneous Farm Expense			\$3.33
Interest			\$7.50
Depreciation			\$21.51
Total Overhead Costs			\$47.60
Total Listed Costs			\$311.59
Net Return			\$30.32
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living			\$48.16
Other Information			
Number of Animals Purchased per Farm			78.60
Number of Animals Sold per Farm			102.70
Percentage Death Loss			1.36
Effective Daily Gain (lbs)			2.20
Lbs of Feed Fed per lb of Gain			8.77
Avg. Weight per Animal Bought			534.08
Avg. Weight per Animal Sold			1168.23
Avg. Price Paid per Animal Bought			\$362.16
Avg. \$ per Cwt Recd. per Animal Sold			\$55.11

TABLE 11-14

\*\*\*\*\* 1986 Livestock Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

## All Beef Finishing Combined -- Average Per Cwt Produced

Number of Farms	10	Quantity	Value
Sales (lbs)	162.44	\$89.53	
Livestock Transferred Out (lbs)	1.33	\$0.69	
Butchered (lbs)	1.01	\$0.51	
Cull Sales (lbs)	0.00	\$0.00	
Less Livestock Purchased (lbs)	56.84	\$38.54	
Less Livestock Transferred In (lbs)	13.60	\$7.77	
Change in Inventory (lbs)	5.66	\$3.12	
Gross Production	100.00	\$47.54	
Other Income		\$0.00	
Total Return		\$47.54	
Direct Costs			
Corn (bu)	8.66	\$16.05	
Oats (bu)	0.21	\$0.25	
Barley (bu)	0.19	\$0.26	
Protein, Minerals, Etc. (lbs)	38.32	\$5.49	
Alfalfa Hay (lbs)	149.75	\$4.34	
Alfalfa Haylage (lbs)	99.11	\$1.29	
Corn Silage (lbs)	415.66	\$2.88	
Veterinarian and Medicine		\$0.84	
Supplies		\$0.62	
Marketing		\$2.04	
Fuel and Oil		\$0.39	
Repairs		\$1.71	
Machinery Work Hired		\$0.03	
Bedding		\$0.51	
Operating Interest		\$0.03	
Total Direct Costs		\$36.71	
Return to Overhead		\$10.83	
Overhead Costs (allocated by farmers)			
Utilities		\$1.12	
Real Estate Taxes		\$0.22	
Farm Insurance		\$0.22	
Overhead Hired Labor		\$0.22	
Lease Payments		\$0.34	
Miscellaneous Farm Expense		\$0.46	
Interest		\$1.04	
Depreciation		\$2.99	
Total Overhead Costs		\$6.62	
Total Listed Costs		\$43.33	
Net Return		\$4.21	
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living		\$6.69	
Other Information			
Number of Animals Purchased per Farm		78.60	
Number of Animals Sold per Farm		102.70	
Percentage Death Loss		1.36	
Effective Daily Gain (lbs)		2.20	
Lbs of Feed Fed per lb of Gain		8.77	
Avg. Weight per Animal Bought		534.08	
Avg. Weight per Animal Sold		1168.23	
Avg. Price Paid per Animal Bought		\$362.16	
Avg. \$ per Cwt Recd. per Animal Sold		\$55.11	

TABLE 12

 PRICES USED IN THE ANALYSIS  
 SOUTHEAST MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION

	Beginning Inventory Price	Average Feed Price Per Year	Harvest Price	Ending Inventory Price
Corn	\$ 2.35	\$ 1.90	\$ 1.72	\$ 1.72
Oats	1.10	1.20	.80	1.30
Soybeans	5.00	--	4.60	4.90
Alfalfa Hay	70.00	60.00	50.00	50.00
Mixed Hay	60.00	40.00	40.00	40.00
Haylage	35.00	30.00	25.00	25.00
Corn Silage	15.00	14.00	13.00	13.00
Oat Silage	10.00	10.00	10.00	10.00
Straw Ton	40.00	40.00	40.00	40.00
Corn Stalks	12.00	12.00	10.00	10.00
Wheat	3.00	2.60	2.60	2.80
Barley	1.50	1.50	1.25	1.50

<u>Pasture Rates</u>	<u>Tillable Pasture or Green Chop</u>		<u>Nontillable or Permanent Pasture</u>	
	<u>Per Month</u>	<u>Per Day</u>	<u>Per Month</u>	<u>Per Day</u>
Dairy cow, bull, beef cow, feeder cattle and horses	\$10.00	\$ .333	\$7.00	\$ .233
Young cattle, colts	5.00	.167	3.50	.117
Hogs	1.25	.042	.88	.029
Pigs	.63	.021	.44	.015
-----	-----	-----	-----	-----
Unpaid family labor	\$4/hr.	\$40/day	\$800/month	\$ 9,600/yr.
Other partner's labor	--	--	\$1200/month	\$15,000/yr.
Board for hired help	--	\$6/day	--	--
-----	-----	-----	-----	-----
Homegrown seed - soybeans	\$8 /bu.			
- oats	\$2 /bu.			

#### EXPLANATORY NOTES FOR SUMMARY TABLES

A better picture of this year's profitability, liquidity and solvency can be seen by comparing this year to previous years (Table 13). To make these comparisons on an equal footing, previous years are expressed in constant 1986 dollars using the Consumer Price Index (CPI-U) from the U.S. Department of Commerce. All items are calculated in the same way as in the whole-farm analysis section except for the rates of return and other percentages. The main difference in the calculation is the use of the previous year's ending assets and liabilities. This is necessary due to the use of the same land value for beginning and ending asset valuation within a year. The rate of return to total investment shows how well a farmer is doing in relation to other businesses; it answers the question of how well the farmer is managing the entire assets of the business. The rate of return to owner's equity shows how well a farm is doing in relation to the farmer's alternative investments; it answers the question of how well the farmer is managing his or her own equity investment. The two rates are calculated by these equations:

$$\text{Rate of return on} = \frac{\text{profit} + \text{interest} - \text{average wage}}{\text{total investment}} * 100$$

$$\text{Rate of return on} = \frac{\text{profit} - \text{average wage}}{\text{equity}} * 100$$

The average wage is the average nonfarm wage in the region and is calculated from data gathered by the Minnesota Department of Jobs and Training. These rates differ from Table 5 because of the calculation formula and the use of the previous year's ending asset and equity value.

The debt-to-asset percentage measures the degree to which assets are financed by external sources. It measures the solvency of the business. The year-end total farm assets is divided by year-end total liabilities to obtain this measure. The Southeast Association has continually used the cost basis of asset valuation. Between 1978 and 1979, the Southwest Association switched from the cost basis to the market-value method of asset valuation.

Interest as a percentage of gross cash farm income and of cash expenses looks at management flexibility in two ways. The asset turnover ratio indicates how efficiently assets are generating gross business earnings; it is calculated as the value of production divided by the average farm asset value.

To evaluate this year's financial performance in other ways, the whole-farm analysis is summarized on a county basis (Table 14) and on a gross income category basis (Table 15). To show productivity differences between counties, the enterprise reports for corn and soybeans on cash rented land are reported by county (Tables 16 and 17), respectively.

TABLE 13  
\*\*\*\*\* SUMMARY OF THE WHOLE FARM ANALYSIS BY YEARS \*\*\*\*\*  
Southeastern Minnesota Farm Business Management Association  
(Overall averages for all farms reporting)

Items	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986**
(1986 dollars, acres, or number of farms)																	
Number of Farms	113	113	114	118	112	101	78	80	74	83	86	63	54	53	57	59	61
Total Crop Acres	258	276	287	298	304	333	293	328	333	307	331	327	347	*	363	423	376
Gross Cash Farm Income	118,939	118,238	135,278	176,126	183,871	162,611	179,571	207,962	224,329	212,521	213,906	192,973	229,110	195,819	197,510	201,158	190,124
Total Cash Farm Expense	73,021	80,795	82,378	106,523	104,076	111,028	114,182	135,285	140,761	139,164	147,601	135,230	171,032	127,756	151,688	153,695	141,090
Farm Profit or Loss	35,419	30,961	50,764	113,215	70,036	41,283	52,989	58,620	92,928	52,833	54,228	31,409	27,823	37,846	21,823	16,989	25,180
Farm Interest Paid	6,293	6,776	7,598	8,745	8,575	12,076	8,024	13,351	13,434	12,679	17,993	17,163	24,657	19,410	20,916	22,579	21,168
Value of Farm Production	97,094	94,793	120,982	209,029	161,826	140,728	139,058	160,907	192,630	153,033	165,738	136,351	156,783	186,871	191,144	194,081	173,619
Total Ending Farm Assets	265,877	330,682	347,285	417,489	401,256	405,889	399,941	472,367	506,233	390,997	389,427	406,186	536,260	394,889	355,681	321,317	271,525
Total Ending Liabilities	110,635	139,110	162,056	161,806	124,231	131,032	115,949	154,142	176,627	143,513	182,028	208,374	272,196	179,800	202,955	204,711	170,318
Ending Net Worth	155,242	191,572	185,229	255,683	277,025	274,857	283,992	318,225	329,605	247,484	207,399	197,812	264,064	215,089	152,726	116,606	101,207
Rate of Return on:																	
Average Investment (%)	10	7	12	28	16	9	11	13	19	11	15	8	8	9	7	7	10**
Average Equity (%)	13	8	18	44	21	9	13	14	24	13	18	8	5	9	3	0	7**
Average Yield on U.S. Gov't Securities	6	4	4	7	8	6	5	5	7	10	12	14	11	9	10	7	6**
Debt to Asset Percent	42	42	47	39	31	32	29	33	35	37	47	51	51	46	57	64	63
Interest Paid as a % of:																	
Gross Cash Income	5	6	6	5	5	7	4	6	6	6	8	9	11	10	11	11	11
Total Cash Expenses	9	8	9	8	8	11	7	10	10	9	12	13	14	15	14	15	15
Net Profit Margin	26	22	33	50	38	26	31	33	46	31	33	23	23	21	13	11	17
Asset Turnover Ratio	37	32	36	56	42	36	35	38	41	36	45	36	34	41	52	58	59
HOUSEHOLD EXPENSES & INCOME:																	
# farms reporting	48	43	47	38	42	36	30	38	30	35	38	22	23	13	14	15	15
Average Family Size:	4.60	4.50	4.60	4.50	4.30	4.00	3.70	4.00	4.00	4.00	4.00	4.00	4.00	*	3.50	3.40	3.53
Average Nonfarm Income:	3,887	5,685	4,753	4,544	5,279	5,308	5,822	4,538	7,068	7,776	8,352	8,671	8,795	5,132	8,538	6,167	8,429
Family living from the farm	966	932	954	1,194	1,096	978	893	1,060	1,068	1,213	954	1,008	626	383	564	383	378
TOTAL FAMILY LIVING EXPENSES	17,715	17,420	18,843	19,727	19,709	18,930	18,073	19,504	20,263	19,774	18,901	17,541	18,026	17,908	18,093	19,174	17,619
TOTAL CAPITAL EXPENDITURES	11,943	6,555	10,644	9,626	13,532	14,486	13,911	7,447	15,808	17,043	10,443	15,442	9,149	5,642	4,911	6,430	6,528
TOTAL FAMILY USE OF CASH	32,315	27,580	30,323	31,739	37,207	41,598	35,444	33,829	42,318	44,842	33,685	38,014	30,221	28,548	25,832	27,766	26,945

\* Not available.

\*\* Preliminary estimates for 1986.

TABLE 14

\*\*\*\* 1986 Farm Financial Information Summary \*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 Farms Sorted According to Total Cash Farm Income  
 All Figures are Average per Farm

	Average For All Farms	0 - 99,999	100,000 - 149,999	150,000 - 199,999	200,000 - 349,999	350,000 - 499,999
<b>Number of farms</b>	<b>61</b>	<b>14</b>	<b>13</b>	<b>12</b>	<b>15</b>	<b>5</b>
<b>Detailed Farm Profit or Loss</b>						
Gross Cash Farm Income	\$190,124	\$61,105	\$127,579	\$178,312	\$240,496	\$406,851
Total Cash Operating Expense	\$141,090	\$50,903	\$91,975	\$141,450	\$185,055	\$289,930
Total Inventory Change	\$1,833	\$8,942	-\$847	\$2,826	\$9,610	-\$5,006
Total Depreciation and Cap. Adj.	-\$25,685	-\$8,837	-\$17,857	-\$24,624	-\$30,167	-\$48,375
Profit or Loss	\$25,180	\$10,305	\$16,898	\$15,062	\$34,882	\$63,538
<b>Profitability and Liquidity Analysis</b>						
Labor and Management Earnings	\$17,951	\$12,857	\$16,154	\$16,250	\$20,000	\$30,000
Rate of Return on Investment	8	5	7	5	10	9
Rate of Return on Net Worth	4	-4	0	0	9	10
Farm Interest Paid	\$21,168	\$10,944	\$17,298	\$17,322	\$27,407	\$30,417
Average Farm Investment	\$345,969	\$144,025	\$249,406	\$317,496	\$413,190	\$682,640
Average Farm Net Worth	\$146,032	\$51,392	\$79,173	\$140,434	\$161,864	\$334,298
Value of Farm Production	\$173,619	\$61,974	\$119,428	\$172,863	\$218,452	\$356,048
Cash Expense as a % of Income	74	83	72	79	76	71
Interest Expense as a % of Income	11	17	13	9	11	7
<b>Comparative Financial Statement</b>						
<b>Sole Proprietors</b>	<b>46</b>	<b>14</b>	<b>11</b>	<b>10</b>	<b>9</b>	<b>2</b>
Total Beginning Farm Assets	\$270,942	\$141,098	\$235,662	\$306,819	\$374,671	\$727,714
Total Ending Farm Assets	\$271,525	\$146,951	\$229,351	\$291,311	\$398,215	\$706,472
Total Beginning Farm Liabilities	\$172,019	\$92,070	\$181,431	\$186,456	\$227,929	\$356,126
Total Ending Farm Liabilities	\$169,645	\$93,195	\$180,160	\$182,944	\$230,524	\$306,504
Beginning Net Worth	\$144,611	\$107,516	\$96,529	\$161,796	\$175,437	\$444,092
Ending Net Worth	\$150,283	\$115,431	\$93,840	\$155,467	\$196,431	\$471,093
Net Worth Change	\$5,671	\$7,914	-\$2,688	-\$6,329	\$20,994	\$27,001
Beginning Cur + Int Liab / Assets %	48	36	40	63	47	42
Ending Cur + Int Liab / Assets %	45	32	39	65	41	34
Beginning Long Term Liab / Assets %	78	87	117	57	73	55
Ending Long Term Liab / Assets %	81	92	118	59	74	53
Total Beg Farm Liab / Assets %	63	65	76	60	60	48
Total End Farm Liab / Assets %	62	63	78	62	60	43
<b>Household and Personal Expense</b>						
<b>Number of Farms Included</b>	<b>15</b>	<b>4</b>	<b>2</b>	<b>3</b>	<b>5</b>	<b>1</b>
Total Cash Living Expense	\$26,945	\$30,226	\$18,429	\$20,640	\$31,415	\$27,422
<b>Crop Production and Marketing Summary</b>						
Total Acres Owned	264	187	206	225	288	435
Total Crop Acres Farmed	376	209	276	338	418	752
Crop Acres Owned	198	122	153	177	215	327
Crop Acres Cash Rented	157	48	110	155	171	424
Crop Acres Share Rented	21	38	13	6	33	0
<b>Average Prices Received (cash sales)</b>						
Corn per Bushel	\$2.02	\$1.65	\$1.86	\$1.89	\$2.13	\$2.27
Soybeans per Bushel	\$5.07	\$4.76	\$4.50	\$5.85	\$4.93	\$5.23

\* Fewer than five farms had total cash income above \$500,000.  
 These farms are not in the breakdown, but do appear in the total average.

TABLE 15

\*\*\*\* 1986 Farm Financial Information Summary by County \*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 All Figures are Average per Farm

	Average For All Farms	Dakota Le Sueur Nicollet Rice Scott	Goodhue Houston Olmsted Wabasha Winona	Dodge Freeborn Mower Steele Waseca	Other
Number of farms	61	15	35	10	1
Detailed Farm Profit or Loss					
Gross Cash Farm Income	\$190,124	\$251,773	\$173,892	\$149,199	\$242,730
Total Cash Operating Expense	\$141,090	\$170,670	\$131,414	\$127,393	\$173,009
Total Inventory Change	\$1,833	-\$4,043	\$1,236	\$9,295	\$36,233
Total Depreciation and Cap. Adj.	-\$25,685	-\$39,020	-\$21,513	-\$22,065	-\$7,909
Profit or Loss	\$25,180	\$38,038	\$22,201	\$9,034	\$98,044
Profitability and Liquidity Analysis					
Labor and Management Earnings	\$17,951	\$18,500	\$17,786	\$18,000	\$15,000
Rate of Return on Investment	8	9	8	3	29
Rate of Return on Net Worth	4	8	3	-9	88
Farm Interest Paid	\$21,168	\$23,988	\$20,470	\$17,482	\$40,138
Average Farm Investment	\$345,969	\$469,523	\$310,239	\$278,275	\$420,162
Average Farm Net Worth	\$146,032	\$228,096	\$125,938	\$98,484	\$93,891
Value of Farm Production	\$173,619	\$218,781	\$160,687	\$140,432	\$280,671
Cash Expense as a % of Income	74	67	75	85	71
Interest Expense as a % of Income	11	9	11	11	16
Comparative Financial Statement					
Sole Proprietors	46	11	26	8	1
Total Beginning Farm Assets	\$270,942	\$347,789	\$242,457	\$240,502	\$409,750
Total Ending Farm Assets	\$271,525	\$348,469	\$240,683	\$246,087	\$430,573
Total Beginning Farm Liabilities	\$172,019	\$175,431	\$165,758	\$164,863	\$354,541
Total Ending Farm Liabilities	\$169,645	\$167,217	\$163,032	\$178,429	\$298,000
Beginning Net Worth	\$144,611	\$209,564	\$132,512	\$105,801	\$55,209
Ending Net Worth	\$150,283	\$220,325	\$137,118	\$98,974	\$132,573
Net Worth Change	\$5,671	\$10,760	\$4,606	-\$6,827	\$77,364
Beginning Cur + Int Liab / Assets %	48	36	47	64	84
Ending Cur + Int Liab / Assets %	45	32	43	69	31
Beginning Long Term Liab / Assets %	78	59	96	73	87
Ending Long Term Liab / Assets %	81	59	98	76	90
Total Beg Farm Liab / Assets %	63	50	68	68	86
Total End Farm Liab / Assets %	62	47	67	72	86
Household and Personal Expense					
Number of Farms Included	15	1	12	2	0
Total Cash Living Expense	\$26,945	\$10,847	\$27,776	\$30,010	\$0
Crop Production and Marketing Summary					
Total Acres Owned	264	320	269	165	239
Total Crop Acres Farmed	376	474	335	391	190
Crop Acres Owned	198	248	191	148	190
Crop Acres Cash Rented	157	220	131	171	0
Crop Acres Share Rented	21	7	13	72	0
Average Prices Received (cash sales)					
Corn per Bushel	\$2.02	\$1.94	\$2.07	\$2.03	\$0.00
Soybeans per Bushel	\$5.07	\$4.90	\$4.80	\$5.92	\$0.00

TABLE 16

\*\*\*\* 1986 Crop Enterprise Analysis By County \*\*\*\*  
 Southeast Minnesota Farm Business Management Association

## CORN ON CASH RENTED LAND

	Average For All Farms	Dakota Le Sueur Nicollet Rice Scott	Goodhue Houston Olmsted Wabasha Winona	Dodge Freeborn Mower Steele Waseca
Number of fields	35	11	17	7
Number of farms	35	11	17	7
Acres	119.97	132.46	116.72	108.23
Yield per acre	136.66	134.07	138.47	136.89
Operators share of yield %	100	100	100	100
Value per Bushel	\$1.72	\$1.72	\$1.72	\$1.72
Crop product return per acre	\$235.05	\$230.59	\$238.17	\$235.46
Other crop income per acre	\$2.75	\$7.86	\$0.06	\$0.00
Gross return per acre	\$237.80	\$238.45	\$238.23	\$235.46
Direct costs per acre				
Seed	\$20.04	\$18.09	\$21.64	\$19.58
Fertilizer	\$37.07	\$33.66	\$38.09	\$40.94
Chemicals	\$23.16	\$22.40	\$24.90	\$20.11
Crop insurance	\$2.48	\$2.10	\$2.25	\$3.83
Custom work hired	\$8.16	\$6.04	\$11.71	\$2.93
Fuel and oil	\$10.59	\$10.57	\$9.73	\$12.90
Repairs	\$22.70	\$21.08	\$24.38	\$21.43
Crop drying	\$12.27	\$12.42	\$12.95	\$10.21
Crop marketing	\$0.42	\$0.75	\$0.34	\$0.00
Utilities	\$0.08	\$0.00	\$0.16	\$0.00
Land rent	\$61.90	\$74.28	\$57.15	\$50.53
Lease payments	\$0.81	\$0.06	\$1.67	\$0.00
Miscellaneous crop expense	\$0.93	\$0.02	\$1.79	\$0.39
Operating interest	\$6.40	\$3.85	\$6.41	\$11.28
Total direct costs per acre	\$207.01	\$205.31	\$213.17	\$194.14
Return to overhead per acre	\$30.80	\$33.13	\$25.06	\$41.32
Overhead costs per acre (as allocated by farmers)				
Utilities	\$1.49	\$1.37	\$0.94	\$3.19
Hired labor	\$4.80	\$1.80	\$3.28	\$14.55
Farm insurance	\$1.31	\$1.27	\$1.39	\$1.19
Machinery lease payments	\$5.24	\$3.42	\$5.03	\$9.28
Real estate taxes	\$0.00	\$0.00	\$0.00	\$0.00
Miscellaneous farm expense	\$2.63	\$1.77	\$1.61	\$6.95
Interest	\$13.03	\$18.13	\$9.99	\$11.17
Depreciation	\$28.17	\$31.25	\$26.02	\$27.86
Total overhead costs per acre	\$56.67	\$59.03	\$48.26	\$74.19
Total listed costs per acre	\$263.68	\$264.35	\$261.42	\$268.33
Net return per acre	-\$25.88	-\$25.90	-\$23.20	-\$32.87
Net cash flow generated for principal payments, income taxes, and family living per acre	\$2.29	\$5.35	\$2.83	-\$5.00
Total direct costs per Bushel	\$1.51	\$1.53	\$1.54	\$1.42
Total listed costs per Bushel	\$1.93	\$1.97	\$1.89	\$1.96
Net return per Bushel	-\$0.19	-\$0.19	-\$0.17	-\$0.24
Break even yield per acre	153.30	153.69	151.99	156.00

TABLE 17

\*\*\*\* 1986 Crop Enterprise Analysis By County \*\*\*\*  
 Southeast Minnesota Farm Business Management Association

## SOYBEANS ON CASH RENTED LAND

	Average For All Farms	Dakota Le Sueur Nicollie Rice Scott	Goodhue Houston Olmsted Wabasha Winona	Dodge Freeborn Mower Steele Waseca
Number of fields	24	8	9	7
Number of farms	24	8	9	7
Acres	91.03	126.09	54.97	97.34
Yield per acre	35.81	32.66	36.56	39.94
Operators share of yield %	100	100	100	100
Value per Bushel	\$4.60	\$4.60	\$4.60	\$4.60
Crop product return per acre	\$164.73	\$150.23	\$168.16	\$183.71
Other crop income per acre	\$15.15	\$32.81	\$0.00	\$0.00
Gross return per acre	\$179.88	\$183.05	\$168.16	\$183.71
Direct costs per acre				
Seed	\$9.37	\$9.09	\$10.43	\$9.01
Fertilizer	\$3.29	\$2.96	\$3.95	\$3.31
Chemicals	\$26.65	\$27.45	\$22.11	\$28.77
Crop insurance	\$7.78	\$9.41	\$4.19	\$7.97
Custom work hired	\$1.79	\$0.49	\$3.84	\$2.22
Fuel and oil	\$8.77	\$8.70	\$7.15	\$10.03
Repairs	\$16.70	\$16.00	\$16.27	\$18.05
Crop drying	\$0.19	\$0.00	\$0.25	\$0.42
Crop marketing	\$1.74	\$3.77	\$0.00	\$0.00
Land rent	\$62.67	\$78.59	\$48.53	\$49.39
Lease payments	\$0.01	\$0.03	\$0.00	\$0.00
Miscellaneous crop expense	\$0.84	\$0.46	\$2.24	\$0.37
Operating interest	\$6.62	\$5.33	\$4.99	\$9.72
Total direct costs per acre	\$146.43	\$162.29	\$123.95	\$139.27
Return to overhead per acre	\$33.45	\$20.76	\$44.21	\$44.44
Overhead costs per acre (as allocated by farmers)				
Utilities	\$1.24	\$0.89	\$0.60	\$2.23
Hired labor	\$6.26	\$1.41	\$5.31	\$14.14
Farm insurance	\$1.15	\$1.03	\$1.45	\$1.10
Machinery lease payments	\$6.14	\$2.27	\$12.03	\$7.60
Real estate taxes	\$0.00	\$0.00	\$0.00	\$0.00
Miscellaneous farm expense	\$3.20	\$1.60	\$1.32	\$6.94
Interest	\$10.50	\$13.13	\$11.02	\$6.22
Depreciation	\$22.74	\$23.69	\$15.21	\$26.79
Total overhead costs per acre	\$51.23	\$44.02	\$46.94	\$65.02
Total listed costs per acre	\$197.66	\$206.31	\$170.89	\$204.29
Net return per acre	-\$17.78	-\$23.26	-\$2.73	-\$20.58
Net cash flow generated for principal payments, income taxes, and family living per acre	\$4.96	\$0.43	\$12.47	\$6.21
Total direct costs per Bushel	\$4.09	\$4.97	\$3.39	\$3.49
Total listed costs per Bushel	\$5.52	\$6.32	\$4.67	\$5.12
Net return per Bushel	-\$0.50	-\$0.71	-\$0.07	-\$0.52
Break even yield per acre	42.97	44.85	37.15	44.41