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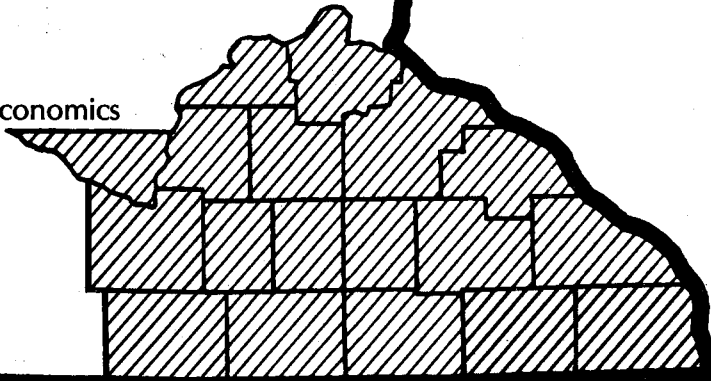
annual report

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 ER89-1
Department of Agricultural and Applied Economics
Institute of Agriculture
St. Paul, Minnesota 55108
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1988 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 average whole-farm information over time is presented in Table 13. Tables 14, 15 and 16 categorize the whole-farm information by county, by gross income class, and by type of farm, respectively. Tables 17 and 18, respectively, report the corn and soybean cash rented enterprises by county.

Of the 88 farms in the Southeastern Association, the data for 63 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 year-end analysis of the individual farms was performed by the fieldman using FINANX 7.0 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.

These records should be interpreted in light of the widespread drought conditions in 1988.

* Olson is Assistant Professor of Farm Management, Westman is Area Farm Management Extension Agent and Fieldman for the Association, Loppnow is an Assistant Extension Specialist, University of Minnesota-Twin Cities. The reviewers wish to thank Vernon Eidman, Dale Nordquist, and Ken Thomas for review.

SOUTHEASTERN MINNESOTA FARM MANAGEMENT ASSOCIATION

DISTRIBUTION OF MEMBERSHIP

1988

County	Number of Members	Number of Records Submitted	Association Directors	County Extension Directors Agriculture
Dakota	7	6	Orrin Legare	Warren Sifferath
Dodge	6	6	Gary Henslin	David H. Hanson
Mower	2	1		Harlan L. Johnsrud
Steele	1	1		Jane Nelson
Faribault	2	1	Chuck Vollum	Janene Baedke
Freeborn	2	1		Eldon H. Senske
Goodhue	12	10	Merle Schwartz	Richard C. Walter
Houston	6	5	Ellsworth Simon	Russell L. Krech
Winona	11	6		Neil R. Broadwater
LeSueur	2	2	Amos Hayes	Glenyce Peterson- Vangness
Nicollet	1	1		Gary Hachfeld
Waseca	2	1		David D. Werner
Olmsted	15	11	Richard Pike,	David J. Kjome
Fillmore	1	0	President	Sheila M. Craig
Rice	3	2	Paul Krueger	Roger M. Wilkowske
Scott	4	4		David D. Hart
Wabasha	<u>11</u>	<u>5</u>	Francis Kottschade	Charles Schwartz
TOTAL	88	63		

Robert Lamprecht, Secretary-Treasurer

1988 ANNUAL REPORT OF THE SOUTHEASTERN
MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION

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*Table 4 is not printed for 1988 due to an insufficient number of farms having debt forgiven or assets repossess.

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. 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 printed totals which are calculated before rounding.

Table 1. Detailed Farm Profit or Loss Statement

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

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. "Other Government Payments" refers primarily to commodity storage 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.

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.) In Tables 1-4, no opportunity costs are used. In Table 5, opportunity costs for labor, capital, and management are used. 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 average 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 (accrual)" is the accrued interest cost so it will be different from Table 1.

"Value of operator's labor and management" is its opportunity cost. It is 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 8. Thus, it is an average of the number of farms in Table 8 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 listed in Table 2.

"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, and December 31, 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

Table 9 reports the averages for the number of operators per farm, the operator's age, and the number of years farming. This table also 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. Also reported are the beginning and ending values for nonfarm assets for all farms (not just sole proprietors as in Table 6).

TABLE 1
 **** DETAILED FARM PROFIT OR LOSS STATEMENT FOR 1988 ****
 Southeast Minnesota Farm Business Management Association
 (Farms sorted according to Profit/Loss)

	Average For	Average For	Average For
	All Farms	Low 20%	High 20%
Number of Farms	63	13	13
Farm Income			
Corn	15,855	2,667	27,789
Corn - CCC	3,665	2,812	1,685
Corn - Net Govt	554	273	0
Oats	1,472	1,497	1,303
Barley	88	0	427
Alfalfa Hay	1,342	1,651	1,374
Spring Wheat	200	152	817
Stover	79	0	0
Soybeans	13,653	8,846	29,016
Soybeans - CCC	217	639	0
Soybeans - Net Govt	382	0	0
Sweet Corn	1,045	1,187	1,587
Peas	524	676	476
Other Crop Income	222	518	483
Milk	65,030	36,403	93,444
Farrow-Finish Hogs	17,527	27,857	33,632
Beef Cow-Calf	449	0	177
Mixed Hogs	3,878	888	0
Finish Feeder Pigs	9,111	15,979	22,869
Beef Finishing, All Types	13,550	15,142	23,828
Dairy Steers	3,497	1,889	12,600
Dairy Heifers	1,131	1,218	1,235
Dairy Repl. & Feeder Stock	4,235	2,286	3,006
Cull Livestock Sales	2,339	3,002	2,895
Other Livestock Income	504	1,179	1,263
Machine Work Income	1,856	502	1,665
Patronage Dividends	633	313	699
Deficiency and Diversion Payments	16,892	10,890	28,848
Government CRP Income	441	707	1,141
Other Government Payments	3,849	3,874	4,315
Insurance Income	1,927	0	5,347
Hedging Account Withdrawls	131	455	0
Other Farm Income	1,433	1,187	442
Gross Cash Farm Income	187,712	144,690	302,362

TABLE 1 (cont.)

**** DETAILED FARM PROFIT OR LOSS STATEMENT FOR 1988 ****
Southeast Minnesota Farm Business Management Association
(Farms sorted according to Profit/Loss)

	Average For All Farms	Average For Low 20%	Average For High 20%
Number of Farms	63	13	13
Cash Expense			
Hired Labor	6,341	7,001	8,862
Repairs	12,926	11,147	15,607
Land Rent	7,232	7,319	8,190
Mach. and Bldg. Leases	1,638	4,910	228
Interest	15,543	13,876	16,579
Feed Purchased	32,449	35,157	42,165
Seed	5,252	4,121	8,512
Fertilizer	7,642	4,675	14,072
Crop Chemicals	5,567	3,026	9,572
Machinery Work Hired	2,540	3,683	2,196
Livestock Supplies	4,504	3,048	5,076
Breeding Fees	1,381	374	2,449
Veterinary and Medicine	2,830	2,780	2,765
Gasoline, Fuel, Oil and Drying	5,013	4,192	7,917
Irrigation	185	0	894
Real Estate Taxes	2,662	1,302	5,116
Crop Insurance	649	543	669
Farm Insurance	1,822	1,464	2,079
Utilities	4,089	3,890	5,137
Crop Marketing, Storage, Hauling	430	65	604
Livestock Trucking and Marketing	2,499	1,751	3,440
Feeder Livestock Purchases	9,094	10,168	11,076
Miscellaneous Farm	1,880	2,028	2,092
Miscellaneous Crop	691	403	709
Cash Paid into Hedging Accounts	300	615	113
Total Cash Expense	135,159	127,539	176,120
Net Cash Farm Income	52,553	17,151	126,242
Inventory Changes			
Feed and Grain	6,062	-1,555	25,898
Market Livestock	1,316	137	375
Supplies and Prepaid Expenses	77	0	360
Accounts Receivable	-3,071	-415	-6,196
Accounts Payable	-1,461	-7,353	390
Total Inventory Change	2,922	-9,186	20,827
Net Operating Profit	55,475	7,966	147,069
Depreciation and Other Capital Adj.			
Breeding Livestock	4,865	-3,650	9,517
Machinery and Equipment	-12,454	-6,358	-25,510
Buildings and Improvements	-6,984	-4,140	-10,437
Investment Stock and Other	928	106	-332
Total Depr. and Other Capital Adj.	-13,646	-14,042	-26,762
Profit or Loss	41,829	-6,076	120,307

TABLE 2
 **** INVENTORY CHANGES FOR 1988 ****
 Southeast Minnesota Farm Business Management Association
 (Farms sorted according to Profit/Loss)

	Average For All Farms	Average For Low 20%	Average For High 20%
	-----	-----	-----
Number of Farms	63	13	13
Net Cash Farm Income	52,553	17,151	126,242
Feed and Grain			
Ending Inventory	64,702	28,346	151,755
Beginning Inventory	58,640	29,901	125,858
Inventory Change	6,062	-1,555	25,898
Market Livestock			
Ending Inventory	36,407	27,830	60,886
Beginning Inventory	35,091	27,693	60,510
Inventory Change	1,316	137	375
Supplies and Prepaid Expenses			
Ending Inventory	441	0	2,071
Beginning Inventory	365	0	1,712
Inventory Change	77	0	360
Accounts Receivable			
Ending Inventory	5,446	5,139	10,907
Beginning Inventory	8,517	5,554	17,103
Inventory Change	-3,071	-415	-6,196
Accounts Payable			
Beginning Inventory	1,329	4,578	390
Ending Inventory	2,790	11,931	0
Inventory Change	-1,461	-7,353	390
Total Inventory Change	2,922	-9,186	20,827
Net Operating Profit	55,475	7,966	147,069

TABLE 3
 **** DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS FOR 1988 ****
 Southeast Minnesota Farm Business Management Association
 (Farms sorted according to Profit/Loss)

	Average For All Farms	Average For Low 20%	Average For High 20%
Number of Farms	63	13	13
Net Operating Profit	55,475	7,966	147,069
Breeding Livestock			
Ending Inventory	32,046	22,611	46,086
Sales + Repossessions	6,760	5,200	9,479
Ending Inventory + Sales + Rep.	38,806	27,811	55,564
Beginning Inventory	30,666	19,934	44,128
Purchases	3,276	11,527	1,919
Beg. Inventory + Purchases	33,942	31,461	46,047
Depreciation, Capital Adj.	4,865	-3,650	9,517
Machinery and Equipment			
Ending Inventory	32,837	23,292	54,468
Sales + Repossessions	502	1,611	567
Ending Inventory + Sales + Rep.	33,340	24,903	55,035
Beginning Inventory	32,120	22,084	50,916
Purchases	13,674	9,177	29,629
Beg. Inventory + Purchases	45,794	31,261	80,545
Depreciation, Capital Adj.	-12,454	-6,358	-25,510
Buildings and Improvements			
Ending Inventory	40,251	22,846	51,612
Sales + Repossessions	0	0	0
Ending Inventory + Sales + Rep.	40,251	22,846	51,612
Beginning Inventory	41,218	23,579	56,976
Purchases	6,017	3,407	5,073
Beg. Inventory + Purchases	47,235	26,986	62,049
Depreciation, Capital Adj.	-6,984	-4,140	-10,437
Stock and Other Assets			
Ending Inventory	3,613	2,608	5,158
Sales + Repossessions	28	135	0
Ending Inventory + Sales + Rep.	3,641	2,743	5,158
Beginning Inventory	2,713	2,638	5,489
Purchases	0	0	0
Beg. Inventory + Purchases	2,713	2,638	5,489
Depreciation, Capital Adj.	928	106	-332
Total Depreciation, Capital Adj.	-13,646	-14,042	-26,762
Profit or Loss	41,829	-6,076	120,307
Land (for information only)			
Ending Inventory	136,997	68,155	308,294
Sales + Repossessions	93	0	0
Ending Inventory + Sales + Rep.	137,089	68,155	308,294
Beginning Inventory	134,743	68,155	308,294
Purchases	2,253	0	0
Beg. Inventory + Purchases	136,997	68,155	308,294

TABLE 5

**** PROFITABILITY AND LIQUIDITY ANALYSIS FOR 1988 ****
Southeast Minnesota Farm Business Management Association
(Farms sorted according to Profit/Loss)

	Average For All Farms	Average For Low 20%	Average For High 20%
Number of Farms	63	13	13
Profitability			
Labor and Management Earnings	29,793	-9,076	90,733
Rate of Return on Investment (%)	10	-3	16
Rate of Return on Net Worth (%)	11	-51	19
Net Profit Margin (%)	20	-6	35
Asset Turnover Rate (%)	52	63	46
Interest on Farm Net Worth	12,036	3,000	29,574
Farm Interest Paid	15,823	14,739	16,579
Value of Operators Labor and Mgmt.	20,619	15,846	24,923
Return to Farm Investment	37,033	-7,184	111,964
Average Farm Investment	362,964	206,005	705,231
Return to Farm Net Worth	21,210	-21,923	95,384
Average Farm Net Worth	190,405	43,028	492,900
Value of Farm Production	187,789	129,039	320,880
Liquidity			
-Cash Basis			
Net Cash Farm Income	52,553	17,151	126,242
Nonfarm Income	9,336	9,016	7,842
Total Net Cash Income	61,888	26,167	134,084
Family Living and Taxes Paid	41,392	41,392	41,392
Real Estate Principal Payments	9,379	1,596	25,932
Cash Available for Interm. Debt	11,118	-16,820	66,760
Average Intermediate Debt	37,351	52,642	14,612
Years to Turn Over Interm. Debt	3.36	**	0.22
Expense as a % of Income	72	88	58
Interest as a % of Income	8	10	5
-Accrual Basis			
Inventory Change (Income Items)	4,306	-1,833	20,077
Total Accrual Farm Income	192,019	142,857	322,439
Inventory Change (Expense Items)	1,384	7,353	-750
Total Accrual Farm Expense	136,543	134,892	175,370
Net Accrual Farm Income	55,475	7,966	147,069
Nonfarm Income	9,336	9,016	7,842
Total Net Accrual Income	64,811	16,981	154,910
Family Living and Taxes Paid	41,392	41,392	41,392
Real Estate Principal Payments	9,379	1,596	25,932
Cash Available for Interm. Debt	14,040	-26,006	87,587
Average Intermediate Debt	37,351	52,642	14,612
Years to Turn Over Interm. Debt	2.66	**	0.17
Expense as a % of Income	71	94	54
Interest as a % of Income	8	11	5

** Income insufficient to meet debt servicing requirements.

TABLE 6
 **** COMPARATIVE FINANCIAL STATEMENT FOR 1988 ****
 Southeast Minnesota Farm Business Management Association
 (Farms sorted according to Profit / Loss)

	Average For All Farms		Average For Low 20%		Average For High 20%	
Number of Farms	48		11		8	
Assets	Beginning	Ending	Beginning	Ending	Beginning	Ending
-----	-----	-----	-----	-----	-----	-----
Current Farm Assets						
Cash and Checking Balance	11,574	12,572	2,743	3,878	28,046	32,848
Prepaid Expenses and Supplies	15	18	0	0	0	0
Growing Crops	0	0	0	0	0	0
Farm Accounts Receivable	7,481	3,458	5,026	2,090	16,589	8,465
Hedging Accounts	54	736	83	393	213	3,875
Crops Held for Sale or Feed	46,744	50,472	32,029	31,133	99,134	114,088
Livestock Held for Sale	27,973	30,006	30,104	30,838	47,555	48,500
Other Assets	0	0	0	0	0	0
Total Current Farm Assets	93,843	97,263	69,984	68,332	191,536	207,776
Intermediate Farm Assets						
Breeding Livestock	24,119	25,294	12,068	13,137	34,488	35,801
Machinery and Equipment	29,090	28,060	17,238	18,241	48,208	48,558
Other Intermediate Assets	199	167	869	727	0	0
Total Intermediate Farm Assets	53,409	53,520	30,175	32,105	82,696	84,359
Long-term Farm Assets						
Buildings and Improvements	35,782	35,643	27,023	26,360	47,656	37,460
Farm Land	107,045	110,002	63,093	63,093	221,972	221,972
Other Long-term Farm Assets	2,068	3,357	2,248	2,355	2,702	2,614
Total Long-term Farm Assets	144,895	149,002	92,364	91,807	272,330	262,046
Total Farm Assets	292,147	299,784	192,523	192,245	546,561	554,181
Total Nonfarm Assets	25,361	31,636	9,009	10,797	31,354	44,367
Total Assets	317,508	331,420	201,532	203,042	577,916	598,548
Liabilities						

Current Farm Liabilities						
Accrued Interest and Accounts Payable	1,340	3,245	4,320	12,955	617	0
Current Notes	13,548	13,238	13,219	26,568	26,640	21,554
Total Current Farm Liabilities	14,888	16,483	17,538	39,523	27,257	21,554
Intermediate Farm Liabilities	35,509	32,679	41,147	39,259	26,204	5,661
Long-term Farm Liabilities	108,138	104,439	97,792	95,985	117,062	90,401
Total Farm Liabilities	158,534	153,601	156,477	174,767	170,523	117,616
Total Nonfarm Liabilities	607	830	1,750	1,630	0	0
Total Liabilities	159,141	154,430	158,226	176,397	170,523	117,616
Net Worth (Farm and Nonfarm)	158,367	176,990	43,305	26,644	407,393	480,932
Net Worth Change		18,623		-16,661		73,540
Solvency Measures for Farm Only						

Curr. + Interim. Liab. / Assets (Percent)	34	33	59	78	19	9
Long-term Liabilities / Assets (Percent)	75	70	106	105	43	34
Total Liabilities / Assets (Percent)	54	51	81	91	31	21

TABLE 7
 **** CROP PRODUCTION AND MARKETING SUMMARY FOR 1988 ****
 Southeast Minnesota Farm Business Management Association
 (Farms sorted according to Profit/Loss)

	Average For All Farms	Average For Low 20%	Average For High 20%
Number of Farms	63	12	13
Total Acres Owned	274	158	544
Total Crop Acres	348	216	581
Crop Acres Owned	223	96	449
Crop Acres Cash Rented	105	117	108
Crop Acres Share Rented	20	3	24
Total Pasture Acres	9	10	22
Average Price Received			

(For Cash Sales Only)			
Corn per Bu	2.17	2.25	2.12
Soybeans per Bu	6.87	7.17	6.64
Oats per Bu	2.81	3.26	3.09
Spring Wheat per Bu	3.66	2.72	3.92
Alfalfa Hay per Ton	59.42	78.72	50.75
Average Yield per Acre			

(On Owned Land Only)			
Corn (Bu)	88.08	67.83	102.28
Soybeans (Bu)	30.76	24.59	32.52
Oats (Bu)	54.26	32.96	64.73
Alfalfa Hay (Ton)	3.20	2.24	3.33

TABLE 8
 **** HOUSEHOLD AND PERSONAL EXPENSES FOR 1988 ****
 Southeast Minnesota Farm Business Management Association
 (Average of all farms reporting)

	Average For All Farms
Number of Farms	12
Average Family Size	3.5
Household Expenses	
Food and Meals	3,807
Medical Care and Health Insurance	3,555
Church and Charity Donations	3,053
Operation and Supplies	2,500
Clothing and Clothing Materials	1,614
Personal Care and Spending	738
Child Care	403
Gifts and Special Events	1,429
Education	549
Recreation	768
Utilities (Household Share)	934
Nonfarm Vehicle Operatng Expenses	1,862
Household Real Estate Taxes	181
Dwelling Rent	150
Nonfarm Interest Expense	276
Living from the Farm (Noncash)	585
Total Family Living Expenses	22,405
Capital Expenditures	
Upkeep on Dwelling	314
Furnishings and Equipment	255
Personal Vehicle Purchases	3,863
Other Personal Purchases	1,175
Life Insurance Payments	1,396
Savings	3,901
Total Capital Expenditures	10,904
Income Taxes	8,668
Total Family uses of Cash	41,392

TABLE 9
 **** OPERATOR INFORMATION, NONFARM INCOME & ASSETS FOR 1988 ****
 Southeast Minnesota Farm Business Management Association
 (Farms sorted according to Profit/Loss)

	Average For All Farms	Average For Low 20%	Average For High 20%
	-----	-----	-----
Number of Farms	63	13	13

Operator Information

Average Number of Operators	1.30	1.15	1.38
Average Age of Operators	43.15	38.80	41.89
Average Number of Years Farming	19.22	14.73	18.67

Nonfarm Income

Wages	6,115	8,389	2,828
Net Nonfarm Business Income	1,366	-133	2,795
Rental Income	458	0	468
Cash Dividends	940	48	1,750
Tax Refunds	232	615	1
Other Nonfarm Income	225	97	0
Total Nonfarm Income	8,396	8,968	6,092

	Average For All Farms	
	-----	-----
Nonfarm Assets	Beginning	Ending
-----	-----	-----
Nonfarm Savings and Checking	663	1,709
Keogh's and IRA's	4,374	5,275
Stocks and Bonds	21	214
Cash Value of Life Insurance	1,135	1,281
Nonfarm Vehicles	714	1,687
Household Furnishings and Appliances	14,854	15,188
Other Nonfarm Assets	16,320	18,147
Total Nonfarm Assets	38,081	43,502

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 and the returns to overhead and net return per acre including government payments.

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 set aside where "dollar" is the estimated cash deficiency payment received from the government.

To estimate the return to crops in the government programs, the return to overhead and the net return including setaside income (and expenses) is estimated and included in the appropriate tables.

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

TABLE 10-1
 **** 1988 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	50	10	10
Number of Farms	49	10	10
Acres	104.64	49.02	102.30
Yield per Acre	88.08	67.60	123.17
Operators Share of Yield %	100.00	100.00	100.00
Value per Bushel	2.50	2.50	2.50
Crop Product Return per Acre	220.20	169.00	307.94
Other Crop Income per Acre	20.02	4.99	14.04
Gross Return per Acre	240.23	173.99	321.98
Direct Costs per Acre			
Seed	21.77	28.71	22.56
Fertilizer	35.77	32.22	36.19
Chemicals	26.85	30.47	24.33
Crop Insurance	1.72	0.22	2.75
Custom Work Hired	5.59	10.73	1.80
Fuel and Oil	12.45	15.19	9.80
Repairs	25.29	48.26	20.24
Crop Drying	3.06	3.83	4.64
Irrigation Energy	1.33	0.00	0.00
Special Hired Labor	0.06	0.00	0.00
Crop Marketing	1.16	0.00	2.19
Utilities	0.05	0.00	0.00
Lease Payments	0.02	0.00	0.08
Miscellaneous Crop Expense	0.20	0.26	0.37
Operating Interest	0.91	0.96	0.92
Total Direct Costs per Acre	136.24	170.85	125.87
Return to Overhead per Acre	103.99	3.14	196.11
Overhead Costs per Acre			
Utilities	1.34	1.02	1.33
Hired Labor	6.32	16.09	3.18
Farm Insurance	3.45	3.80	2.05
Machinery Lease Payments	0.30	0.00	0.52
Real Estate Taxes	9.82	9.56	9.51
Miscellaneous Farm Expense	3.66	8.28	1.76
Interest	42.89	46.88	52.97
Depreciation	43.80	29.51	47.66
Total Overhead Costs per Acre	111.57	115.14	118.99
Total Listed Costs per Acre	247.81	285.99	244.87
Net Return per Acre	-7.58	-112.00	77.11
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	36.22	-82.49	124.78
Total Direct Costs per Bushel	1.55	2.53	1.02
Total Listed Costs per Bushel	2.81	4.23	1.99
Net Return per Bushel	-0.09	-1.66	0.63
Break Even Yield per Acre	91.11	112.40	92.33
Return to Overhead (incl. setaside)	144.38	55.88	223.62
Net Return per Acre (incl. setaside)	37.32	-32.85	107.29

TABLE 10-2
 **** 1988 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	34	6	7
Number of Farms	30	6	6
Acres	82.64	75.57	103.42
Yield per Acre	89.07	59.83	124.80
Operators Share of Yield %	100.00	100.00	100.00
Value per Bushel	2.50	2.50	2.50
Crop Product Return per Acre	222.68	149.58	312.00
Other Crop Income per Acre	21.19	9.68	51.18
Gross Return per Acre	243.87	159.25	363.17
Direct Costs per Acre			
Seed	21.31	20.45	22.11
Fertilizer	35.44	39.33	39.55
Chemicals	21.94	24.25	20.24
Crop Insurance	3.41	3.29	7.78
Custom Work Hired	4.75	6.85	6.14
Fuel and Oil	10.31	11.36	10.55
Repairs	22.27	32.99	20.77
Crop Drying	4.49	3.69	6.56
Special Hired Labor	0.16	0.00	0.00
Crop Marketing	0.52	2.29	0.00
Utilities	0.01	0.00	0.00
Land Rent	64.15	66.00	64.05
Lease Payments	0.54	0.00	0.61
Miscellaneous Crop Expense	1.06	0.65	1.37
Operating Interest	3.77	11.55	2.54
Total Direct Costs per Acre	194.11	222.71	202.26
Return to Overhead per Acre	49.76	-63.46	160.91
Overhead Costs per Acre			
Utilities	1.62	1.31	2.34
Hired Labor	2.96	2.75	6.75
Farm Insurance	2.25	2.90	1.66
Machinery Lease Payments	1.83	4.79	1.74
Real Estate Taxes	0.00	0.00	0.00
Miscellaneous Farm Expense	2.32	3.95	2.27
Interest	9.68	11.01	14.14
Depreciation	29.60	18.32	44.98
Total Overhead Costs per Acre	50.27	45.03	73.88
Total Listed Costs per Acre	244.38	267.74	276.14
Net Return per Acre	-0.50	-108.49	87.03
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	29.09	-90.17	132.02
Total Direct Costs per Bushel	2.18	3.72	1.62
Total Listed Costs per Bushel	2.74	4.47	2.21
Net Return per Bushel	-0.01	-1.81	0.70
Break Even Yield per Acre	89.27	103.23	89.98
Return to Overhead (incl. setaside)	92.62	-8.06	168.31
Net Return per Acre (incl. setaside)	46.38	-39.04	100.61

TABLE 10-3
 **** 1988 Crop Enterprise Analysis ****
 Southeast Minnesota Farm Business Management Association
 (Average of all farms reporting)

CORN ON SHARE RENTED LAND

	Average For All Farms -----
Number of Fields	8
Number of Farms	8
Acres	69.59
Yield per Acre	96.85
Operators Share of Yield %	55.97
Value per Bushel	2.50
Crop Product Return per Acre	134.93
Other Crop Income per Acre	0.00
Gross Return per Acre	134.93
Direct Costs per Acre	
Seed	12.63
Fertilizer	22.52
Chemicals	11.75
Crop Insurance	1.75
Custom Work Hired	2.52
Fuel and Oil	8.67
Repairs	21.50
Crop Drying	2.63
Lease Payments	2.03
Miscellaneous Crop Expense	0.13
Operating Interest	1.20
Total Direct Costs per Acre	87.33
Return to Overhead per Acre	47.60
Overhead Costs per Acre	
Utilities	0.50
Hired Labor	1.71
Farm Insurance	1.02
Machinery Lease Payments	0.29
Real Estate Taxes	0.00
Miscellaneous Farm Expense	1.26
Interest	2.23
Depreciation	26.29
Total Overhead Costs per Acre	33.30
Total Listed Costs per Acre	120.63
Net Return per Acre	14.30
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	40.59
Total Direct Costs per Bushel	0.90
Total Listed Costs per Bushel	1.25
Net Return per Bushel	0.15
Break Even Yield per Acre	86.22
Return to Overhead (incl. setaside)	54.70
Net Return per Acre (incl. setaside)	21.93

TABLE 10-4
 **** 1988 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	31	6	6
Number of Farms	30	6	6
Acres	65.30	33.48	56.83
Yield per Acre	30.76	16.32	44.16
Operators Share of Yield %	100.00	100.00	100.00
Value per Bushel	7.50	7.50	7.50
Crop Product Return per Acre	230.72	122.41	331.17
Other Crop Income per Acre	18.52	11.42	28.18
Gross Return per Acre	249.25	133.84	359.35
Direct Costs per Acre			
Seed	10.14	9.88	11.75
Fertilizer	2.79	5.87	5.19
Chemicals	28.63	29.45	26.33
Crop Insurance	4.62	1.99	3.38
Custom Work Hired	4.16	7.75	0.86
Fuel and Oil	8.41	12.96	7.36
Repairs	16.03	22.26	16.57
Irrigation Energy	0.15	0.00	0.00
Crop Marketing	0.45	0.00	1.59
Lease Payments	0.36	0.00	0.56
Miscellaneous Crop Expense	0.23	0.00	0.14
Operating Interest	0.71	0.91	0.64
Total Direct Costs per Acre	76.69	91.07	74.38
Return to Overhead per Acre	172.56	42.77	284.98
Overhead Costs per Acre			
Utilities	1.05	0.52	1.56
Hired Labor	3.38	8.52	4.06
Farm Insurance	2.62	2.58	4.00
Machinery Lease Payments	0.81	0.03	0.14
Real Estate Taxes	11.14	8.17	13.40
Miscellaneous Farm Expense	2.87	3.96	3.62
Interest	51.08	56.39	62.92
Depreciation	26.55	16.96	45.52
Total Overhead Costs per Acre	99.51	97.14	135.24
Total Listed Costs per Acre	176.20	188.20	209.61
Net Return per Acre	73.05	-54.37	149.74
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	99.59	-37.41	195.26
Total Direct Costs per Bushel	2.49	5.58	1.68
Total Listed Costs per Bushel	5.73	11.53	4.75
Net Return per Bushel	2.37	-3.33	3.39
Break Even Yield per Acre	21.02	23.57	24.19

TABLE 10-5
 **** 1988 Crop Enterprise Analysis ****
 Southeast Minnesota Farm Business Management Association
 (Average of all farms reporting)

SOYBEANS ON CASH RENTED LAND

	Average For All Farms -----
Number of Fields	20
Number of Farms	18
Acres	68.32
Yield per Acre	31.97
Operators Share of Yield %	100.00
Value per Bushel	7.50
Crop Product Return per Acre	239.78
Other Crop Income per Acre	19.00
Gross Return per Acre	258.78
Direct Costs per Acre	
Seed	10.60
Fertilizer	2.69
Chemicals	27.41
Crop Insurance	5.25
Custom Work Hired	2.35
Fuel and Oil	8.35
Repairs	14.51
Crop Drying	0.17
Crop Marketing	0.19
Land Rent	63.22
Lease Payments	0.81
Miscellaneous Crop Expense	1.64
Operating Interest	1.28
Total Direct Costs per Acre	138.48
Return to Overhead per Acre	120.30
Overhead Costs per Acre	
Utilities	1.33
Hired Labor	1.69
Farm Insurance	2.03
Machinery Lease Payments	2.56
Real Estate Taxes	0.00
Miscellaneous Farm Expense	2.11
Interest	10.65
Depreciation	21.93
Total Overhead Costs per Acre	42.31
Total Listed Costs per Acre	180.79
Net Return per Acre	77.99
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	99.92
Total Direct Costs per Bushel	4.33
Total Listed Costs per Bushel	5.65
Net Return per Bushel	2.44
Break Even Yield per Acre	21.57

TABLE 10-6
 **** 1988 Crop Enterprise Analysis ****
 Southeast Minnesota Farm Business Management Association
 (Average of all farms reporting)

OATS ON OWNED LAND

	Average For All Farms -----
Number of Fields	20
Number of Farms	20
Acres	24.06
Yield per Acre	54.26
Operators Share of Yield %	100.00
Value per Bushel	2.50
Crop Product Return per Acre	135.66
Other Crop Income per Acre	37.53
Gross Return per Acre	173.19
Direct Costs per Acre	
Seed	9.21
Fertilizer	3.70
Chemicals	0.09
Crop Insurance	0.30
Custom Work Hired	3.48
Fuel and Oil	7.32
Repairs	18.82
Miscellaneous Crop Expense	0.51
Operating Interest	2.27
Total Direct Costs per Acre	45.70
Return to Overhead per Acre	127.50
Overhead Costs per Acre	
Utilities	0.72
Hired Labor	3.60
Farm Insurance	3.28
Machinery Lease Payments	0.01
Real Estate Taxes	6.33
Miscellaneous Farm Expense	2.41
Interest	23.73
Depreciation	19.87
Total Overhead Costs per Acre	59.94
Total Listed Costs per Acre	105.64
Net Return per Acre	67.55
Net Cash Flow Generated for	
Principal Payments, Income Taxes, and Family Living per Acre	87.42
Total Direct Costs per Bushel	0.84
Total Listed Costs per Bushel	1.95
Net Return per Bushel	1.24
Break Even Yield per Acre	27.24

TABLE 10-7
 **** 1988 Crop Enterprise Analysis ****
 Southeast Minnesota Farm Business Management Association
 (Average of all farms reporting)

OATS ON CASH RENTED LAND

	Average For All Farms -----
Number of Fields	13
Number of Farms	12
Acres	21.93
Yield per Acre	52.03
Operator's Share of Yield %	100.00
Value per Bushel	2.50
Crop Product Return per Acre	130.08
Other Crop Income per Acre	32.30
Gross Return per Acre	162.38
Direct Costs per Acre	
Seed	8.27
Fertilizer	5.24
Chemicals	2.30
Crop Insurance	0.22
Custom Work Hired	7.87
Fuel and Oil	8.86
Repairs	17.55
Land Rent	63.59
Miscellaneous Crop Expense	0.35
Operating Interest	0.31
Total Direct Costs per Acre	114.56
Return to Overhead per Acre	47.83
Overhead Costs per Acre	
Utilities	0.97
Hired Labor	2.58
Farm Insurance	2.08
Machinery Lease Payments	7.69
Real Estate Taxes	0.00
Miscellaneous Farm Expense	3.08
Interest	7.71
Depreciation	17.81
Total Overhead Costs per Acre	41.91
Total Listed Costs per Acre	156.47
Net Return per Acre	5.91
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	23.72
Total Direct Costs per Bushel	2.20
Total Listed Costs per Bushel	3.01
Net Return per Bushel	0.11
Break Even Yield per Acre	49.67

TABLE 10-8
 **** 1988 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	41	8	8
Number of Farms	41	8	8
Acres	60.97	42.35	37.25
Yield per Acre	3.20	1.62	5.21
Operators Share of Yield %	100.00	100.00	100.00
Value per Ton	80.00	80.00	80.00
Crop Product Return per Acre	256.24	129.61	416.91
Other Crop Income per Acre	5.91	5.37	2.79
Gross Return per Acre	262.15	134.98	419.70
Direct Costs per Acre			
Seed	14.48	14.54	14.34
Fertilizer	16.38	26.73	9.36
Chemicals	1.78	0.00	0.00
Custom Work Hired	3.12	3.61	0.68
Fuel and Oil	12.57	13.66	10.34
Repairs	35.11	43.19	33.83
Irrigation Energy	1.19	0.00	0.00
Special Hired Labor	0.19	0.00	0.68
Lease Payments	2.15	0.00	0.00
Miscellaneous Crop Expense	3.10	4.44	5.72
Operating Interest	0.99	0.72	0.15
Total Direct Costs per Acre	91.06	106.89	75.09
Return to Overhead per Acre	171.09	28.10	344.61
Overhead Costs per Acre			
Utilities	0.78	0.84	0.92
Hired Labor	7.49	9.94	12.92
Farm Insurance	3.07	3.01	3.07
Machinery Lease Payments	0.18	0.01	0.00
Real Estate Taxes	7.78	6.06	8.91
Miscellaneous Farm Expense	3.11	3.49	3.33
Interest	33.23	25.19	17.35
Depreciation	40.19	28.11	38.29
Total Overhead Costs per Acre	95.82	76.65	84.80
Total Listed Costs per Acre	186.89	183.54	159.89
Net Return per Acre	75.27	-48.56	259.81
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	115.46	-20.44	298.10
Total Direct Costs per Ton	28.43	65.97	14.41
Total Listed Costs per Ton	58.35	113.29	30.68
Net Return per Ton	23.50	-29.97	49.85
Break Even Yield per Acre	2.26	2.23	1.96

TABLE 10-9
 **** 1988 Crop Enterprise Analysis ****
 Southeast Minnesota Farm Business Management Association
 (Average of all farms reporting)

ALFALFA HAY ON CASH RENTED LAND

	Average For All Farms -----
Number of Fields	23
Number of Farms	21
Acres	44.64
Yield per Acre	2.63
Operators Share of Yield %	100.00
Value per Ton	80.00
Crop Product Return per Acre	210.23
Other Crop Income per Acre	4.25
Gross Return per Acre	214.48
Direct Costs per Acre	
Seed	13.68
Fertilizer	11.20
Chemicals	1.91
Custom Work Hired	7.15
Fuel and Oil	12.43
Repairs	29.70
Special Hired Labor	0.29
Crop Marketing	0.25
Land Rent	62.14
Lease Payments	0.22
Miscellaneous Crop Expense	3.43
Operating Interest	2.01
Total Direct Costs per Acre	144.41
Return to Overhead per Acre	70.06
Overhead Costs per Acre	
Utilities	0.78
Hired Labor	4.26
Farm Insurance	2.72
Machinery Lease Payments	0.80
Real Estate Taxes	0.00
Miscellaneous Farm Expense	2.45
Interest	7.93
Depreciation	22.56
Total Overhead Costs per Acre	41.50
Total Listed Costs per Acre	185.92
Net Return per Acre	28.56
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	51.12
Total Direct Costs per Ton	54.95
Total Listed Costs per Ton	70.75
Net Return per Ton	10.87
Break Even Yield per Acre	2.27

TABLE 10-10
 **** 1988 Crop Enterprise Analysis ****
 Southeast Minnesota Farm Business Management Association
 (Farms sorted according to Return to Overhead per Acre)

CORN SILAGE ON OWNED LAND

	Average For All Farms	Average For Low 20%	Average For High 20%
Number of Fields	27	5	5
Number of Farms	27	5	5
Acres	37.48	25.80	21.50
Yield per Acre	11.06	7.57	18.62
Operators Share of Yield %	100.00	100.00	100.00
Value per Ton	18.00	18.00	18.00
Crop Product Return per Acre	199.14	136.21	335.22
Other Crop Income per Acre	37.30	9.32	0.00
Gross Return per Acre	236.44	145.53	335.22
Direct Costs per Acre			
Seed	22.59	23.22	23.31
Fertilizer	33.98	40.26	27.77
Chemicals	24.61	21.00	21.83
Crop Insurance	2.83	1.40	0.20
Custom Work Hired	2.26	0.00	4.38
Fuel and Oil	12.99	15.10	12.57
Repairs	36.65	36.00	34.30
Irrigation Energy	1.21	2.78	0.00
Miscellaneous Crop Expense	0.46	1.34	1.18
Operating Interest	2.00	0.16	0.00
Total Direct Costs per Acre	139.57	141.26	125.54
Return to Overhead per Acre	96.87	4.27	209.68
Overhead Costs per Acre			
Utilities	0.96	1.11	1.30
Hired Labor	6.88	6.35	9.57
Farm Insurance	3.09	2.63	3.72
Machinery Lease Payments	0.34	0.00	0.00
Real Estate Taxes	8.40	4.21	9.62
Miscellaneous Farm Expense	2.82	3.00	3.22
Interest	36.08	30.47	32.26
Depreciation	36.75	30.10	45.64
Total Overhead Costs per Acre	95.31	77.87	105.33
Total Listed Costs per Acre	234.89	219.13	230.87
Net Return per Acre	1.55	-73.60	104.35
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	38.31	-43.51	149.99
Total Direct Costs per Ton	12.62	18.67	6.74
Total Listed Costs per Ton	21.23	28.96	12.40
Net Return per Ton	0.14	-9.73	5.60
Break Even Yield per Acre	10.98	11.66	12.83
Return to Overhead (incl. setaside)	114.62	19.81	230.04
Net Return per Acre (incl. setaside)	31.90	-9.28	123.11

TABLE 10-11
 **** 1988 Crop Enterprise Analysis ****
 Southeast Minnesota Farm Business Management Association
 (Average of all farms reporting)

CORN SILAGE ON CASH RENTED LAND

	Average For All Farms -----
Number of Fields	10
Number of Farms	10
Acres	38.73
Yield per Acre	10.65
Operators Share of Yield %	100.00
Value per Ton	18.00
Crop Product Return per Acre	191.65
Other Crop Income per Acre	12.79
Gross Return per Acre	204.44
Direct Costs per Acre	
Seed	21.23
Fertilizer	33.26
Chemicals	24.09
Crop Insurance	1.53
Custom Work Hired	7.25
Fuel and Oil	12.84
Repairs	26.51
Land Rent	57.71
Miscellaneous Crop Expense	0.77
Operating Interest	0.27
Total Direct Costs per Acre	185.48
Return to Overhead per Acre	18.96
Overhead Costs per Acre	
Utilities	0.79
Hired Labor	5.19
Farm Insurance	2.20
Machinery Lease Payments	0.80
Real Estate Taxes	0.00
Miscellaneous Farm Expense	2.48
Interest	11.37
Depreciation	17.61
Total Overhead Costs per Acre	40.44
Total Listed Costs per Acre	225.92
Net Return per Acre	-21.48
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	-3.88
Total Direct Costs per Ton	17.42
Total Listed Costs per Ton	21.22
Net Return per Ton	-2.02
Break Even Yield per Acre	11.84
Return to Overhead (incl. setaside)	53.26
Net Return per Acre (incl. setaside)	21.81

TABLE 10-12
 **** 1988 Crop Enterprise Analysis ****
 Southeast Minnesota Farm Business Management Association
 (Average of all farms reporting)

OAT SILAGE ON OWNED LAND

	Average For All Farms -----
Number of Fields	11
Number of Farms	11
Acres	38.08
Yield per Acre	3.20
Operators Share of Yield %	100.00
Value per Ton	14.64
Crop Product Return per Acre	47.24
Other Crop Income per Acre	28.01
Gross Return per Acre	75.25
Direct Costs per Acre	
Seed	10.68
Fertilizer	4.13
Crop Insurance	0.04
Custom Work Hired	0.43
Fuel and Oil	8.86
Repairs	25.70
Irrigation Energy	0.68
Miscellaneous Crop Expense	0.70
Operating Interest	2.23
Total Direct Costs per Acre	53.45
Return to Overhead per Acre	21.80
Overhead Costs per Acre	
Utilities	0.78
Hired Labor	10.43
Farm Insurance	4.05
Machinery Lease Payments	0.37
Real Estate Taxes	7.49
Miscellaneous Farm Expense	3.72
Interest	38.23
Depreciation	30.22
Total Overhead Costs per Acre	95.29
Total Listed Costs per Acre	148.74
Net Return per Acre	-73.49
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	-43.27
Total Direct Costs per Ton	16.70
Total Listed Costs per Ton	46.46
Net Return per Ton	-22.95
Break Even Yield per Acre	8.24

TABLE 10-13
 **** 1988 Crop Enterprise Analysis ****
 Southeast Minnesota Farm Business Management Association
 (Average of all farms reporting)

PASTURE ON OWNED LAND

	Average For All Farms -----
Number of Fields	11
Number of Farms	10
Acres	47.60
Yield per Acre	42.92
Operators Share of Yield %	100.00
Value per Dollar	1.00
Crop Product Return per Acre	42.92
Other Crop Income per Acre	2.00
Gross Return per Acre	44.91
Direct Costs per Acre	
Seed	1.68
Fertilizer	4.97
Chemicals	0.58
Custom Work Hired	0.33
Fuel and Oil	0.30
Repairs	2.85
Miscellaneous Crop Expense	0.25
Operating Interest	0.21
Total Direct Costs per Acre	11.17
Return to Overhead per Acre	33.75
Overhead Costs per Acre	
Utilities	0.02
Hired Labor	0.84
Farm Insurance	2.46
Machinery Lease Payments	0.51
Real Estate Taxes	5.07
Miscellaneous Farm Expense	1.84
Interest	18.42
Depreciation	1.01
Total Overhead Costs per Acre	30.19
Total Listed Costs per Acre	41.36
Net Return per Acre	3.55
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	4.57
Total Direct Costs per Unit	0.24
Total Listed Costs per Unit	0.88
Net Return per Unit	0.08
Break Even Yield per Acre	45.59

TABLE 10-14
 **** 1988 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	7	7
Number of Farms	37	7	7
Acres	47.82	83.74	37.37
Yield per Acre	268.53	189.70	352.98
Operators Share of Yield %	100.00	100.00	100.00
Value per Dollar	1.00	1.00	1.00
Crop Product Return per Acre	268.53	189.70	352.98
Other Crop Income per Acre	43.83	0.00	151.72
Gross Return per Acre	312.36	189.70	504.70
Direct Costs per Acre			
Seed	1.34	1.22	0.05
Fertilizer	0.22	0.00	0.67
Chemicals	0.47	0.00	0.47
Custom Work Hired	0.74	0.00	0.10
Fuel and Oil	7.50	8.19	9.03
Repairs	22.99	22.68	25.94
Miscellaneous Crop Expense	0.52	0.05	2.04
Operating Interest	0.74	0.75	0.58
Total Direct Costs per Acre	34.51	32.90	38.88
Return to Overhead per Acre	277.85	156.80	465.82
Overhead Costs per Acre			
Utilities	0.67	0.48	0.36
Hired Labor	5.47	7.23	1.77
Farm Insurance	3.31	3.16	3.65
Machinery Lease Payments	0.19	0.00	0.00
Real Estate Taxes	9.75	9.16	8.66
Miscellaneous Farm Expense	3.47	2.96	2.96
Interest	39.27	22.06	25.93
Depreciation	37.55	38.70	37.64
Total Overhead Costs per Acre	99.68	83.75	80.97
Total Listed Costs per Acre	134.20	116.64	119.85
Net Return per Acre	178.16	73.05	384.85
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	215.72	111.76	422.49
Total Direct Costs per Unit	0.13	0.17	0.11
Total Listed Costs per Unit	0.50	0.61	0.34
Net Return per Unit	0.66	0.39	1.09
Break Even Yield per Acre	90.37	116.64	-31.87

TABLE 10-15
 **** 1988 Crop Enterprise Analysis ****
 Southeast Minnesota Farm Business Management Association
 (Average of all farms reporting)

SET ASIDE ON CASH RENTED LAND

	Average For All Farms -----
Number of Fields	25
Number of Farms	24
Acres	37.19
Yield per Acre	270.28
Operators Share of Yield %	100.00
Value per Dollar	1.00
Crop Product Return per Acre	270.28
Other Crop Income per Acre	44.79
Gross Return per Acre	315.07
Direct Costs per Acre	
Seed	1.89
Fertilizer	0.03
Chemicals	1.20
Custom Work Hired	1.97
Fuel and Oil	5.84
Repairs	17.82
Special Hired Labor	0.23
Land Rent	60.85
Miscellaneous Crop Expense	0.60
Operating Interest	1.57
Total Direct Costs per Acre	91.98
Return to Overhead per Acre	223.08
Overhead Costs per Acre	
Utilities	0.82
Hired Labor	2.02
Farm Insurance	2.13
Machinery Lease Payments	1.99
Real Estate Taxes	0.00
Miscellaneous Farm Expense	2.20
Interest	9.72
Depreciation	20.72
Total Overhead Costs per Acre	39.60
Total Listed Costs per Acre	131.58
Net Return per Acre	183.49
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	204.21
Total Direct Costs per Unit	0.34
Total Listed Costs per Unit	0.49
Net Return per Unit	0.68
Break Even Yield per Acre	86.79

TABLE 10-16
 **** 1988 Crop Enterprise Analysis ****
 Southeast Minnesota Farm Business Management Association
 (Average of all farms reporting)

SET ASIDE ON SHARE RENTED LAND

	Average For All Farms -----
Number of Fields	5
Number of Farms	5
Acres	24.82
Yield per Acre	225.94
Operators Share of Yield %	60.07
Value per Dollar	1.00
Crop Product Return per Acre	135.13
Other Crop Income per Acre	0.00
Gross Return per Acre	135.13
Direct Costs per Acre	
Seed	0.07
Chemicals	2.94
Fuel and Oil	6.40
Repairs	16.76
Miscellaneous Crop Expense	0.05
Operating Interest	1.28
Total Direct Costs per Acre	27.49
Return to Overhead per Acre	107.64
Overhead Costs per Acre	
Utilities	0.77
Hired Labor	1.25
Farm Insurance	1.15
Machinery Lease Payments	0.06
Real Estate Taxes	0.00
Miscellaneous Farm Expense	1.28
Interest	2.30
Depreciation	20.67
Total Overhead Costs per Acre	27.47
Total Listed Costs per Acre	54.96
Net Return per Acre	80.16
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	100.83
Total Direct Costs per Unit	0.12
Total Listed Costs per Unit	0.24
Net Return per Unit	0.35
Break Even Yield per Acre	91.49

TABLE 10-17
 **** 1988 Crop Enterprise Analysis ****
 Southeast Minnesota Farm Business Management Association
 (Average of all farms reporting)

PEAS ON OWNED LAND

	Average For All Farms -----
Number of Fields	5
Number of Farms	5
Acres	22.50
Yield per Acre	117.18
Operators Share of Yield %	100.00
Value per Dollar	1.00
Crop Product Return per Acre	117.18
Other Crop Income per Acre	2.20
Gross Return per Acre	119.38
Direct Costs per Acre	
Fertilizer	23.63
Chemicals	15.06
Crop Insurance	5.70
Custom Work Hired	0.53
Fuel and Oil	7.29
Repairs	19.30
Miscellaneous Crop Expense	0.59
Operating Interest	0.88
Total Direct Costs per Acre	72.99
Return to Overhead per Acre	46.38
Overhead Costs per Acre	
Utilities	0.53
Hired Labor	8.38
Farm Insurance	3.10
Machinery Lease Payments	0.73
Real Estate Taxes	7.26
Miscellaneous Farm Expense	2.40
Interest	44.65
Depreciation	16.06
Total Overhead Costs per Acre	83.12
Total Listed Costs per Acre	156.11
Net Return per Acre	-36.73
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	-20.67
Total Direct Costs per Unit	0.62
Total Listed Costs per Unit	1.33
Net Return per Unit	-0.31
Break Even Yield per Acre	153.91

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 grains, these pounds per unit are used: corn, 56; oats, 32; barley, 48; grain sorghum, 56; wheat, 60; and millet, 48. For these roughages, the pounds are calculated by these factors: alfalfa haylage, 0.5; corn silage, 0.33; oatlage, 0.5; and sorghum silage, 0.33; and small grain silage, 0.33.

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
 **** 1988 Livestock Enterprise Analysis ****
 Southeast Minnesota Farm Business Management Association
 (Farms sorted according to Return to Overhead per head)

Dairy (Milking Herd) -- Average per Cow

Number of Farms	Average For All Farms		Average For Low 20%		Average For High 20%	
	32		6		6	
	Quantity	Value	Quantity	Value	Quantity	Value
Milk Sold (lbs)	15,987.03	1,907.01	13,663.39	1,665.33	18,107.91	2,167.47
Milk Used in Home (lbs)	30.49	2.90	29.84	3.09	7.20	0.72
Milk Fed to Animals (lbs)	50.27	4.88	72.25	7.23	31.09	3.11
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	2.28	0.00	0.60	0.00	1.18
Cull Sales (hd)	0.38	208.69	0.43	237.84	0.39	226.69
Less Livestock Purchased (hd)	0.06	62.91	0.25	252.88	0.00	0.00
Less Livestock Transferred In (hd)	0.38	247.52	0.36	187.04	0.39	288.79
Change in Inventory (hd)	0.01	4.62	0.05	19.99	0.05	19.73
Gross Production		1,819.96		1,511.62		2,099.62
Other Income		7.73		0.61		32.41
Total Return		1,827.69		1,512.23		2,132.03
Direct Costs						
Corn (bu)	111.52	238.69	113.94	240.69	127.37	273.84
Oats (bu)	1.79	3.79	2.17	4.34	0.0	0.0
Barley (bu)	0.86	2.14	3.70	9.25	0.0	0.0
Alfalfa Hay (lbs)	3,574.47	123.81	3,552.71	123.26	3,584.72	125.47
Alfalfa Haylage (lbs)	3,589.73	122.57	3,296.66	115.38	4,534.91	157.45
Corn Silage (lbs)	1,756.66	40.07	2,370.99	53.72	1,334.27	32.05
Oatlage (lbs)	156.80	2.07	264.05	3.17	40.01	0.48
Mixed Hay (lbs)	18.50	0.56	0.0	0.0	0.0	0.0
Protein, Vitamins, Minerals (lbs)	1,433.58	210.06	1,836.37	253.57	1,461.09	172.68
Complete Ration (lbs)	247.92	19.90	88.02	14.58	0.0	0.0
Pasture (AUM)	0.26	2.05	0.36	3.33	0.16	1.12
Breeding		29.37		21.58		34.37
Veterinarian and Medicine		57.37		77.10		42.35
Supplies		110.44		98.83		111.13
Marketing		53.35		50.81		53.88
Fuel and Oil		11.84		15.43		9.49
Repairs		77.61		109.20		70.39
Machinery Work Hired		7.93		21.67		0.31
Lease Payments		4.40		0.00		9.08
Bedding		3.42		3.70		1.38
Operating Interest		3.35		5.43		5.41
Total Direct Costs		1,124.76		1,225.06		1,090.78
Return to Overhead		702.93		287.18		1,041.25
Overhead Costs (allocated by farmers)						
Utilities		62.87		71.85		59.90
Real Estate Taxes		9.09		14.85		6.02
Farm Insurance		13.50		19.18		10.06
Overhead Hired Labor		90.05		120.99		76.88
Lease Payments		10.78		39.27		0.71
Miscellaneous Farm Expense		12.50		15.17		10.39
Interest		50.52		71.13		25.75
Depreciation		127.51		112.46		113.83
Total Overhead Costs		376.83		464.89		303.54
Total Listed Costs		1,501.59		1,689.95		1,394.32
Net Return		326.10		-177.71		737.71
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living		443.55		-76.17		846.53
Other Information						
Average Number of Cows Per Farm		67.56		83.32		84.43
Lbs of Milk Produced per Cow		16,067.78		13,765.49		18,146.20
Percent of Barn Capacity Used		111.90		104.36		124.78
Percent of Milk Sold as Butterfat		3.70		3.84		3.72
Percent of Dairy Herd Culled		37.56		43.21		39.28
Lbs Milk Produced per lb Conc. Fed		2.00		1.61		2.14
Avg. Price Received per Cwt Milk Sold		11.93		12.19		11.97

TABLE 11-2
 **** 1988 Livestock Enterprise Analysis ****
 Southeast Minnesota Farm Business Management Association
 (Average of all farms reporting)

Dairy Repl. & Feeder Stock -- Average per Head

Number of Farms	17	
	Quantity	Value
Sales (lbs)	104.00	261.61
Livestock Transferred Out (lbs)	15.93	288.11
Butchered (lbs)	6.18	6.59
Cull Sales (lbs)	0.00	0.00
Less Livestock Purchased (lbs)	33.79	27.31
Less Livestock Transferred In (lbs)	0.00	0.00
Change in Inventory (lbs)	0.00	56.62
Gross Production (lbs)	92.31	585.62
Other Income		0.00
Total Return		585.62
Direct Costs		
Corn (bu)	42.26	90.10
Oats (bu)	5.29	10.77
Alfalfa Hay (lbs)	2,855.18	98.67
Alfalfa Haylage (lbs)	737.33	23.85
Corn Silage (lbs)	1,359.64	29.87
Oatlage (lbs)	132.37	1.62
Mixed Hay (lbs)	435.34	12.24
Protein, Vitamins, Minerals (lbs)	486.91	80.99
Complete Ration (lbs)	37.45	10.85
Milk (lbs)	21.97	1.98
Pasture (AUM)	0.39	2.75
Breeding		12.92
Veterinarian and Medicine		7.67
Supplies		8.52
Marketing		4.09
Fuel and Oil		3.69
Repairs		16.60
Machinery Work Hired		0.53
Lease Payments		0.39
Bedding		3.29
Operating Interest		0.32
Total Direct Costs		421.69
Return to Overhead		163.93
Overhead Costs (allocated by farmers)		
Utilities		10.01
Real Estate Taxes		2.25
Farm Insurance		3.44
Overhead Hired Labor		16.88
Lease Payments		1.75
Miscellaneous Farm Expense		4.19
Interest		18.73
Depreciation		35.98
Total Overhead Costs		93.22
Total Listed Costs		514.91
Net Return		70.71
Net Cash Flow Generated for		
Principal Payments, Income Taxes,		
and Family Living		100.10
Other Information		
Number of Animals Purchased per Farm		3.65
Number of Animals Sold per Farm		31.59
Number of Animals Trans. Out per Farm		26.53
Number of Animals Trans. In per Farm		0.00
Percentage Death Loss		7.84

TABLE 11-3
 **** 1988 Livestock Enterprise Analysis ****
 Southeast Minnesota Farm Business Management Association
 (Average of all farms reporting)

Dairy Heifers -- Average per Head

Number of Farms	17	
	Quantity	Value
Sales (lbs)	25.49	75.66
Livestock Transferred Out (lbs)	55.11	338.89
Butchered (lbs)	3.93	2.64
Cull Sales (lbs)	0.00	0.00
Less Livestock Purchased (lbs)	5.31	52.99
Less Livestock Transferred In (lbs)	0.00	0.00
Change in Inventory (lbs)	101.47	113.76
Gross Production (lbs)	180.69	477.98
Other Income		0.00
Total Return		477.98
Direct Costs		
Corn (bu)	22.37	48.10
Oats (bu)	2.22	4.99
Barley (bu)	0.42	0.74
Alfalfa Hay (lbs)	2,437.29	85.13
Alfalfa Haylage (lbs)	1,405.97	47.42
Corn Silage (lbs)	1,519.29	28.75
Oatlage (lbs)	665.82	7.99
Protein, Vitamins, Minerals (lbs)	288.84	40.76
Complete Ration (lbs)	230.65	22.03
Milk (lbs)	25.86	2.49
Pasture (AUM)	0.43	3.35
Breeding		10.01
Veterinarian and Medicine		8.27
Supplies		8.48
Marketing		1.45
Fuel and Oil		2.25
Repairs		14.07
Utilities		0.11
Lease Payments		2.22
Bedding		2.65
Operating Interest		1.26
Total Direct Costs		342.51
Return to Overhead		135.47
Overhead Costs (allocated by farmers)		
Utilities		7.73
Real Estate Taxes		1.62
Farm Insurance		2.92
Overhead Hired Labor		18.31
Lease Payments		0.04
Miscellaneous Farm Expense		2.73
Interest		10.06
Depreciation		27.55
Total Overhead Costs		70.94
Total Listed Costs		413.45
Net Return		64.52
Net Cash Flow Generated for		
Principal Payments, Income Taxes,		
and Family Living		89.43
Other Information		
Number of Animals Purchased per Farm		5.65
Number of Animals Sold per Farm		25.59
Percentage Death Loss		4.96
Effective Daily Gain (lbs)		0.50
Lbs of Feed Fed per lb of Gain		42.60
Avg. Weight per Animal Bought		52.08
Avg. Weight per Animal Sold		55.18
Avg. Price Paid per Animal Bought		519.79
Avg. \$ per Cwt Recd. per Animal Sold		296.83

TABLE 11-4
 **** 1988 Livestock Enterprise Analysis ****
 Southeast Minnesota Farm Business Management Association
 (Farms sorted according to Return to Overhead per head)

Dairy, All Females -- Average per Cow

Number of Farms	Average For All Farms		Average For Low 20%		Average For High 20%	
	32		6		6	
	Quantity	Value	Quantity	Value	Quantity	Value
Milk Sold (lbs)	15,987.03	1,907.01	14,107.20	1,711.96	18,125.10	2,165.05
Milk Used in Home (lbs)	30.49	2.90	29.96	3.10	7.35	0.74
Milk Fed to Animals (lbs)	50.27	4.88	72.54	7.25	63.35	6.02
Sales (hd)	0.42	138.30	0.44	104.39	0.21	110.31
Livestock Transferred Out (hd)	0.47	283.53	0.35	202.47	0.73	401.19
Butchered (hd)	0.01	6.28	0.01	5.50	0.00	0.91
Cull Sales (hd)	0.38	208.69	0.38	208.23	0.40	237.74
Less Livestock Purchased (hd)	0.06	65.69	0.22	224.07	0.00	0.00
Less Livestock Transferred In (hd)	0.38	247.52	0.38	182.37	0.43	315.67
Change in Inventory (hd)	0.01	54.21	0.06	235.39	0.06	236.10
Gross Production		2,292.59		1,976.22		2,665.78
Other Income		7.73		0.61		33.07
Total Return		2,300.33		1,976.83		2,698.85
Direct Costs						
Corn (bu)	140.50	300.63	134.22	284.26	154.23	331.60
Oats (bu)	5.25	11.04	9.79	20.24	4.13	8.66
Barley (bu)	1.04	2.46	3.92	9.79	0.60	0.90
Alfalfa Hay (lbs)	5,936.73	205.82	6,320.95	220.15	5,169.71	180.89
Alfalfa Haylage (lbs)	4,503.70	153.32	4,788.11	170.91	6,519.38	228.18
Corn Silage (lbs)	2,914.81	64.81	2,629.69	59.54	2,876.18	66.73
Oatlage (lbs)	490.75	6.09	136.57	1.64	200.84	2.41
Mixed Hay (lbs)	223.87	6.33	341.43	8.56	0.0	0.0
Protein, Vitamins, Minerals (lbs)	1,784.46	265.34	2,749.15	362.52	1,784.70	235.10
Complete Ration (lbs)	366.05	34.62	42.58	8.11	4.02	0.55
Milk (lbs)	21.62	2.02	0.0	0.0	63.16	6.00
Pasture (AUM)	0.64	4.80	1.00	7.73	0.50	3.13
Breeding		39.82		28.46		56.33
Veterinarian and Medicine		64.34		76.22		47.38
Supplies		117.89		108.86		110.09
Marketing		55.91		58.33		54.92
Fuel and Oil		14.49		16.62		13.41
Repairs		91.55		128.84		72.82
Machinery Work Hired		8.18		22.85		0.31
Utilities		0.05		0.00		0.20
Lease Payments		5.55		2.01		8.86
Bedding		5.98		10.54		8.38
Operating Interest		4.05		0.65		6.61
Total Direct Costs		1,465.06		1,606.81		1,446.70
Return to Overhead		835.27		370.02		1,252.15
Overhead Costs (allocated by farmers)						
Utilities		70.56		71.48		66.20
Real Estate Taxes		10.80		17.46		8.53
Farm Insurance		16.30		20.40		12.73
Overhead Hired Labor		105.99		105.31		105.35
Lease Payments		11.62		41.36		0.00
Miscellaneous Farm Expense		15.59		13.67		15.71
Interest		62.96		79.58		29.17
Depreciation		156.16		136.37		168.17
Total Overhead Costs		449.98		485.62		405.87
Total Listed Costs		1,915.05		2,092.43		1,852.57
Net Return		385.28		-115.59		846.28
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living		527.38		4.92		1,006.79
Other Information						
Average Number of Cows Per Farm		67.56		82.98		82.73
Lbs of Milk Produced per Cow		16,067.78		14,209.70		18,195.80
Percent of Barn Capacity Used		111.90		99.78		124.10
Percent of Milk Sold as Butterfat		3.70		3.84		3.70
Percent of Dairy Females Culled		37.56		38.16		40.29
Lbs Milk Prod. / All lb Conc. Fed		1.57		1.31		1.71
Avg. Price Received per Cwt Milk Sold		11.93		12.14		11.95

TABLE 11-5
 **** 1988 Livestock Enterprise Analysis ****
 Southeast Minnesota Farm Business Management Association
 (Average of all farms reporting)

Dairy Steers -- Average per Head

Number of Farms	7	
	Quantity	Value
Sales (lbs)	1,128.06	738.62
Livestock Transferred Out (lbs)	0.00	0.00
Butchered (lbs)	20.28	12.81
Cull Sales (lbs)	0.00	0.00
Less Livestock Purchased (lbs)	51.26	52.75
Less Livestock Transferred In (lbs)	322.20	225.47
Change in Inventory (lbs)	-148.78	-31.58
Gross Production (lbs)	626.10	441.63
Other Income		0.00
Total Return		441.63
Direct Costs		
Corn (bu)	76.97	165.48
Oats (bu)	0.52	1.05
Barley (bu)	2.60	3.91
Alfalfa Hay (lbs)	433.57	15.35
Alfalfa Haylage (lbs)	1,356.64	47.48
Corn Silage (lbs)	676.33	15.21
Oatlage (lbs)	279.72	3.36
Protein, Vitamins, Minerals (lbs)	315.38	49.65
Veterinarian and Medicine		4.31
Supplies		2.52
Marketing		10.30
Fuel and Oil		2.48
Repairs		9.72
Bedding		5.45
Operating Interest		2.15
Total Direct Costs		338.41
Return to Overhead		103.22
Overhead Costs (allocated by farmers)		
Utilities		7.68
Real Estate Taxes		1.32
Farm Insurance		2.32
Overhead Hired Labor		5.31
Lease Payments		0.16
Miscellaneous Farm Expense		2.75
Interest		8.41
Depreciation		18.28
Total Overhead Costs		46.23
Total Listed Costs		384.64
Net Return		56.99
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living		62.46
Other Information		
Number of Animals Purchased per Farm		15.00
Number of Animals Sold per Farm		38.43
Percentage Death Loss		2.20
Effective Daily Gain (lbs)		1.72
Lbs of Feed Fed per lb of Gain		11.85
Avg. Weight per Animal Bought		139.62
Avg. Weight per Animal Sold		1,199.35
Avg. Price Paid per Animal Bought		143.69
Avg. \$ per Cwt Recd. per Animal Sold		65.48

TABLE 11-6
 **** 1988 Livestock Enterprise Analysis ****
 Southeast Minnesota Farm Business Management Association
 (Average of all farms reporting)

Dairy Steers -- Average per CWT Produced

Number of Farms	7	
	Quantity	Value
Sales (lbs)	180.17	117.97
Livestock Transferred Out (lbs)	0.00	0.00
Butchered (lbs)	3.24	2.05
Cull Sales (lbs)	0.00	0.00
Less Livestock Purchased (lbs)	8.19	8.43
Less Livestock Transferred In (lbs)	51.46	36.01
Change in Inventory (lbs)	-23.76	-5.04
Gross Production (lbs)	100.00	70.54
Other Income		0.00
Total Return		70.54
Direct Costs		
Corn (bu)	12.29	26.43
Oats (bu)	0.08	0.17
Barley (bu)	0.42	0.62
Alfalfa Hay (lbs)	69.25	2.45
Alfalfa Haylage (lbs)	216.68	7.58
Corn Silage (lbs)	108.02	2.43
Oatlage (lbs)	44.68	0.54
Protein, Vitamins, Minerals (lbs)	50.37	7.93
Veterinarian and Medicine		0.69
Supplies		0.40
Marketing		1.64
Fuel and Oil		0.40
Repairs		1.55
Bedding		0.87
Operating Interest		0.34
Total Direct Costs		54.05
Return to Overhead		16.49
Overhead Costs (allocated by farmers)		
Utilities		1.23
Real Estate Taxes		0.21
Farm Insurance		0.37
Overhead Hired Labor		0.85
Lease Payments		0.03
Miscellaneous Farm Expense		0.44
Interest		1.34
Depreciation		2.92
Total Overhead Costs		7.38
Total Listed Costs		61.43
Net Return		9.10
Net Cash Flow Generated for		
Principal Payments, Income Taxes,		
and Family Living		9.98
Other Information		
Number of Animals Purchased per Farm		15.00
Number of Animals Sold per Farm		38.43
Percentage Death Loss		2.20
Effective Daily Gain (lbs)		1.72
Lbs of Feed Fed per lb of Gain		11.85
Avg. Weight per Animal Bought		139.62
Avg. Weight per Animal Sold		1,199.35
Avg. Price Paid per Animal Bought		143.69
Avg. \$ per Cwt Recd. per Animal Sold		65.48

TABLE 11-7
 **** 1988 Livestock Enterprise Analysis ****
 Southeast Minnesota Farm Business Management Association
 (Average of all farms reporting)

Farrow-Finish Hogs -- Average per Litter

Number of Farms	9	
	Quantity	Value
Sales (lbs)	1,756.23	772.71
Livestock Transferred Out (lbs)	0.00	0.00
Butchered (lbs)	2.26	0.63
Cull Sales (lbs)	125.66	38.77
Less Livestock Purchased (lbs)	14.71	15.08
Less Livestock Transferred In (lbs)	0.00	0.00
Change in Inventory (lbs)	7.92	-16.67
Gross Production (lbs)	1,877.37	780.35
Other Income		0.00
Total Return		780.35
Direct Costs		
Corn (bu)	91.55	195.41
Oats (bu)	1.84	4.59
Protein, Vitamins, Minerals (lbs)	1,545.53	272.63
Complete Ration (lbs)	369.43	33.40
Breeding		0.10
Veterinarian and Medicine		11.17
Supplies		10.30
Marketing		2.00
Fuel and Oil		5.83
Repairs		22.08
Machinery Work Hired		0.92
Bedding		2.65
Operating Interest		3.16
Total Direct Costs		564.23
Return to Overhead		216.11
Overhead Costs (allocated by farmers)		
Utilities		18.80
Real Estate Taxes		4.00
Farm Insurance		4.73
Overhead Hired Labor		28.81
Lease Payments		1.71
Miscellaneous Farm Expense		4.13
Interest		19.54
Depreciation		61.01
Total Overhead Costs		142.74
Total Listed Costs		706.97
Net Return		73.38
Net Cash Flow Generated for		
Principal Payments, Income Taxes,		
and Family Living		133.76
Other Information		
Number of Litters Farrowed per Farm		166.44
Number of Litters per Crate		8.14
Number of Litters per Sow		2.00
Pigs Born per Litter		9.96
Pigs Weaned per Litter		8.29
Lbs of Feed Fed per lb of Gain		3.78
Avg. Weight of Market Hogs Sold (lbs)		241.05
Avg. \$ per Cwt Received for Hogs Sold		44.00

TABLE 11-8
 **** 1988 Livestock Enterprise Analysis ****
 Southeast Minnesota Farm Business Management Association
 (Average of all farms reporting)

Farrow-Finish Hogs -- Average per CWT Produced

Number of Farms	9	
	Quantity	Value
Sales (lbs)	93.55	41.16
Livestock Transferred Out (lbs)	0.00	0.00
Butchered (lbs)	0.12	0.03
Cull Sales (lbs)	6.69	2.07
Less Livestock Purchased (lbs)	0.78	0.80
Less Livestock Transferred In (lbs)	0.00	0.00
Change in Inventory (lbs)	0.42	-0.89
Gross Production (lbs)	100.00	41.57
Other Income		0.00
Total Return		41.57
Direct Costs		
Corn (bu)	4.88	10.41
Oats (bu)	0.10	0.24
Protein, Vitamins, Minerals (lbs)	82.32	14.52
Complete Ration (lbs)	19.68	1.78
Breeding		0.01
Veterinarian and Medicine		0.59
Supplies		0.55
Marketing		0.11
Fuel and Oil		0.31
Repairs		1.18
Machinery Work Hired		0.05
Bedding		0.14
Operating Interest		0.17
Total Direct Costs		30.05
Return to Overhead		11.51
Overhead Costs (allocated by farmers)		
Utilities		1.00
Real Estate Taxes		0.21
Farm Insurance		0.25
Overhead Hired Labor		1.53
Lease Payments		0.09
Miscellaneous Farm Expense		0.22
Interest		1.04
Depreciation		3.25
Total Overhead Costs		7.60
Total Listed Costs		37.66
Net Return		3.91
Net Cash Flow Generated for		
Principal Payments, Income Taxes,		
and Family Living		7.13
Other Information		
Number of Litters Farrowed per Farm		166.44
Number of Litters per Crate		8.14
Number of Litters per Sow		2.00
Pigs Born per Litter		9.96
Pigs Weaned per Litter		8.29
Lbs of Feed Fed per lb of Gain		3.78
Avg. Weight of Market Hogs Sold (lbs)		241.05
Avg. \$ per Cwt Received for Hogs Sold		44.00

TABLE 11-9
 **** 1988 Livestock Enterprise Analysis ****
 Southeast Minnesota Farm Business Management Association
 (Average of all farms reporting)

Finish Feeder Pigs -- Average per Head

Number of Farms	7	
	Quantity	Value
Sales (lbs)	243.53	102.50
Livestock Transferred Out (lbs)	0.00	0.00
Butchered (lbs)	1.26	0.27
Cull Sales (lbs)	0.13	0.04
Less Livestock Purchased (lbs)	28.14	24.55
Less Livestock Transferred In (lbs)	28.07	21.90
Change in Inventory (lbs)	14.19	5.66
Gross Production (lbs)	202.90	62.01
Other Income		0.00
Total Return		62.01
Direct Costs		
Corn (bu)	6.49	13.96
Oats (bu)	0.08	0.19
Protein, Vitamins, Minerals (lbs)	74.59	12.45
Complete Ration (lbs)	296.41	22.43
Veterinarian and Medicine		0.22
Supplies		0.49
Marketing		0.30
Fuel and Oil		0.35
Repairs		0.93
Machinery Work Hired		0.08
Lease Payments		2.56
Bedding		0.19
Operating Interest		0.02
Total Direct Costs		54.18
Return to Overhead		7.83
Overhead Costs (allocated by farmers)		
Utilities		1.07
Real Estate Taxes		0.43
Farm Insurance		0.35
Overhead Hired Labor		0.37
Lease Payments		0.01
Miscellaneous Farm Expense		0.45
Interest		1.28
Depreciation		3.51
Total Overhead Costs		7.47
Total Listed Costs		61.65
Net Return		0.36
Net Cash Flow Generated for		
Principal Payments, Income Taxes,		
and Family Living		3.60
Other Information		
Number of Animals Purchased per Farm		432.43
Number of Animals Sold per Farm		733.14
Percentage Death Loss		2.04
Effective Daily Gain (lbs)		1.80
Lbs of Feed Fed per lb of Gain		3.63
Avg. Weight per Animal Bought		47.71
Avg. Weight per Animal Sold		243.53
Avg. Price Paid per Animal Bought		41.63
Avg. \$ per Cwt Recd. per Animal Sold		42.09

TABLE 11-10
 **** 1988 Livestock Enterprise Analysis ****
 Southeast Minnesota Farm Business Management Association
 (Average of all farms reporting)

Finish Feeder Pigs -- Average per CWT Produced

Number of Farms	7	
	Quantity	Value
Sales (lbs)	120.02	50.51
Livestock Transferred Out (lbs)	0.00	0.00
Butchered (lbs)	0.62	0.13
Cull Sales (lbs)	0.06	0.02
Less Livestock Purchased (lbs)	13.87	12.10
Less Livestock Transferred In (lbs)	13.83	10.79
Change in Inventory (lbs)	6.99	2.79
Gross Production (lbs)	100.00	30.56
Other Income		0.00
Total Return		30.56
Direct Costs		
Corn (bu)	3.20	6.88
Oats (bu)	0.04	0.10
Protein, Vitamins, Minerals (lbs)	36.76	6.14
Complete Ration (lbs)	146.09	11.06
Veterinarian and Medicine		0.11
Supplies		0.24
Marketing		0.15
Fuel and Oil		0.17
Repairs		0.46
Machinery Work Hired		0.04
Lease Payments		1.26
Bedding		0.09
Operating Interest		0.01
Total Direct Costs		26.70
Return to Overhead		3.86
Overhead Costs (allocated by farmers)		
Utilities		0.53
Real Estate Taxes		0.21
Farm Insurance		0.17
Overhead Hired Labor		0.18
Lease Payments		0.00
Miscellaneous Farm Expense		0.22
Interest		0.63
Depreciation		1.73
Total Overhead Costs		3.68
Total Listed Costs		30.38
Net Return		0.18
Net Cash Flow Generated for		
Principal Payments, Income Taxes,		
and Family Living		1.78
Other Information		
Number of Animals Purchased per Farm		432.43
Number of Animals Sold per Farm		733.14
Percentage Death Loss		2.04
Effective Daily Gain (lbs)		1.80
Lbs of Feed Fed per lb of Gain		3.63
Avg. Weight per Animal Bought		47.71
Avg. Weight per Animal Sold		243.53
Avg. Price Paid per Animal Bought		41.63
Avg. \$ per Cwt Recd. per Animal Sold		42.09

TABLE 11-11
 **** 1988 Livestock Enterprise Analysis ****
 Southeast Minnesota Farm Business Management Association
 (Average of all farms reporting)

Beef Cow-Calf -- Average per Cow

Number of Farms	9	
	Quantity	Value
Sales (lbs)	78.38	60.63
Livestock Transferred Out (lbs)	280.74	224.60
Butchered (lbs)	0.00	0.00
Cull Sales (lbs)	174.60	90.44
Less Livestock Purchased (lbs)	44.89	33.05
Less Livestock Transferred In (lbs)	55.74	36.77
Change in Inventory (lbs)	61.70	117.61
Gross Production (lbs)	494.80	423.46
Other Income		0.00
Total Return		423.46
Direct Costs		
Corn (bu)	4.85	10.38
Oats (bu)	0.69	1.72
Alfalfa Hay (lbs)	3,144.68	101.30
Alfalfa Haylage (lbs)	1,051.06	36.79
Corn Silage (lbs)	1,518.49	34.15
Protein, Vitamins, Minerals (lbs)	177.45	27.27
Pasture (AUM)	9.40	25.17
Breeding		1.08
Veterinarian and Medicine		13.26
Supplies		3.74
Marketing		0.82
Fuel and Oil		3.22
Repairs		8.00
Machinery Work Hired		1.01
Utilities		6.81
Bedding		2.13
Operating Interest		0.27
Total Direct Costs		277.12
Return to Overhead		146.34
Overhead Costs (allocated by farmers)		
Utilities		12.83
Real Estate Taxes		1.44
Farm Insurance		4.01
Overhead Hired Labor		5.14
Lease Payments		0.51
Miscellaneous Farm Expense		5.42
Interest		9.68
Depreciation		21.42
Total Overhead Costs		60.46
Total Listed Costs		337.58
Net Return		85.89
Net Cash Flow Generated for		
Principal Payments, Income Taxes,		
and Family Living		107.31
Other Information		
Average Number of Cows per Farm		52.22
Calving Percentage		100.00
Weaning Percentage		94.35
Percent of Cows Culled		14.89
Avg. Weight per Calf Sold		594.19
Avg. \$ per Cwt Received per Calf Sold		77.35

TABLE 11-12
 **** 1988 Livestock Enterprise Analysis ****
 Southeast Minnesota Farm Business Management Association
 (Average of all farms reporting)

Beef Cow-Calf -- Average per CWT Produced

Number of Farms	9	
	Quantity	Value
Sales (lbs)	15.84	12.25
Livestock Transferred Out (lbs)	56.74	45.39
Butchered (lbs)	0.00	0.00
Cull Sales (lbs)	35.29	18.28
Less Livestock Purchased (lbs)	9.07	6.68
Less Livestock Transferred In (lbs)	11.27	7.43
Change in Inventory (lbs)	12.47	23.77
Gross Production (lbs)	100.00	85.58
Other Income		0.00
Total Return		85.58
Direct Costs		
Corn (bu)	0.98	2.10
Oats (bu)	0.14	0.35
Alfalfa Hay (lbs)	635.55	20.47
Alfalfa Haylage (lbs)	212.42	7.43
Corn Silage (lbs)	306.89	6.90
Protein, Vitamins, Minerals (lbs)	35.86	5.51
Pasture (AUM)	1.90	5.09
Breeding		0.22
Veterinarian and Medicine		2.68
Supplies		0.76
Marketing		0.17
Fuel and Oil		0.65
Repairs		1.62
Machinery Work Hired		0.20
Utilities		1.38
Bedding		0.43
Operating Interest		0.06
Total Direct Costs		56.01
Return to Overhead		29.58
Overhead Costs (allocated by farmers)		
Utilities		2.59
Real Estate Taxes		0.29
Farm Insurance		0.81
Overhead Hired Labor		1.04
Lease Payments		0.10
Miscellaneous Farm Expense		1.10
Interest		1.96
Depreciation		4.33
Total Overhead Costs		12.22
Total Listed Costs		68.23
Net Return		17.36
Net Cash Flow Generated for		
Principal Payments, Income Taxes,		
and Family Living		21.69
Other Information		
Average Number of Cows per Farm		52.22
Calving Percentage		100.00
Weaning Percentage		94.35
Percent of Cows Culled		14.89
Avg. Weight per Calf Sold		594.19
Avg. \$ per Cwt Received per Calf Sold		77.35

TABLE 11-13
 **** 1988 Livestock Enterprise Analysis ****
 Southeast Minnesota Farm Business Management Association
 (Average of all farms reporting)

Beef Finishing, All Types -- Average per Head

Number of Farms	10	
	Quantity	Value
Sales (lbs)	1,199.74	809.64
Livestock Transferred Out (lbs)	24.53	16.18
Butchered (lbs)	5.06	3.37
Cull Sales (lbs)	0.00	0.00
Less Livestock Purchased (lbs)	351.89	294.50
Less Livestock Transferred In (lbs)	111.14	85.26
Change in Inventory (lbs)	-206.56	-76.61
Gross Production (lbs)	559.73	372.81
Other Income		0.00
Total Return		372.81
Direct Costs		
Corn (bu)	49.28	101.05
Oats (bu)	0.51	1.26
Alfalfa Hay (lbs)	586.14	20.40
Alfalfa Haylage (lbs)	741.10	23.88
Corn Silage (lbs)	665.13	16.14
Protein, Vitamins, Minerals (lbs)	239.51	31.84
Complete Ration (lbs)	1.12	0.78
Veterinarian and Medicine		4.11
Supplies		1.32
Marketing		23.65
Fuel and Oil		1.71
Repairs		16.20
Machinery Work Hired		0.99
Bedding		1.98
Operating Interest		0.43
Total Direct Costs		245.74
Return to Overhead		127.07
Overhead Costs (allocated by farmers)		
Utilities		6.01
Real Estate Taxes		1.44
Farm Insurance		1.66
Overhead Hired Labor		0.73
Lease Payments		0.43
Miscellaneous Farm Expense		1.69
Interest		6.35
Depreciation		21.49
Total Overhead Costs		39.79
Total Listed Costs		285.54
Net Return		87.28
Net Cash Flow Generated for		
Principal Payments, Income Taxes,		
and Family Living		105.40
Other Information		
Number of Animals Purchased per Farm		72.20
Number of Animals Sold per Farm		106.80
Percentage Death Loss		2.11
Effective Daily Gain (lbs)		2.00
Lbs of Feed Fed per lb of Gain		8.95
Avg. Weight per Animal Bought		520.53
Avg. Weight per Animal Sold		1,199.74
Avg. Price Paid per Animal Bought		435.63
Avg. \$ per Cwt Recd. per Animal Sold		67.48

TABLE 11-14
 **** 1988 Livestock Enterprise Analysis ****
 Southeast Minnesota Farm Business Management Association
 (Average of all farms reporting)

Beef Finishing, All Types -- Average per CWT Produced

Number of Farms	10	
	Quantity	Value
Sales (lbs)	214.34	144.65
Livestock Transferred Out (lbs)	4.38	2.89
Butchered (lbs)	0.90	0.60
Cull Sales (lbs)	0.00	0.00
Less Livestock Purchased (lbs)	62.87	52.62
Less Livestock Transferred In (lbs)	19.86	15.23
Change in Inventory (lbs)	-36.90	-13.69
Gross Production (lbs)	100.00	66.61
Other Income		0.00
Total Return		66.61
Direct Costs		
Corn (bu)	8.80	18.05
Oats (bu)	0.09	0.23
Alfalfa Hay (lbs)	104.72	3.65
Alfalfa Haylage (lbs)	132.40	4.27
Corn Silage (lbs)	118.83	2.88
Protein, Vitamins, Minerals (lbs)	42.79	5.69
Complete Ration (lbs)	0.20	0.14
Veterinarian and Medicine		0.73
Supplies		0.24
Marketing		4.22
Fuel and Oil		0.31
Repairs		2.89
Machinery Work Hired		0.18
Bedding		0.35
Operating Interest		0.08
Total Direct Costs		43.90
Return to Overhead		22.70
Overhead Costs (allocated by farmers)		
Utilities		1.07
Real Estate Taxes		0.26
Farm Insurance		0.30
Overhead Hired Labor		0.13
Lease Payments		0.08
Miscellaneous Farm Expense		0.30
Interest		1.13
Depreciation		3.84
Total Overhead Costs		7.11
Total Listed Costs		51.01
Net Return		15.59
Net Cash Flow Generated for		
Principal Payments, Income Taxes,		
and Family Living		18.83
Other Information		
Number of Animals Purchased per Farm		72.20
Number of Animals Sold per Farm		106.80
Percentage Death Loss		2.11
Effective Daily Gain (lbs)		2.00
Lbs of Feed Fed per lb of Gain		8.95
Avg. Weight per Animal Bought		520.53
Avg. Weight per Animal Sold		1,199.74
Avg. Price Paid per Animal Bought		435.63
Avg. \$ per Cwt Recd. per Animal Sold		67.48

TABLE 12
PRICES USED IN ANALYSIS - 1988
SOUTHEAST FARM BUSINESS MANAGEMENT ASSOCIATION

<u>Item</u>	<u>Beginning Inventory Price</u>	<u>Average Feed Price/Yr.</u>	<u>Harvest Price</u>	<u>Ending Inventory Price</u>
Corn	\$ 1.65	\$ 2.15	\$ 2.50	\$ 2.50
Oats	1.80	2.00	2.50	2.50
Soybeans	5.75	--	7.50	7.50
Alfafa Hay	50.00	70.00	80.00	90.00
Mixed Hay	40.00	60.00	70.00	70.00
Haylage	25.00	30.00	40.00	40.00
Corn Silage	13.00	15.00	18.00	18.00
Oat Silage	10.00	12.00	14.00	14.00
Straw/ton	40.00	--	80.00	80.00
Corn Stalks	10.00	10.00	15.00	15.00
Wheat	2.80	2.50	3.00	3.50
Barley	2.00	1.50	2.50	2.50

<u>Pasture Rates</u>	<u>year</u>	<u>Tillable Pasture or Green Chop</u>		<u>Non-Tillable 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 & horses	1988	\$10.00	\$.333	\$ 7.00	\$.233
Young cattle, colts	1988	5.00	.167	3.50	.117
<hr/>					
Other partner's labor	1988	--	--	\$1500/mo.	\$18,000/yr.
Board for hired help	1988	--	\$6/day	--	--
<hr/>					
Homegrown seed - soybeans		\$8/bu.			
- oats		\$3/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 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:

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

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

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 evaluates management flexibility. 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), on a gross income category basis (Table 15), and by type of farm (Table 16). Farms are classified as a certain type (e.g., dairy) on the basis of having 70 percent or more of their gross sales from that category. To show productivity differences between counties, the enterprise reports for corn and soybeans on cash rented land are reported by county (Tables 17 and 18, 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	1987	1988
(1988 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	62	63
Total Crop Acres	258	276	287	298	304	333	293	328	333	307	331	327	347	*	363	423	376	365	348
Gross Cash Farm Income	128,699	127,941	146,379	190,579	198,960	175,955	194,307	225,028	242,738	229,961	231,460	208,808	247,912	211,888	213,718	217,665	205,225	198,362	187,712
Total Cash Farm Expense	79,014	87,426	89,139	115,264	112,616	120,140	123,552	146,387	152,312	150,584	159,713	146,327	185,067	138,240	164,136	166,308	152,296	142,462	135,159
Farm Profit or Loss	38,326	33,502	54,929	122,506	75,783	44,671	57,337	63,430	100,554	57,169	58,678	33,987	30,106	40,952	23,614	18,383	27,180	47,067	41,829
Farm Interest Paid	6,809	7,332	8,221	9,463	9,278	13,067	8,682	14,447	14,537	13,720	19,469	18,571	26,680	21,003	22,633	24,432	22,849	17,226	15,543
Value of Farm Production	105,062	102,572	130,910	226,182	175,106	152,276	150,469	174,111	208,438	165,591	179,339	147,540	169,649	202,206	206,830	210,008	187,409	202,464	187,789
Total Ending Farm Assets	287,695	357,818	375,784	451,749	434,183	439,197	432,761	511,130	547,775	423,083	421,384	439,518	580,266	427,294	384,869	347,685	293,091	305,282	299,784
Total Ending Liabilities	119,714	150,525	175,355	175,084	134,425	141,785	125,464	166,791	191,122	155,290	196,965	225,473	294,533	194,555	219,610	221,510	183,846	168,716	154,430
Ending Net Worth	167,982	207,292	200,429	276,665	299,758	297,412	307,297	344,339	356,653	267,793	224,419	214,045	285,734	232,739	165,259	126,175	109,245	136,566	145,354
Rate of Return on:																			
Average Investment (%)	10	7	12	28	16	9	11	13	19	11	15	8	8	9	7	7	10	15	13**
Average Equity (%)	13	8	18	44	21	9	13	14	24	13	18	8	5	9	3	0	7	23	17**
Yield, U.S. Gov't Sec.	6	4	4	7	8	6	5	5	7	10	12	14	11	9	10	7	6	6	7**
Debt to Asset Percent	42	42	47	39	31	32	29	33	35	37	47	51	51	46	57	64	63	55	52
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	9	8
Total Cash Expenses	9	8	9	8	8	11	7	10	10	9	12	13	14	15	14	15	15	12	11
Net Profit Margin	26	22	33	50	38	26	31	33	46	31	33	23	23	21	13	11	17	22	21
Asset Turnover Ratio	37	32	36	56	42	36	35	38	41	36	45	36	34	41	52	58	59	69	63
HOUSEHOLD EXPENSES & INCOME:																			
# farms reporting	48	43	47	38	42	36	30	38	30	35	38	22	23	13	14	15	15	14	12
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	3.50	3.50
Average Nonfarm Income:	4,206	6,152	5,143	4,916	5,712	5,744	6,300	4,910	7,648	8,414	9,037	9,383	9,516	5,554	9,239	6,673	9,098	9,152	8,396
Family living from farm	1,045	1,008	1,033	1,292	1,186	1,058	967	1,146	1,156	1,313	1,033	1,091	677	415	611	415	408	454	585
Family Living Expense	19,169	18,849	20,389	21,346	21,327	20,484	19,556	21,105	21,926	21,396	20,452	18,980	19,506	19,378	19,578	20,748	19,018	23,423	22,405
Capital Expenditures	12,924	7,093	11,517	10,416	14,643	15,675	15,053	8,058	17,106	18,442	11,300	16,709	9,908	6,105	5,314	6,958	7,046	9,893	10,904
TOTAL FAMILY USE OF CASH	34,967	29,843	32,812	34,343	40,260	45,012	38,353	36,605	45,791	48,522	36,449	41,134	32,701	30,890	27,952	30,044	29,085	37,252	41,392

* Not available.

** Preliminary estimates

TABLE 14
 **** 1988 FARM FINANCIAL INFORMATION SUMMARY BY COUNTY ****
 Southeast Minnesota Farm Business Management Association
 (Farms Sorted According To County)

	Average For All Farms	Dakota Le Sueur Nicollet Rice Scott	Goodhue Houston Olmsted Wabasha Winona	Dodge Freeborn Mower Steele Waseca
Number of Farms	63	15	37	10
Detailed Farm Profit or Loss				
Gross Cash Farm Income	187,712	224,934	177,704	165,635
Total Cash Operating Expense	135,159	148,162	129,463	130,944
Total Inventory Change	2,922	1,715	2,536	6,547
Total Depreciation and Cap. Adj.	-13,646	-21,249	-10,106	-14,731
Profit or Loss	41,829	57,237	40,672	26,507
Profitability and Liquidity Analysis				
Labor and Management Earnings	29,793	39,004	29,940	18,592
Rate of Return on Investment	10	11	11	7
Rate of Return on Net Worth	11	12	12	6
Farm Interest Paid	15,823	13,746	16,730	12,945
Average Farm Investment	362,964	478,538	335,419	285,625
Average Farm Net Worth	190,405	298,874	163,548	131,921
Value of Farm Production	187,789	215,895	179,744	172,204
Cash Expense as a % of Income	72	66	73	79
Interest Expense as a % of Income	8	6	9	8
Comparative Financial Statement				
Sole Proprietors	48	11	29	7
Total Beginning Farm Assets	292,147	345,018	288,925	203,831
Total Ending Farm Assets	299,784	338,764	298,496	226,458
Total Beginning Farm Liabilities	158,534	155,190	166,696	116,200
Total Ending Farm Liabilities	153,601	144,054	157,979	128,834
Beginning Net Worth	158,367	226,932	146,289	99,395
Ending Net Worth	176,990	239,926	170,310	114,383
Net Worth Change	18,623	12,993	24,021	14,988
Beginning Cur + Int Liab / Assets %	34	28	39	30
Ending Cur + Int Liab / Assets %	33	28	34	30
Beginning Long Term Liab / Assets %	75	59	78	104
Ending Long Term Lib / Assets %	70	54	73	97
Total Beg Farm Liab / Assets %	54	45	58	57
Total End Farm Liab / Assets %	51	43	53	57
Household and Personal Expense				
Number of Farms Included	12	0	10	2
Total Cash Living Expense	41,392	0	41,156	42,572
Crop Production and Marketing Summary				
Total Acres Owned	274	366	272	147
Total Crop Acres Farmed	348	421	325	340
Crop Acres Owned	223	296	219	129
Crop Acres Cash Rented	105	118	94	137
Crop Acres Share Rented	20	7	11	74
Average Prices Received (cash sales)				
Corn per Bushel	2.17	2.05	2.24	2.08
Soybeans per Bushel	6.87	6.92	7.22	6.47

TABLE 15
 **** 1988 FARM FINANCIAL INFORMATION SUMMARY BY SALES CLASS ****
 Southeast Minnesota Farm Business Management Association
 (Farms Sorted According To Total Cash Farm Income)

	Average For All Farms	40,000 - 99,999	100,000 - 199,999	200,000 - 499,999
Number of Farms*	63	11	26	21
Detailed Farm Profit or Loss				
Gross Cash Farm Income	187,712	66,014	146,873	290,376
Total Cash Operating Expense	135,159	54,863	105,836	218,207
Total Inventory Change	2,922	5,647	744	-811
Total Depreciation and Cap. Adj.	-13,646	-3,665	-8,274	-22,299
Profit or Loss	41,829	13,132	33,507	49,058
Profitability and Liquidity Analysis				
Labor and Management Earnings	29,793	9,207	25,204	31,157
Rate of Return on Investment	10	4	10	9
Rate of Return on Net Worth	11	-3	12	7
Farm Interest Paid	15,823	7,112	12,859	25,212
Average Farm Investment	362,964	129,560	284,469	529,566
Average Farm Net Worth	190,405	56,002	124,776	289,837
Value of Farm Production	187,789	78,866	153,209	269,810
Cash Expense as a % of Income	72	83	72	75
Interest Expense as a % of Income	8	11	9	9
Comparative Financial Statement				
Sole Proprietors	48	10	23	11
Total Beginning Farm Assets	292,147	110,953	274,969	499,556
Total Ending Farm Assets	299,784	136,162	279,706	502,552
Total Beginning Farm Liabilities	158,534	67,490	170,464	226,110
Total Ending Farm Liabilities	153,601	93,995	163,307	215,395
Beginning Net Worth	158,367	51,908	134,014	308,909
Ending Net Worth	176,990	52,968	153,232	331,191
Net Worth Change	18,623	1,060	19,218	22,282
Beginning Cur + Int Liab / Assets %	34	40	40	21
Ending Cur + Int Liab / Assets %	33	48	37	24
Beginning Long Term Liab / Assets %	75	95	85	68
Ending Long Term Lib / Assets %	70	101	80	61
Total Beg Farm Liab / Assets %	54	61	62	45
Total End Farm Liab / Assets %	51	69	58	43
Household and Personal Expense				
Number of Farms Included	12	1	7	4
Total Cash Living Expense	41,392	41,492	39,006	45,541
Crop Production and Marketing Summary				
Total Acres Owned	274	107	229	373
Total Crop Acres Farmed	348	190	308	467
Crop Acres Owned	223	88	180	322
Crop Acres Cash Rented	105	89	104	122
Crop Acres Share Rented	20	14	24	23
Average Prices Received (cash sales)				
Corn per Bushel	2.17	2.21	2.17	2.23
Soybeans per Bushel	6.87	7.22	6.91	6.65

* Three farms which reported less than \$40,000 and two which reported more than \$500,000 in Total Cash Farm Income are included in the "All Farms" column but not in separate columns for confidentiality reasons.

TABLE 16
 **** 1988 FARM FINANCIAL INFORMATION SUMMARY BY TYPE OF FARM ****
 Southeast Minnesota Farm Business Management Association
 (Farms Sorted According To Type Of Farm)

	Average For All Farms	Dairy	Crop and Dairy	Crop and Hog	Other
	-----	-----	-----	-----	-----
Number of Farms	63	20	6	6	31
Detailed Farm Profit or Loss					
Gross Cash Farm Income	187712	153653	256239	287096	177187
Total Cash Operating Expense	135159	113415	194186	177808	129509
Total Inventory Change	2922	6274	1020	9116	-71
Total Depreciation and Cap. Adj.	-13646	-12021	-18002	-24557	-11740
Profit or Loss	41829	34492	45071	93847	35867
Profitability and Liquidity Analysis					
Labor and Management Earnings	29793	24945	25980	74465	25013
Rate of Return on Investment	10	9	8	17	9
Rate of Return on Net Worth	11	9	6	23	9
Farm Interest Paid	15823	11957	21137	16172	17221
Average Farm Investment	362964	296684	511314	536077	343508
Average Farm Net Worth	190405	157732	292808	323044	165992
Value of Farm Production	187789	166167	268935	273599	169424
Cash Expense as a % of Income	72	74	76	62	72
Interest Expense as a % of Income	8	8	8	6	10
Comparative Financial Statement					
Sole Proprietors	48	17	3	5	8
Total Beginning Farm Assets	292147	286114	473172	480599	215108
Total Ending Farm Assets	299784	298497	487149	490625	217520
Total Beginning Farm Liabilities	158534	130825	195225	205877	147757
Total Ending Farm Liabilities	153601	131019	170456	152375	150560
Beginning Net Worth	158367	173471	313297	292627	95131
Ending Net Worth	176990	191529	366453	363889	99618
Net Worth Change	18623	18057	53156	71262	4487
Beginning Cur + Int Liab / Assets %	34	26	20	37	43
Ending Cur + Int Liab / Assets %	33	24	14	22	47
Beginning Long Term Liab / Assets %	75	68	71	48	80
Ending Long Term Liab / Assets %	70	66	69	39	77
Total Beg Farm Liab / Assets %	54	46	41	43	67
Total End Farm Liab / Assets %	51	44	35	31	66
Household and Personal Expense					
Number of Farms Included	12	3	3	2	4
Total Cash Living Expense	41392	33158	43721	64216	34409
Crop Production and Marketing Summary					
Total Acres Owned	274	221	365	317	282
Total Crop Acres Farmed	348	235	465	606	348
Crop Acres Owned	223	176	318	252	228
Crop Acres Cash Rented	105	48	147	280	100
Crop Acres Share Rented	20	10	0	74	20
Average Prices Received (cash sales)					
Corn per Bushel	2.17	1.71	2.30	2.05	1.92
Soybeans per Bushel	6.87	7.78	6.86	6.76	6.55

TABLE 17
 **** 1988 Crop Enterprise Analysis ****
 Southeast Minnesota Farm Business Management Association
 (Farms Sorted According To County)

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	34	9	19	6
Number of Farms	30	8	16	6
Acres	82.64	76.63	87.19	78.52
Yield per Acre	89.07	80.30	88.40	102.47
Operators Share of Yield %	100.00	100.00	100.00	100.00
Value per Bushel	2.50	2.50	2.50	2.50
Crop Product Return per Acre	222.68	200.76	221.00	256.18
Other Crop Income per Acre	21.19	32.38	22.42	2.99
Gross Return per Acre	243.87	233.14	243.42	259.17
Direct Costs per Acre				
Seed	21.31	18.69	22.06	22.50
Fertilizer	35.44	36.58	32.92	41.42
Chemicals	21.94	25.23	19.77	24.06
Crop Insurance	3.41	3.60	4.00	1.40
Custom Work Hired	4.75	4.99	4.66	4.68
Fuel and Oil	10.31	10.42	10.15	10.65
Repairs	22.27	20.46	24.55	17.87
Crop Drying	4.49	2.07	5.04	5.99
Special Hired Labor	0.16	0.00	0.28	0.00
Crop Marketing	0.52	0.00	0.74	0.52
Utilities	0.01	0.00	0.03	0.00
Land Rent	64.15	58.60	64.04	71.71
Lease Payments	0.54	0.00	0.27	2.01
Miscellaneous Crop Expense	1.06	1.54	0.59	1.83
Operating Interest	3.77	1.08	5.85	1.09
Total Direct Costs per Acre	194.11	183.28	194.95	205.73
Return to Overhead per Acre	49.76	49.86	48.47	53.44
Overhead Costs per Acre				
Utilities	1.62	1.99	1.74	0.75
Hired Labor	2.96	1.84	3.19	3.77
Farm Insurance	2.25	2.27	2.52	1.42
Machinery Lease Payments	1.83	1.65	2.40	0.40
Real Estate Taxes	0.00	0.00	0.00	0.00
Miscellaneous Farm Expense	2.32	2.00	2.58	1.96
Interest	9.68	9.16	12.51	1.99
Depreciation	29.60	30.09	29.31	29.79
Total Overhead Costs per Acre	50.27	49.01	54.26	40.07
Total Listed Costs per Acre	244.38	232.29	249.20	245.80
Net Return per Acre	-0.50	0.85	-5.78	13.37
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	29.09	30.94	23.53	43.15
Total Direct Costs per Bushel	2.18	2.28	2.21	2.01
Total Listed Costs per Bushel	2.74	2.89	2.82	2.40
Net Return per Bushel	-0.01	0.01	-0.07	0.13
Break Even Yield per Acre	89.27	79.96	90.71	97.13
Return to Overhead (incl. setaside)	92.62	97.45	95.05	78.92
Net Return per Acre (incl. setaside)	46.38	53.83	40.79	52.69

TABLE 18
 **** 1988 Crop Enterprise Analysis ****
 Southeast Minnesota Farm Business Management Association
 (Farms Sorted According To County)

SOYBEANS 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	20	7	8	5
Number of Farms	18	6	7	5
Acres	68.32	82.87	71.67	46.18
Yield per Acre	31.97	25.73	36.98	34.53
Operators Share of Yield %	100.00	100.00	100.00	100.00
Value per Bushel	7.50	7.50	7.50	7.50
Crop Product Return per Acre	239.78	192.95	277.35	258.95
Other Crop Income per Acre	19.00	34.35	12.54	0.00
Gross Return per Acre	258.78	227.30	289.89	258.95
Direct Costs per Acre				
Seed	10.60	9.96	11.50	10.03
Fertilizer	2.69	2.73	0.14	8.14
Chemicals	27.41	35.74	20.92	23.59
Crop Insurance	5.25	5.39	6.24	2.80
Custom Work Hired	2.35	1.96	1.32	5.42
Fuel and Oil	8.35	8.84	7.99	8.07
Repairs	14.51	14.73	14.29	14.50
Crop Drying	0.17	0.00	0.00	0.92
Crop Marketing	0.19	0.00	0.00	1.03
Land Rent	63.22	63.43	58.84	72.26
Lease Payments	0.81	0.52	0.89	1.24
Miscellaneous Crop Expense	1.64	0.00	4.01	0.00
Operating Interest	1.28	1.19	1.71	0.54
Total Direct Costs per Acre	138.48	144.51	127.86	148.55
Return to Overhead per Acre	120.30	82.79	162.04	110.39
Overhead Costs per Acre				
Utilities	1.33	1.93	1.06	0.64
Hired Labor	1.69	1.09	2.76	0.64
Farm Insurance	2.03	2.61	2.03	0.81
Machinery Lease Payments	2.56	1.72	2.49	4.54
Real Estate Taxes	0.00	0.00	0.00	0.00
Miscellaneous Farm Expense	2.11	2.61	2.02	1.23
Interest	10.65	8.14	17.93	0.24
Depreciation	21.93	24.63	19.72	20.93
Total Overhead Costs per Acre	42.31	42.74	48.00	29.03
Total Listed Costs per Acre	180.79	187.25	175.86	177.59
Net Return per Acre	77.99	40.06	114.03	81.36
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	99.92	64.69	133.75	102.29
Total Direct Costs per Bushel	4.33	5.62	3.46	4.30
Total Listed Costs per Bushel	5.65	7.28	4.76	5.14
Net Return per Bushel	2.44	1.56	3.08	2.36
Break Even Yield per Acre	21.57	20.39	21.78	23.68