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# 1987

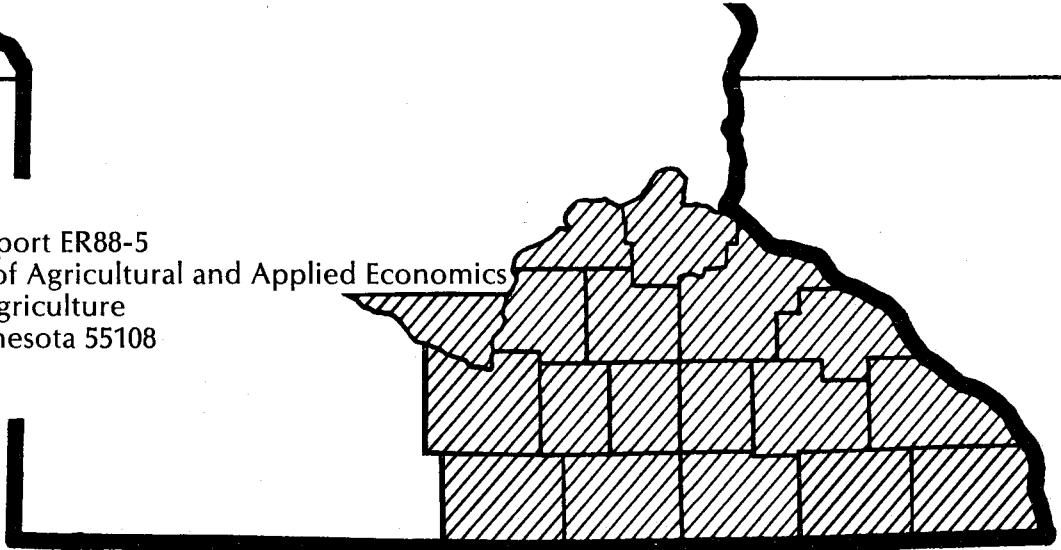
## annual report



### **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 ER88-5  
Department of Agricultural and Applied Economics  
Institute of Agriculture  
St. Paul, Minnesota 55108  
April, 1988

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1987 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 78 farms in the Southeastern Association, the data for 62 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.

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

SOUTHEASTERN MINNESOTA FARM MANAGEMENT ASSOCIATION

DISTRIBUTION OF MEMBERSHIP

1987

County	Number of Members	Number of Records Submitted	Association Directors	County Extension Directors Agriculture
Dakota	6	5	Orrin Legare	Warren Sifferath
Dodge	6	5	Syvert Boyum	David H. Hanson
Mower	2	1		Harlan L. Johnsrud
Faribault	2	2	Chuck Vollum	Henry C. Bollum
Freeborn	2	1		Eldon H. Senske
Goodhue	12	10	Merle Schwartz	Richard C. Walter
Houston	5	5	James Luehmann,	Russell L. Krech
Winona	10	7	President	Neil R. Broadwater
LeSueur	2	2	Amos Hayes	(open)
Nicollet	1	1		Gary Hachfeld
Waseca	2	2		David D. Werner
Olmsted	13	9	Richard Pike	David J. Kjome
Fillmore	1	0		Sheila M. Craig
Rice	3	2	Dennis Gerold	Roger M. Wilkowske
Scott	4	4		David D. Hart
Steele	2	2	Don Wilker	Larry A. Tande
Wabasha	<u>7</u>	<u>4</u>	Francis Kottschade	Charles Schwartz
TOTAL	78	62		

Robert Lamprecht, Secretary-Treasurer

1987 ANNUAL REPORT OF THE SOUTHEASTERN  
MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION

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## 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 LOSS STATEMENT FOR 1987 \*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Farms Sorted According to Farm Profit/Loss)

	Average For All Farms	Average For Low 20%	Average For High 20%
	-----	-----	-----
Number of Farms	62	12	12
<b>Farm Income</b>			
-----			
Corn	\$14,060	\$10,036	\$31,655
Corn -- CCC or Reserve	\$7,241	\$6,276	\$4,358
Corn -- Net Govt Sales	\$4,031	\$1,936	\$10,355
Oats	\$578	\$513	\$274
Barley	\$150	\$0	\$260
Spring Wheat	\$79	\$220	\$29
Alfalfa Hay	\$429	\$529	\$7
Alfalfa Haylage	\$69	\$0	\$0
Small Grain Silage	\$2,207	\$0	\$5,319
Soybeans	\$7,541	\$3,210	\$15,070
Soybeans -- CCC or Reserve	\$1,137	\$1,707	\$1,207
Soybeans -- Net Govt Sales	\$485	\$2,412	\$25
Snap Beans	\$131	\$0	\$677
Sweet Corn	\$1,822	\$2,187	\$0
Peas	\$1,003	\$1,939	\$0
Other Crop Income	\$90	\$25	\$0
Milk	\$61,789	\$35,893	\$91,665
Market Hogs (Raised)	\$22,962	\$0	\$37,826
Feeder Pigs	\$830	\$1,249	\$0
Beef and Dairy Calves	\$647	\$2,452	\$0
Market Lambs (Raised)	\$75	\$316	\$74
Mixed Hogs	\$4,352	\$0	\$0
Market Hogs (Bought)	\$6,753	\$0	\$23,087
Finished Beef	\$11,754	\$4,263	\$11,225
Dairy Steers	\$2,245	\$0	\$8,622
Dairy Heifers	\$1,766	\$0	\$2,624
Turkeys	\$217	\$0	\$1,119
Dairy Hfrs and Feeder Stock	\$4,025	\$6,435	\$2,214
Cull Breeding Livestock	\$324	\$2	\$1,641
Other Livestock Income	\$72	\$116	\$253
Machine Work Income	\$1,232	\$447	\$656
Patronage Dividends	\$701	\$720	\$1,055
Def. and Diversion Payments	\$21,052	\$15,424	\$39,333
Government CRP Payments	\$1,261	\$610	\$5,676
Other Government Payments	\$5,274	\$1,413	\$24,489
Insurance Income	\$170	\$0	\$244
Other Farm Income	\$1,926	\$1,262	\$6,384
Gross Cash Farm Income	\$190,481	\$101,591	\$327,418

TABLE 1 (cont.)  
 \*\*\*\* DETAILED FARM PROFIT OR LOSS STATEMENT FOR 1987 \*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Farms Sorted According to Farm Profit/Loss)

	Average For All Farms	Average For Low 20%	Average For High 20%
	----- 62	----- 12	----- 12
Number of Farms	62	12	12
<b>Cash Expense</b>			
-----			
Hired Labor	\$6,456	\$4,923	\$6,081
Repairs	\$13,702	\$12,067	\$18,968
Land Rent	\$8,035	\$5,961	\$9,940
Mach. and Bldg. Leases	\$1,684	\$965	\$290
Interest	\$16,542	\$19,835	\$17,515
Feed Purchased	\$28,143	\$11,125	\$39,941
Seed	\$5,432	\$3,328	\$9,424
Fertilizer	\$8,525	\$4,785	\$15,978
Crop Chemicals	\$5,457	\$4,185	\$9,330
Machinery Work Hired	\$2,292	\$3,285	\$2,981
Livestock Supplies	\$4,808	\$2,276	\$7,506
Breeding Fees	\$1,286	\$1,023	\$1,741
Veterinary and Medicine	\$2,877	\$2,263	\$4,060
Gasoline, Fuel, Oil and Drying	\$5,484	\$4,616	\$7,755
Real Estate Taxes	\$2,970	\$2,514	\$5,710
Crop Insurance	\$588	\$710	\$457
Farm Insurance	\$1,819	\$1,555	\$2,423
Utilities	\$3,987	\$2,567	\$5,877
Crop Marketing, Storage, Hauling	\$678	\$230	\$1,054
Livestock Trucking and Marketing	\$2,371	\$1,423	\$2,849
Feeder Livestock Purchases	\$11,207	\$875	\$18,821
Miscellaneous Farm	\$1,897	\$2,002	\$2,219
Miscellaneous Crop	\$483	\$369	\$763
Cash Paid into Hedging Accounts	\$78	\$314	\$0
Total Cash Expense	\$136,802	\$93,194	\$191,682
Net Cash Farm Income	\$53,679	\$8,397	\$135,736
<b>Inventory Changes</b>			
-----			
Feed and Grain	\$3,787	-\$1,672	\$15,630
Market Livestock	\$3,655	\$2,123	\$7,454
Supplies and Prepaid Expenses	\$303	\$0	\$68
Accounts Receivable	\$1,708	-\$946	\$4,363
Accounts Payable	\$364	-\$1,044	-\$163
Total Inventory Change	\$9,817	-\$1,541	\$27,352
Net Operating Profit	\$63,496	\$6,855	\$163,088
<b>Depreciation and Other Capital Adj.</b>			
-----			
Breeding Livestock	\$6,142	\$6,391	\$4,744
Machinery and Equipment	-\$15,292	-\$7,963	-\$28,852
Buildings and Improvements	-\$9,085	-\$4,646	-\$19,094
Investment Stock and Other	-\$61	\$0	\$0
Total Depr. and Other Capital Adj.	-\$18,298	-\$6,219	-\$43,204
Profit or Loss	\$45,197	\$635	\$119,882

TABLE 2  
 \*\*\*\* INVENTORY CHANGES FOR 1987 \*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Farms Sorted According to Farm Profit/Loss)

	Average For All Farms	Average For Low 20%	Average For High 20%
	----- 62	----- 12	----- 12
Number of Farms	62	12	12
Net Cash Farm Income	\$53,679	\$8,397	\$135,736
Feed and Grain			
Ending Inventory	\$59,743	\$25,531	\$118,260
Beginning Inventory	\$55,955	\$27,204	\$102,630
Inventory Change	\$3,787	-\$1,672	\$15,630
Market Livestock			
Ending Inventory	\$37,069	\$16,986	\$49,334
Beginning Inventory	\$33,414	\$14,863	\$41,880
Inventory Change	\$3,655	\$2,123	\$7,454
Supplies and Prepaid Expenses			
Ending Inventory	\$907	\$0	\$3,149
Beginning Inventory	\$604	\$0	\$3,081
Inventory Change	\$303	\$0	\$68
Accounts Receivable			
Ending Inventory	\$8,730	\$3,870	\$16,895
Beginning Inventory	\$7,022	\$4,817	\$12,532
Inventory Change	\$1,708	-\$946	\$4,363
Accounts Payable			
Beginning Inventory	\$1,724	\$1,178	\$456
Ending Inventory	\$1,360	\$2,223	\$620
Inventory Change	\$364	-\$1,044	-\$163
Total Inventory Change	\$9,817	-\$1,541	\$27,352
Net Operating Profit	\$63,497	\$6,856	\$163,089

TABLE 3  
 \*\*\*\* DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS FOR 1987 \*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Farms Sorted According to Farm Profit/Loss)

	Average For All Farms	Average For Low 20%	Average For High 20%
	-----	-----	-----
Number of Farms	62	12	12
Net Operating Profit	\$63,496	\$6,855	\$163,088
<b>Breeding Livestock</b>			
Ending Inventory	\$30,093	\$24,355	\$36,707
Sales + Repossessions	\$8,419	\$4,782	\$15,026
Ending Inventory + Sales + Rep.	\$38,511	\$29,137	\$51,733
Beginning Inventory	\$31,039	\$22,483	\$44,602
Purchases	\$1,331	\$263	\$2,387
Beg. Inventory + Purchases	\$32,369	\$22,746	\$46,989
Depreciation, Capital Adj.	\$6,142	\$6,391	\$4,744
<b>Machinery and Equipment</b>			
Ending Inventory	\$30,871	\$22,907	\$49,289
Sales + Repossessions	\$855	\$1,107	\$1,848
Ending Inventory + Sales + Rep.	\$31,726	\$24,014	\$51,136
Beginning Inventory	\$35,220	\$26,680	\$57,757
Purchases	\$11,799	\$5,297	\$22,232
Beg. Inventory + Purchases	\$47,019	\$31,977	\$79,990
Depreciation, Capital Adj.	-\$15,292	-\$7,963	-\$28,852
<b>Buildings and Improvements</b>			
Ending Inventory	\$44,696	\$32,477	\$73,950
Sales + Repossessions	\$8	\$42	\$0
Ending Inventory + Sales + Rep.	\$44,705	\$32,519	\$73,950
Beginning Inventory	\$48,873	\$35,718	\$82,975
Purchases	\$4,918	\$1,448	\$10,070
Beg. Inventory + Purchases	\$53,791	\$37,166	\$93,045
Depreciation, Capital Adj.	-\$9,085	-\$4,646	-\$19,094
<b>Stock and Other Assets</b>			
Ending Inventory	\$1,200	\$1,854	\$1,530
Sales + Repossessions	\$0	\$0	\$0
Ending Inventory + Sales + Rep.	\$1,200	\$1,854	\$1,530
Beginning Inventory	\$1,263	\$1,854	\$1,530
Purchases	\$0	\$0	\$0
Beg. Inventory + Purchases	\$1,263	\$1,854	\$1,530
Depreciation, Capital Adj.	-\$61	\$0	\$0
Total Depreciation, Capital Adj.	-\$18,298	-\$6,219	-\$43,204
Profit or Loss	\$45,197	\$635	\$119,882
<b>Land (for information only)</b>			
Ending Inventory	\$130,717	\$78,105	\$306,068
Sales + Repossessions	\$0	\$0	\$0
Ending Inventory + Sales + Rep.	\$130,717	\$78,105	\$306,068
Beginning Inventory	\$127,845	\$78,105	\$299,860
Purchases	\$2,871	\$0	\$6,208
Beg. Inventory + Purchases	\$130,717	\$78,105	\$306,068

TABLE 4  
 \*\*\*\* FARM PROFIT AFTER EXTRAORDINARY ITEMS FOR 1987 \*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

Number of Farms	62
Total Cash Income	\$190,481
Total Cash Expense	\$136,802
Total Inventory Change	\$9,817
Depreciation and Other Capital Adjustments	-\$18,298
Profit or Loss	\$45,197
( Before Repossessions & Debts Forgiven )	
Debts Forgiven	
Farm Accounts Payable Forgiven	\$0
Current Farm Loans Forgiven	\$0
Intermediate Farm Loans Forgiven	\$0
Long Term Farm Loans Forgiven	\$3,277
Nonfarm Debts Forgiven	\$0
Total Debts Forgiven	\$3,277 *
Total Asset Repossessions	\$0
Profit or Loss	\$48,475
( After Repossessions & Debts Forgiven )	

\* For the 5 farms which had debts forgiven, the average debt forgiven is \$40,641 per farm.

TABLE 5  
 \*\*\*\* PROFITABILITY AND LIQUIDITY ANALYSIS FOR 1987 \*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Farms Sorted According to Farm Profit/Loss)

	Average For All Farms	Average For Low 20%	Average For High 20%
	-----	-----	-----
Number of Farms	62	12	12
<b>Profitability</b>			
Labor and Management Earnings	\$34,905	-\$136	\$94,385
Rate of Return on Investment (%)	12	3	16
Rate of Return on Net Worth (%)	15	-107	22
Net Profit Margin (%)	22	6	32
Asset Turnover Rate (%)	54	48	50
Interest on Farm Net Worth	\$10,292	\$772	\$25,497
Farm Interest (Accrual)	\$16,552	\$20,169	\$17,515
Value of Operator's Labor and Mgmt.	\$19,713	\$14,550	\$27,867
Return to Farm Investment	\$41,889	\$6,254	\$109,531
Average Farm Investment	\$358,239	\$220,736	\$676,823
Return to Farm Net Worth	\$25,338	-\$13,914	\$92,016
Average Farm Net Worth	\$171,541	\$12,870	\$424,949
Value of Farm Production	\$194,420	\$106,610	\$340,788
<b>Liquidity</b>			
<b>-Cash Basis</b>			
Net Cash Farm Income	\$53,679	\$8,397	\$135,736
Nonfarm Income	\$9,555	\$21,806	\$6,129
Total Net Cash Income	\$63,234	\$30,203	\$141,865
Family Living and Taxes Paid	\$35,772	\$35,772	\$35,772
Real Estate Principal Payments	\$14,436	\$8,978	\$22,404
Cash Available for Intern. Debt	\$13,026	-\$14,546	\$83,689
Average Intermediate Debt	\$52,910	\$53,398	\$46,187
Years to Turn Over Intern. Debt	4.06	**	0.55
Cash Expense as a % of Income	72	92	59
Interest as a % of Income	9	20	5
<b>-Accrual Basis</b>			
Inventory Change (Income Items)	\$9,004	-\$496	\$27,448
Total Accrual Farm Income	\$199,485	\$101,094	\$354,865
Inventory Change (Expense Items)	-\$666	\$1,045	\$96
Total Accrual Farm Expense	\$136,135	\$94,239	\$191,778
Net Accrual Farm Income	\$63,350	\$6,855	\$163,088
Nonfarm Income	\$9,555	\$21,806	\$6,129
Total Net Accrual Income	\$72,904	\$28,661	\$169,217
Family Living and Taxes Paid	\$35,772	\$35,772	\$35,772
Real Estate Principal Payments	\$14,436	\$8,978	\$22,404
Cash Available for Intern. Debt	\$22,697	-\$16,088	\$111,041
Average Intermediate Debt	\$52,910	\$53,398	\$46,187
Years to Turn Over Intern. Debt	2.33	**	0.42
Cash Expense as a % of Income	68	93	54
Interest as a % of Income	8	20	5

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



TABLE 6  
 \*\*\*\* COMPARATIVE FINANCIAL STATEMENT FOR 1987 \*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Farms Sorted According to Farm Profit/Loss)

	Average For All Farms		Average For Low 20%		Average For High 20%	
	----- 49 -----	----- ----- -----	----- 10 -----	----- ----- -----	----- 7 -----	----- ----- -----
Number of Farms						
<b>Assets</b>	<b>Beginning</b>	<b>Ending</b>	<b>Beginning</b>	<b>Ending</b>	<b>Beginning</b>	<b>Ending</b>
-----	-----	-----	-----	-----	-----	-----
<b>Current Farm Assets</b>						
Cash and Checking Balance	\$11,293	\$14,750	\$9,262	\$11,924	\$17,396	\$21,471
Prepaid Expenses and Supplies	\$10	\$376	\$0	\$0	\$0	\$0
Growing Crops	\$0	\$0	\$0	\$0	\$0	\$0
Farm Accounts Receivable	\$5,974	\$7,716	\$5,780	\$4,644	\$9,444	\$15,057
Hedging Accounts	\$11	\$19	\$0	\$0	\$0	\$0
Crops Held for Sale or Feed	\$44,276	\$45,025	\$24,206	\$22,094	\$60,543	\$62,872
Livestock Held for Sale	\$27,231	\$31,528	\$13,262	\$15,740	\$36,018	\$48,846
Other Assets	\$186	\$0	\$0	\$0	\$0	\$0
<b>Total Current Farm Assets</b>	<b>\$88,980</b>	<b>\$99,414</b>	<b>\$52,510</b>	<b>\$54,403</b>	<b>\$123,402</b>	<b>\$148,247</b>
<b>Intermediate Farm Assets</b>						
Breeding Livestock	\$27,779	\$26,460	\$19,011	\$20,267	\$46,128	\$32,625
Machinery and Equipment	\$32,457	\$28,676	\$29,857	\$25,690	\$46,113	\$38,223
Other Intermediate Assets	\$216	\$195	\$0	\$0	\$0	\$0
<b>Total Intermediate Farm Assets</b>	<b>\$60,453</b>	<b>\$55,330</b>	<b>\$48,869</b>	<b>\$45,956</b>	<b>\$92,241</b>	<b>\$70,848</b>
<b>Long-term Farm Assets</b>						
Buildings and Improvements	\$41,512	\$36,584	\$33,186	\$31,013	\$75,606	\$64,069
Farm Land	\$100,748	\$100,748	\$80,350	\$80,350	\$228,570	\$228,570
Other Long-term Farm Assets	\$1,134	\$1,077	\$2,225	\$2,225	\$893	\$893
<b>Total Long-term Farm Assets</b>	<b>\$143,394</b>	<b>\$138,408</b>	<b>\$115,761</b>	<b>\$113,588</b>	<b>\$305,069</b>	<b>\$293,532</b>
<b>Total Farm Assets</b>	<b>\$292,827</b>	<b>\$293,153</b>	<b>\$217,139</b>	<b>\$213,947</b>	<b>\$520,712</b>	<b>\$512,627</b>
<b>Total Nonfarm Assets</b>	<b>\$28,686</b>	<b>\$33,696</b>	<b>\$4,197</b>	<b>\$4,067</b>	<b>\$10,536</b>	<b>\$23,084</b>
<b>Total Assets</b>	<b>\$321,514</b>	<b>\$326,849</b>	<b>\$221,337</b>	<b>\$218,014</b>	<b>\$531,248</b>	<b>\$535,710</b>
<b>Liabilities</b>						
-----						
<b>Current Farm Liabilities</b>						
Accrued Interest and Accounts Payable	\$1,872	\$1,573	\$795	\$1,940	\$781	\$1,062
Current Notes	\$18,402	\$14,140	\$1,943	\$2,316	\$13,009	\$7,814
<b>Total Current Farm Liabilities</b>	<b>\$20,274</b>	<b>\$15,713</b>	<b>\$2,738</b>	<b>\$4,256</b>	<b>\$13,790</b>	<b>\$8,876</b>
<b>Intermediate Farm Liabilities</b>	<b>\$46,113</b>	<b>\$42,724</b>	<b>\$46,680</b>	<b>\$41,621</b>	<b>\$55,976</b>	<b>\$39,255</b>
<b>Long-term Farm Liabilities</b>	<b>\$114,123</b>	<b>\$103,159</b>	<b>\$156,916</b>	<b>\$146,553</b>	<b>\$199,928</b>	<b>\$178,306</b>
<b>Total Farm Liabilities</b>	<b>\$180,509</b>	<b>\$161,596</b>	<b>\$206,333</b>	<b>\$192,430</b>	<b>\$269,694</b>	<b>\$226,438</b>
<b>Total Nonfarm Liabilities</b>	<b>\$424</b>	<b>\$416</b>	<b>\$365</b>	<b>\$300</b>	<b>\$1,077</b>	<b>\$2,028</b>
<b>Total Liabilities</b>	<b>\$180,933</b>	<b>\$162,013</b>	<b>\$206,698</b>	<b>\$192,730</b>	<b>\$270,771</b>	<b>\$228,466</b>
<b>Net Worth (Farm and Nonfarm)</b>	<b>\$140,580</b>	<b>\$164,835</b>	<b>\$14,638</b>	<b>\$25,282</b>	<b>\$260,476</b>	<b>\$307,244</b>
<b>Net Worth Change</b>		<b>\$24,255</b>		<b>\$10,644</b>		<b>\$46,766</b>
<b>Solvency Measures for Farm Only</b>						
-----						
Curr. + Intermed. Liab. / Assets (Percent)	44	38	49	46	32	22
Long-term Liabilities / Assets (Percent)	80	75	136	129	51	50
Total Liabilities / Assets (Percent)	62	55	95	90	40	38

TABLE 7  
 \*\*\*\* CROP PRODUCTION AND MARKETING SUMMARY FOR 1987 \*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Farms Sorted According to Farm Profit/Loss)

	Average For All Farms	Average For Low 20%	Average For High 20%
	-----	-----	-----
Number of Farms	62	12	12
Total Acres Owned	268	268	490
Total Crop Acres	365	272	592
Crop Acres Owned	225	179	435
Crop Acres Cash Rented	123	90	130
Crop Acres Share Rented	18	3	27
Total Pasture Acres	7	13	7
Average Price Received			
-----			
(For Cash Sales Only)			
Corn per Bushel	\$1.77	\$1.97	\$1.96
Oats per Bushel	\$1.37	\$1.00	\$1.35
Spring Wheat per Bushel	\$2.39	\$2.48	\$2.25
Soybeans per Bushel	\$4.95	\$4.86	\$5.67
Alfalfa Hay per Ton	\$39.47	\$56.69	\$26.67
Average Yield per Acre			
-----			
(On Owned Land Only)			
Corn (bu)	142.91	143.81	149.39
Oats (bu)	53.33	54.63	56.
Soybeans (bu)	44.38	38.13	48.52
Alfalfa Hay (ton)	4.08	3.53	4.37

TABLE 8  
 \*\*\*\* HOUSEHOLD AND PERSONAL EXPENSES FOR 1987 \*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

	Average For All Farms
Number of Farms	14
Average Family Size	3.5
<b>Household Expenses</b>	
Food and Meals	\$4,210
Medical Care and Health Insurance	\$3,060
Church and Charity Donations	\$3,575
Operation and Supplies	\$2,496
Clothing and Clothing Materials	\$1,181
Personal Care and Spending	\$625
Child Care	\$307
Gifts and Special Events	\$1,628
Education	\$481
Recreation	\$1,400
Utilities (Household Share)	\$1,061
Nonfarm Vehicle Operatng Expenses	\$1,514
Household Real Estate Taxes	\$298
Dwelling Rent	\$36
Nonfarm Interest Expense	\$185
Living from the Farm (Noncash)	\$436
<b>Total Family Living Expenses</b>	<b>\$22,492</b>
<b>Capital Expenditures</b>	
Upkeep on Dwelling	\$48
Furnishings and Equipment	\$612
Household Capital Purchases	\$0
Personal Vehicle Purchases	\$2,086
Other Personal Purchases	\$2,063
Nonfarm Real Estate Purchased	\$0
Life Insurance Payments	\$1,831
Savings	\$2,861
<b>Total Capital Expenditures</b>	<b>\$9,500</b>
Income Taxes	\$4,215
<b>Total Family uses of Cash</b>	<b>\$35,772</b>

TABLE 9  
 \*\*\*\* OPERATOR INFORMATION, NONFARM INCOME AND ASSETS FOR 1987 \*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Farms Sorted According to Farm Profit/Loss)

	Average For All Farms	Average For Low 20%	Average For High 20%
Number of Farms	62	12	12

Operator Information  
 -----

Average Number of Operators	1.26	1.00	1.75
Average Age of Operators	43.49	51.00	37.48
Average Number of Years Farming	20.29	23.75	16.43

Nonfarm Income  
 -----

Wages	\$4,548	\$7,736	\$2,452
Net Nonfarm Business Income	\$2,466	\$10,083	\$21
Rental Income	\$283	\$1,149	\$313
Interest and Dividends	\$505	\$15	\$110
Tax Refunds	\$448	\$998	\$64
Other Nonfarm Income	\$539	\$1,566	\$2
<b>Total Nonfarm Income</b>	<b>\$8,788</b>	<b>\$21,546</b>	<b>\$2,962</b>

Average For All Farms  
 -----

Nonfarm Assets  
 -----

	Beginning	Ending
Nonfarm Savings and Checking	\$0	\$1,226
Keogh's and IRA's	\$2,897	\$4,086
Stocks and Bonds	\$10	\$186
Cash Value of Life Insurance	\$752	\$892
Nonfarm Vehicles	\$98	\$743
Household Furnishings and Appliances	\$21,201	\$21,403
Other Nonfarm Assets	\$21,825	\$22,506
<b>Total Nonfarm Assets</b>	<b>\$46,781</b>	<b>\$51,039</b>

## 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  
 \*\*\*\*\* 1987 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	55	10	11
Number of Farms	51	10	10
Acres	103.69	61.5	145.88
Yield per Acre	142.91	117.88	155.17
Operators Share of Yield %	100.00	100.00	100.00
Value per Bushel	\$1.64	\$1.64	\$1.64
Crop Product Return per Acre	\$234.37	\$193.32	\$254.45
Other Crop Income per Acre	\$0.26	\$0.00	\$0.27
Gross Return per Acre	\$234.63	\$193.32	\$254.72
Direct Costs per Acre			
Seed	\$21.07	\$18.44	\$20.98
Fertilizer	\$34.81	\$33.33	\$29.78
Chemicals	\$25.46	\$31.14	\$20.01
Crop Insurance	\$1.45	\$4.26	\$0.52
Custom Work Hired	\$4.00	\$6.59	\$2.25
Fuel and Oil	\$11.38	\$12.10	\$11.28
Repairs	\$27.45	\$37.48	\$15.83
Crop Drying	\$5.27	\$6.93	\$3.59
Irrigation Energy	\$0.27	\$0.00	\$0.96
Lease Payments	\$0.08	\$0.00	\$0.27
Miscellaneous Crop Expense	\$0.68	\$0.32	\$0.96
Operating Interest	\$0.50	\$0.46	\$0.34
Total Direct Costs per Acre	\$132.40	\$151.03	\$106.78
Return to Overhead per Acre	\$102.23	\$42.29	\$147.94
Overhead Costs per Acre			
Utilities	\$1.18	\$1.40	\$1.21
Hired Labor	\$5.52	\$11.29	\$4.68
Farm Insurance	\$3.02	\$4.99	\$2.59
Machinery Lease Payments	\$0.24	\$0.06	\$0.22
Real Estate Taxes	\$10.27	\$10.48	\$10.39
Miscellaneous Farm Expense	\$2.99	\$3.52	\$1.85
Interest	\$38.65	\$40.50	\$27.31
Depreciation	\$47.82	\$51.62	\$65.01
Total Overhead Costs per Acre	\$109.70	\$123.85	\$113.26
Total Listed Costs per Acre	\$242.11	\$274.88	\$220.04
Net Return per Acre	-\$7.48	-\$81.56	\$34.68
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	\$40.34	-\$29.94	\$99.69
Total Direct Costs per Bushel	\$0.93	\$1.28	\$0.69
Total Listed Costs per Bushel	\$1.69	\$2.33	\$1.42
Net Return per Bushel	-\$0.04	-\$0.68	\$0.23
Break Even Yield per Acre	146.73	166.59	133.18
Return to Overhead (incl. setaside)	\$177.74	\$120.83	\$213.84
Net Return per Acre (incl. setaside)	\$68.44	\$0.41	\$100.57

TABLE 10-2  
 \*\*\*\*\* 1987 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	38	7	7
Number of Farms	36	7	7
Acres	72.4	73.07	67.08
Yield per Acre	142.79	125.99	151.46
Operators Share of Yield %	100.00	100.00	100.00
Value per Bushel	\$1.64	\$1.64	\$1.65
Crop Product Return per Acre	\$234.18	\$206.62	\$249.88
Other Crop Income per Acre	\$1.04	\$5.28	\$0.00
Gross Return per Acre	\$235.22	\$211.90	\$249.88
Direct Costs per Acre			
Seed	\$20.55	\$22.65	\$19.79
Fertilizer	\$38.25	\$44.15	\$37.26
Chemicals	\$25.19	\$25.58	\$23.11
Crop Insurance	\$2.84	\$5.25	\$2.92
Custom Work Hired	\$4.23	\$9.33	\$2.20
Fuel and Oil	\$11.07	\$11.74	\$9.69
Repairs	\$23.42	\$25.88	\$16.47
Crop Drying	\$5.81	\$8.97	\$4.67
Land Rent	\$63.04	\$66.22	\$48.98
Miscellaneous Crop Expense	\$0.88	\$1.21	\$0.58
Operating Interest	\$0.71	\$1.85	\$0.58
Total Direct Costs per Acre	\$195.97	\$222.83	\$166.25
Return to Overhead per Acre	\$39.25	-\$10.93	\$83.63
Overhead Costs per Acre			
Utilities	\$1.26	\$0.77	\$0.89
Hired Labor	\$5.85	\$2.92	\$2.67
Farm Insurance	\$2.12	\$1.71	\$1.18
Machinery Lease Payments	\$3.53	\$4.06	\$10.98
Real Estate Taxes	\$0.00	\$0.00	\$0.00
Miscellaneous Farm Expense	\$2.21	\$2.44	\$2.49
Interest	\$12.58	\$7.47	\$13.12
Depreciation	\$31.86	\$17.22	\$23.72
Total Overhead Costs per Acre	\$59.41	\$36.60	\$55.05
Total Listed Costs per Acre	\$255.38	\$259.43	\$221.30
Net Return per Acre	-\$20.16	-\$47.53	\$28.58
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	\$11.70	-\$30.31	\$52.30
Total Direct Costs per Bushel	\$1.37	\$1.77	\$1.10
Total Listed Costs per Bushel	\$1.79	\$2.06	\$1.46
Net Return per Bushel	-\$0.13	-\$0.37	\$0.19
Break Even Yield per Acre	154.77	154.03	134.12
Return to Overhead (incl. setaside)	\$114.10	\$70.87	\$152.52
Net Return per Acre (incl. setaside)	\$57.38	\$35.14	\$102.57

TABLE 10-3  
 \*\*\*\*\* 1987 Crop Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

CORN ON SHARE RENTED LAND

Number of Fields	9
Number of Farms	9
Acres	56.66
Yield per Acre	143.17
Operators Share of Yield %	52.80
Value per Bushel	\$1.65
Crop Product Return per Acre	\$124.73
Other Crop Income per Acre	\$0.00
Gross Return per Acre	\$124.73
Direct Costs per Acre	
Seed	\$11.42
Fertilizer	\$20.80
Chemicals	\$11.97
Crop Insurance	\$1.53
Custom Work Hired	\$1.77
Fuel and Oil	\$7.06
Repairs	\$19.56
Crop Drying	\$3.23
Miscellaneous Crop Expense	\$0.56
Operating Interest	\$1.00
Total Direct Costs per Acre	\$78.90
Return to Overhead per Acre	\$45.83
Overhead Costs per Acre	
Utilities	\$0.61
Hired Labor	\$0.23
Farm Insurance	\$0.98
Machinery Lease Payments	\$1.99
Real Estate Taxes	\$0.00
Miscellaneous Farm Expense	\$1.22
Interest	\$2.06
Depreciation	\$27.24
Total Overhead Costs per Acre	\$34.31
Total Listed Costs per Acre	\$113.21
Net Return per Acre	\$11.52
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	\$38.76
Total Direct Costs per Bushel	\$1.04
Total Listed Costs per Bushel	\$1.50
Net Return per Bushel	\$0.15
Break Even Yield per Acre	129.94
Return to Overhead (incl. setaside)	\$76.72
Net Return per Acre (incl. setaside)	\$43.44



TABLE 10-4  
 \*\*\*\*\* 1987 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	29	6	5
Acres	60.93	43.16	119.34
Yield per Acre	44.37	34.91	50.42
Operators Share of Yield %	100.00	100.00	100.00
Value per Bushel	\$5.00	\$5.00	\$5.00
Crop Product Return per Acre	\$221.85	\$174.55	\$251.57
Other Crop Income per Acre	\$1.34	\$0.00	\$0.00
Gross Return per Acre	\$223.19	\$174.55	\$251.57
Direct Costs per Acre			
Seed	\$10.59	\$10.43	\$8.88
Fertilizer	\$2.39	\$1.02	\$0.00
Chemicals	\$20.52	\$16.92	\$26.84
Crop Insurance	\$2.87	\$7.27	\$0.04
Custom Work Hired	\$4.04	\$6.23	\$1.42
Fuel and Oil	\$8.08	\$11.95	\$5.99
Repairs	\$19.00	\$30.08	\$17.56
Lease Payments	\$0.06	\$0.00	\$0.17
Miscellaneous Crop Expense	\$0.82	\$0.00	\$2.09
Operating Interest	\$0.26	\$0.05	\$0.34
Total Direct Costs per Acre	\$68.62	\$83.96	\$63.33
Return to Overhead per Acre	\$154.57	\$90.59	\$188.24
Overhead Costs per Acre			
Utilities	\$0.92	\$0.60	\$0.58
Hired Labor	\$3.26	\$7.88	\$1.81
Farm Insurance	\$2.22	\$2.97	\$1.79
Machinery Lease Payments	\$0.37	\$0.00	\$0.00
Real Estate Taxes	\$10.90	\$9.59	\$11.60
Miscellaneous Farm Expense	\$3.18	\$2.21	\$1.58
Interest	\$43.07	\$70.50	\$17.64
Depreciation	\$31.62	\$25.06	\$46.21
Total Overhead Costs per Acre	\$95.53	\$118.82	\$81.20
Total Listed Costs per Acre	\$164.16	\$202.78	\$144.53
Net Return per Acre	\$59.03	-\$28.23	\$107.04
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	\$90.65	-\$3.17	\$153.25
Total Direct Costs per Bushel	\$1.55	\$2.41	\$1.26
Total Listed Costs per Bushel	\$3.70	\$5.81	\$2.87
Net Return per Bushel	\$1.33	-\$0.81	\$2.13
Break Even Yield per Acre	32.83	40.55	28.90

TABLE 10-5  
 \*\*\*\*\* 1987 Crop Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Farms Sorted According to Return to Overhead per Acre)

SOYBEANS ON CASH RENTED LAND

	Average For All Farms	Average For Low 20%	Average For High 20%
	-----	-----	-----
Number of Fields	28	4	4
Number of Farms	25	4	4
Acres	73.84	109.5	84.75
Yield per Acre	43.37	36.57	50.83
Operators Share of Yield %	100.00	100.00	100.00
Value per Bushel	\$5.00	\$5.00	\$5.00
Crop Product Return per Acre	\$216.85	\$182.85	\$254.15
Other Crop Income per Acre	\$2.00	\$6.67	\$0.00
Gross Return per Acre	\$218.85	\$189.52	\$254.15
Direct Costs per Acre			
Seed	\$9.48	\$8.72	\$9.01
Fertilizer	\$1.73	\$0.47	\$0.52
Chemicals	\$24.28	\$27.42	\$22.47
Crop Insurance	\$3.87	\$6.62	\$3.80
Custom Work Hired	\$4.58	\$11.03	\$1.27
Fuel and Oil	\$8.34	\$10.02	\$5.61
Repairs	\$14.57	\$10.26	\$13.95
Land Rent	\$64.04	\$68.77	\$58.26
Miscellaneous Crop Expense	\$0.20	\$0.00	\$0.31
Operating Interest	\$4.14	\$14.84	\$0.93
Total Direct Costs per Acre	\$135.21	\$158.15	\$116.14
Return to Overhead per Acre	\$83.64	\$31.37	\$138.01
Overhead Costs per Acre			
Utilities	\$1.83	\$5.01	\$1.62
Hired Labor	\$9.99	\$31.82	\$2.55
Farm Insurance	\$1.72	\$0.85	\$1.40
Machinery Lease Payments	\$1.57	\$0.00	\$2.32
Real Estate Taxes	\$0.00	\$0.00	\$0.00
Miscellaneous Farm Expense	\$2.82	\$5.73	\$0.88
Interest	\$15.60	\$25.98	\$1.00
Depreciation	\$22.94	\$11.43	\$40.25
Total Overhead Costs per Acre	\$56.46	\$80.81	\$50.01
Total Listed Costs per Acre	\$191.67	\$238.96	\$166.15
Net Return per Acre	\$27.18	-\$49.44	\$88.00
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	\$50.12	-\$38.01	\$128.25
Total Direct Costs per Bushel	\$3.12	\$4.32	\$2.29
Total Listed Costs per Bushel	\$4.42	\$6.53	\$3.27
Net Return per Bushel	\$0.63	-\$1.35	\$1.73
Break Even Yield per Acre	38.33	47.79	33.23

TABLE 10-6  
 \*\*\*\*\* 1987 Crop Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

SOYBEANS ON SHARE RENTED LAND

Number of Fields	6
Number of Farms	6
Acres	57.23
Yield per Acre	46.81
Operators Share of Yield %	51.06
Value per Bushel	\$5.00
Crop Product Return per Acre	\$119.51
Other Crop Income per Acre	\$0.00
Gross Return per Acre	\$119.51
Direct Costs per Acre	
Seed	\$4.38
Fertilizer	\$2.46
Chemicals	\$8.94
Crop Insurance	\$2.92
Custom Work Hired	\$2.29
Fuel and Oil	\$5.19
Repairs	\$10.80
Miscellaneous Crop Expense	\$0.05
Operating Interest	\$1.21
Total Direct Costs per Acre	\$38.24
Return to Overhead per Acre	\$81.27
Overhead Costs per Acre	
Utilities	\$0.27
Hired Labor	\$0.63
Farm Insurance	\$0.91
Machinery Lease Payments	\$3.00
Real Estate Taxes	\$0.00
Miscellaneous Farm Expense	\$1.14
Interest	\$1.89
Depreciation	\$21.93
Total Overhead Costs per Acre	\$29.76
Total Listed Costs per Acre	\$68.00
Net Return per Acre	\$51.51
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	\$73.44
Total Direct Costs per Bushel	\$1.60
Total Listed Costs per Bushel	\$2.84
Net Return per Bushel	\$2.16
Break Even Yield per Acre	26.63

TABLE 10-7  
 \*\*\*\*\* 1987 Crop Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

OATS ON OWNED LAND

Number of Fields	24
Number of Farms	24
Acres	24.60
Yield per Acre	53.32
Operators Share of Yield %	100.00
Value per Bushel	\$1.30
Crop Product Return per Acre	\$69.32
Other Crop Income per Acre	\$36.68
Gross Return per Acre	\$106.00
Direct Costs per Acre	
Seed	\$9.69
Fertilizer	\$5.03
Chemicals	\$0.34
Crop Insurance	\$0.35
Custom Work Hired	\$6.05
Fuel and Oil	\$7.15
Repairs	\$17.39
Miscellaneous Crop Expense	\$0.38
Operating Interest	\$0.19
Total Direct Costs per Acre	\$46.58
Return to Overhead per Acre	\$59.42
Overhead Costs per Acre	
Utilities	\$0.74
Hired Labor	\$4.26
Farm Insurance	\$2.54
Machinery Lease Payments	\$0.54
Real Estate Taxes	\$8.20
Miscellaneous Farm Expense	\$2.45
Interest	\$25.59
Depreciation	\$21.53
Total Overhead Costs per Acre	\$65.85
Total Listed Costs per Acre	\$112.44
Net Return per Acre	-\$6.44
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	\$15.09
Total Direct Costs per Bushel	\$0.87
Total Listed Costs per Bushel	\$2.11
Net Return per Bushel	-\$0.11
Break Even Yield per Acre	86.13
Return to Overhead (incl. setaside)	\$61.06
Net Return per Acre (incl. setaside)	-\$4.84

TABLE 10-8  
 \*\*\*\*\* 1987 Crop Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

OATS ON CASH RENTED LAND

Number of Fields	14
Number of Farms	14
Acres	18.77
Yield per Acre	52.44
Operators Share of Yield %	100.00
Value per Bushel	\$1.30
Crop Product Return per Acre	\$68.17
Other Crop Income per Acre	\$30.18
Gross Return per Acre	\$98.35
Direct Costs per Acre	
Seed	\$9.58
Fertilizer	\$6.45
Chemicals	\$0.20
Crop Insurance	\$0.04
Custom Work Hired	\$11.35
Fuel and Oil	\$7.54
Repairs	\$12.90
Land Rent	\$66.67
Miscellaneous Crop Expense	\$1.12
Operating Interest	\$2.60
Total Direct Costs per Acre	\$118.45
Return to Overhead per Acre	-\$20.10
Overhead Costs per Acre	
Utilities	\$1.94
Hired Labor	\$11.16
Farm Insurance	\$1.88
Machinery Lease Payments	\$2.34
Real Estate Taxes	\$0.00
Miscellaneous Farm Expense	\$3.20
Interest	\$8.06
Depreciation	\$17.57
Total Overhead Costs per Acre	\$46.15
Total Listed Costs per Acre	\$164.60
Net Return per Acre	-\$66.25
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	-\$48.68
Total Direct Costs per Bushel	\$2.26
Total Listed Costs per Bushel	\$3.14
Net Return per Bushel	-\$1.26
Break Even Yield per Acre	126.61

TABLE 10-9  
 \*\*\*\*\* 1987 Crop Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

CORN SILAGE ON OWNED LAND

Number of Fields	18
Number of Farms	18
Acres	14.68
Yield per Acre	19.01
Operators Share of Yield %	100.00
Value per Ton	\$13.00
Crop Product Return per Acre	\$247.13
Other Crop Income per Acre	\$2.91
Gross Return per Acre	\$250.04
Direct Costs per Acre	
Seed	\$20.15
Fertilizer	\$31.52
Chemicals	\$24.67
Crop Insurance	\$2.32
Custom Work Hired	\$10.32
Fuel and Oil	\$13.36
Repairs	\$37.92
Miscellaneous Crop Expense	\$1.91
Operating Interest	\$0.49
Total Direct Costs per Acre	\$142.66
Return to Overhead per Acre	\$107.38
Overhead Costs per Acre	
Utilities	\$1.00
Hired Labor	\$8.61
Farm Insurance	\$3.06
Machinery Lease Payments	\$0.17
Real Estate Taxes	\$8.13
Miscellaneous Farm Expense	\$2.96
Interest	\$35.81
Depreciation	\$49.45
Total Overhead Costs per Acre	\$109.19
Total Listed Costs per Acre	\$251.85
Net Return per Acre	-\$1.81
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	\$47.64
Total Direct Costs per Ton	\$7.50
Total Listed Costs per Ton	\$13.24
Net Return per Ton	-\$0.09
Break Even Yield per Acre	19.37
Return to Overhead (incl. setaside)	\$154.28
Net Return per Acre (incl. setaside)	\$45.21

TABLE 10-10  
 \*\*\*\*\* 1987 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	40	8	8
Number of Farms	40	8	8
Acres	62.94	56.33	67.96
Yield per Acre	4.08	2.72	6.38
Operators Share of Yield %	100.00	100.00	100.00
Value per Ton	\$50.00	\$50.00	\$50.00
Crop Product Return per Acre	\$203.94	\$135.96	\$318.90
Other Crop Income per Acre	\$0.00	\$0.00	\$0.00
Gross Return per Acre	\$203.94	\$135.96	\$318.90
Direct Costs per Acre			
Seed	\$12.31	\$15.28	\$14.73
Fertilizer	\$17.91	\$12.52	\$29.46
Chemicals	\$1.40	\$2.13	\$3.20
Custom Work Hired	\$3.26	\$3.23	\$1.35
Fuel and Oil	\$13.20	\$13.10	\$13.90
Repairs	\$33.26	\$35.08	\$30.54
Miscellaneous Crop Expense	\$2.94	\$3.36	\$3.92
Operating Interest	\$0.34	\$0.16	\$1.06
Total Direct Costs per Acre	\$84.62	\$84.85	\$98.16
Return to Overhead per Acre	\$119.32	\$51.11	\$220.74
Overhead Costs per Acre			
Utilities	\$0.80	\$0.69	\$1.16
Hired Labor	\$8.44	\$5.50	\$9.97
Farm Insurance	\$3.21	\$2.28	\$3.60
Machinery Lease Payments	\$0.35	\$0.19	\$0.11
Real Estate Taxes	\$9.04	\$7.14	\$9.89
Miscellaneous Farm Expense	\$2.70	\$3.27	\$1.97
Interest	\$37.37	\$21.28	\$32.53
Depreciation	\$50.97	\$48.89	\$70.36
Total Overhead Costs per Acre	\$112.87	\$89.25	\$129.59
Total Listed Costs per Acre	\$197.49	\$174.10	\$227.75
Net Return per Acre	\$6.45	-\$38.14	\$91.15
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	\$57.42	\$10.75	\$161.51
Total Direct Costs per Ton	\$20.73	\$31.19	\$15.38
Total Listed Costs per Ton	\$48.38	\$64.00	\$35.69
Net Return per Ton	\$1.62	-\$14.00	\$14.31
Break Even Yield per Acre	3.94	3.48	4.55

TABLE 10-11  
 \*\*\*\*\* 1987 Crop Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

ALFALFA HAY ON CASH RENTED LAND

Number of Fields	22
Number of Farms	22
Acres	48.74
Yield per Acre	3.81
Operators Share of Yield %	100.00
Value per Ton	\$50.00
Crop Product Return per Acre	\$190.44
Other Crop Income per Acre	\$0.00
Gross Return per Acre	\$190.44
Direct Costs per Acre	
Seed	\$9.78
Fertilizer	\$17.12
Chemicals	\$1.19
Custom Work Hired	\$4.80
Fuel and Oil	\$13.35
Repairs	\$29.79
Land Rent	\$59.38
Lease Payments	\$0.32
Miscellaneous Crop Expense	\$3.28
Operating Interest	\$0.14
Total Direct Costs per Acre	\$139.15
Return to Overhead per Acre	\$51.29
Overhead Costs per Acre	
Utilities	\$0.76
Hired Labor	\$9.69
Farm Insurance	\$2.93
Machinery Lease Payments	\$1.87
Real Estate Taxes	\$0.00
Miscellaneous Farm Expense	\$2.36
Interest	\$10.68
Depreciation	\$26.93
Total Overhead Costs per Acre	\$55.22
Total Listed Costs per Acre	\$194.37
Net Return per Acre	-\$3.93
Net Cash Flow Generated for Principal Payments., Income Taxes, and Family Living per Acre	\$23.00
Total Direct Costs per Ton	\$36.44
Total Listed Costs per Ton	\$50.90
Net Return per Ton	-\$0.90
Break Even Yield per Acre	3.88



TABLE 10-12  
 \*\*\*\*\* 1987 Crop Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

OATLAGE ON OWNED LAND

Number of Fields	11
Number of Farms	11
Acres	34.39
Yield per Acre	5.05
Operators Share of Yield %	100.00
Value per Ton	\$10.00
Crop Product Return per Acre	\$50.50
Other Crop Income per Acre	\$19.43
Gross Return per Acre	\$69.93
Direct Costs per Acre	
Seed	\$8.05
Fertilizer	\$1.10
Fuel and Oil	\$8.59
Repairs	\$19.57
Miscellaneous Crop Expense	\$0.28
Operating Interest	\$0.68
Total Direct Costs per Acre	\$38.27
Return to Overhead per Acre	\$31.66
Overhead Costs per Acre	
Utilities	\$0.86
Hired Labor	\$7.72
Farm Insurance	\$4.11
Machinery Lease Payments	\$0.07
Real Estate Taxes	\$9.85
Miscellaneous Farm Expense	\$2.65
Interest	\$39.90
Depreciation	\$39.92
Total Overhead Costs per Acre	\$105.07
Total Listed Costs per Acre	\$143.34
Net Return per Acre	-\$73.41
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	-\$33.49
Total Direct Costs per Ton	\$7.56
Total Listed Costs per Ton	\$28.33
Net Return per Ton	-\$14.49
Break Even Yield per Acre	14.33

TABLE 10-13  
 \*\*\*\*\* 1987 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	44	9	9
Number of Farms	44	9	9
Acres	55.09	53.66	48.54
Yield per Acre	384.55	332.48	509.96
Operators Share of Yield %	100.00	100.00	100.00
Value per Dollar	\$1.00	\$1.00	\$1.00
Crop Product Return per Acre	\$384.55	\$332.48	\$509.96
Other Crop Income per Acre	\$0.82	\$0.00	\$0.00
Gross Return per Acre	\$385.37	\$332.48	\$509.96
Direct Costs per Acre			
Seed	\$5.65	\$3.31	\$3.19
Fertilizer	\$0.35	\$0.97	\$0.00
Chemicals	\$1.46	\$0.31	\$2.10
Custom Work Hired	\$0.12	\$0.00	\$0.00
Fuel and Oil	\$9.30	\$9.54	\$8.36
Repairs	\$24.81	\$32.72	\$26.22
Operating Interest	\$0.42	\$0.11	\$0.54
Total Direct Costs per Acre	\$42.12	\$46.97	\$40.41
Return to Overhead per Acre	\$343.25	\$285.51	\$469.55
Overhead Costs per Acre			
Utilities	\$0.76	\$0.90	\$0.40
Hired Labor	\$5.41	\$7.86	\$2.67
Farm Insurance	\$2.95	\$2.82	\$2.60
Machinery Lease Payments	\$0.28	\$0.35	\$0.06
Real Estate Taxes	\$10.53	\$11.25	\$9.42
Miscellaneous Farm Expense	\$2.95	\$2.05	\$2.69
Interest	\$41.06	\$47.84	\$36.30
Depreciation	\$44.57	\$53.55	\$43.46
Total Overhead Costs per Acre	\$108.51	\$126.62	\$97.59
Total Listed Costs per Acre	\$150.63	\$173.59	\$138.01
Net Return per Acre	\$234.74	\$158.89	\$371.95
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	\$279.31	\$212.44	\$415.41
Total Direct Costs per Dollar	\$0.11	\$0.14	\$0.08
Total Listed Costs per Dollar	\$0.39	\$0.52	\$0.27
Net Return per Dollar	\$0.61	\$0.48	\$0.73
Break Even Yield per Acre	150.62	173.58	138.00

TABLE 10-14  
 \*\*\*\*\* 1987 Crop Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Farms Sorted According to Return to Overhead per Acre)

SET ASIDE ON CASH RENTED LAND

	Average For All Farms -----	Average For Low 20% -----	Average For High 20% -----
Number of Fields	25	5	5
Number of Farms	25	5	5
Acres	48.32	60.	31.33
Yield per Acre	371.22	336.27	492.58
Operators Share of Yield %	100.00	100.00	100.00
Value per Dollar	\$1.00	\$1.00	\$1.00
Crop Product Return per Acre	\$371.22	\$336.27	\$492.58
Other Crop Income per Acre	\$4.44	\$0.00	\$19.15
Gross Return per Acre	\$375.66	\$336.27	\$511.73
<b>Direct Costs per Acre</b>			
Seed	\$2.75	\$1.43	\$2.89
Fertilizer	\$0.13	\$0.52	\$0.00
Chemicals	\$1.37	\$0.46	\$1.56
Custom Work Hired	\$0.50	\$1.67	\$0.00
Fuel and Oil	\$8.23	\$8.80	\$7.63
Repairs	\$20.20	\$24.59	\$19.59
Land Rent	\$61.82	\$61.12	\$46.76
Miscellaneous Crop Expense	\$0.02	\$0.01	\$0.00
Operating Interest	\$0.54	\$0.00	\$0.25
Total Direct Costs per Acre	\$95.56	\$98.59	\$78.66
Return to Overhead per Acre	\$280.10	\$237.68	\$433.07
<b>Overhead Costs per Acre</b>			
Utilities	\$0.71	\$1.42	\$0.41
Hired Labor	\$3.67	\$4.32	\$1.56
Farm Insurance	\$1.77	\$1.87	\$2.89
Machinery Lease Payments	\$3.98	\$2.41	\$0.00
Real Estate Taxes	\$0.00	\$0.00	\$0.00
Miscellaneous Farm Expense	\$2.11	\$2.18	\$2.31
Interest	\$12.85	\$26.94	\$2.88
Depreciation	\$25.95	\$27.69	\$37.29
Total Overhead Costs per Acre	\$51.05	\$66.83	\$47.33
Total Listed Costs per Acre	\$146.61	\$165.42	\$125.99
Net Return per Acre	\$229.05	\$170.85	\$385.74
<b>Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre</b>			
	\$255.00	\$198.54	\$423.03
Total Direct Costs per Dollar	\$0.26	\$0.29	\$0.16
Total Listed Costs per Dollar	\$0.40	\$0.49	\$0.26
Net Return per Dollar	\$0.62	\$0.51	\$0.78
Break Even Yield per Acre	146.61	165.41	125.99

TABLE 10-15  
 \*\*\*\*\* 1987 Crop Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

SET ASIDE ON SHARE RENTED LAND

Number of Fields	5
Number of Farms	5
Acres	26.62
Yield per Acre	450.10
Operators Share of Yield %	50.00
Value per Dollar	\$1.00
Crop Product Return per Acre	\$225.01
Other Crop Income per Acre	\$0.00
Gross Return per Acre	\$225.01
Direct Costs per Acre	
Seed	\$0.92
Chemicals	\$1.65
Fuel and Oil	\$5.03
Repairs	\$18.30
Operating Interest	\$1.25
Total Direct Costs per Acre	\$27.15
Return to Overhead per Acre	\$197.86
Overhead Costs per Acre	
Utilities	\$0.19
Hired Labor	\$0.15
Farm Insurance	\$1.37
Machinery Lease Payments	\$4.02
Real Estate Taxes	\$0.00
Miscellaneous Farm Expense	\$1.31
Interest	\$1.39
Depreciation	\$20.75
Total Overhead Costs per Acre	\$29.16
Total Listed Costs per Acre	\$56.31
Net Return per Acre	\$168.70
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living per Acre	\$189.45
Total Direct Costs per Dollar	\$0.12
Total Listed Costs per Dollar	\$0.25
Net Return per Dollar	\$0.75
Break Even Yield per Acre	112.62

## 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  
 \*\*\*\*\* 1987 Livestock Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Farms Sorted According to Return to Overhead per Head)

Dairy (Milking Herd) -- Average Per Dairy Cow

	Average For All Farms		Average For Low 20%		Average For High 20%	
	Quantity	Value	Quantity	Value	Quantity	Value
Number of Farms	31		6		6	
Milk Sold (lbs)	15435.76	\$1,906.66	14669.31	\$1,794.67	17482.41	\$2,173.48
Milk Used in Home (lbs)	25.87	\$2.59	25.83	\$2.58	25.21	\$2.52
Milk Fed to Animals (lbs)	51.86	\$27.61	0.00	\$0.00	132.73	\$132.73
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	\$0.85	0.00	\$0.00	0.00	\$0.00
Cull sales (hd)	0.30	\$164.80	0.29	\$162.76	0.40	\$223.40
Less Livestock purchased (hd)	0.01	\$15.54	0.00	\$9.23	0.00	\$12.21
Less Livestock transferred in (hd)	0.35	\$224.76	0.36	\$280.48	0.35	\$229.76
Change in inventory (hd)	0.02	\$14.96	0.03	-\$7.09	-0.05	-\$39.30
Gross production		\$1,877.16		\$1,663.21		\$2,250.86
Other Income		\$0.00		\$0.00		\$0.00
Total Return		\$1,877.16		\$1,663.21		\$2,250.86
Direct Costs						
Corn (bu)	121.19	\$183.45	128.45	\$197.23	124.28	\$186.42
Oats (bu)	4.24	\$6.25	3.52	\$5.29	0.00	\$0.00
Barley (bu)	2.28	\$3.31	0.00	\$0.00	0.00	\$0.00
Protein, Minerals Etc. (lbs)	1260.08	\$184.11	1875.40	\$271.03	989.64	\$161.61
Complete Ration (lbs)	315.89	\$24.76	312.96	\$19.52	0.00	\$0.00
Alfalfa Hay (lbs)	4262.08	\$105.93	3885.44	\$93.49	5872.04	\$146.77
Alfalfa Haylage (lbs)	6766.31	\$83.78	6530.85	\$81.64	6249.00	\$76.52
Corn Silage (lbs)	2887.39	\$18.27	4316.50	\$28.06	2713.03	\$16.68
Oat Silage (lbs)	557.05	\$2.79	649.54	\$3.25	870.71	\$4.35
Pasture		\$4.38		\$5.54		\$2.64
Breeding		\$28.98		\$33.75		\$40.92
Veterinarian and Medicine		\$56.42		\$63.04		\$54.95
Supplies		\$120.38		\$119.14		\$161.74
Marketing		\$52.74		\$54.17		\$53.65
Fuel and Oil		\$12.52		\$15.65		\$9.59
Repairs		\$64.73		\$73.92		\$67.26
Machinery Work Hired		\$8.79		\$31.77		\$0.00
Utilities		\$1.31		\$0.00		\$0.00
Lease Payments		\$6.08		\$0.00		\$1.86
Bedding		\$2.81		\$5.02		\$4.37
Operating Interest		\$6.19		\$7.70		\$4.24
Total Direct Costs		\$977.96		\$1,109.20		\$993.56
Return to Overhead		\$899.20		\$554.01		\$1,257.30
Overhead Costs (allocated by farmers)						
Utilities		\$58.81		\$57.37		\$72.05
Real Estate Taxes		\$9.01		\$10.77		\$11.25
Farm Insurance		\$13.33		\$12.48		\$15.86
Overhead Hired Labor		\$86.08		\$40.32		\$95.39
Lease Payments		\$18.61		\$0.00		\$0.00
Miscellaneous Farm Expense		\$11.99		\$15.51		\$13.84
Interest		\$57.22		\$94.34		\$60.51
Depreciation		\$157.76		\$127.20		\$206.74
Total Overhead Costs		\$412.83		\$357.96		\$475.62
Total Listed Costs		\$1,390.79		\$1,467.16		\$1,469.18
Net Return		\$486.37		\$196.05		\$781.68
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living		\$613.08		\$320.67		\$853.17
Other Information						
Average Number of Cows Per Farm		64.74		56.45		62.78
Lbs of Milk Produced per Cow		15513.50		14695.14		17640.36
Percent of Barn Capacity Used		105.91		86.40		109.50
Percent of Milk Sold as Butterfat		3.39		3.47		3.58
Percent of Dairy Herd Culled		30.89		29.81		40.61
Lbs Milk Produced per lb Conc. Fed		1.80		1.54		2.21
Avg. Price Received per Cwt Milk Sold		\$12.35		\$12.23		\$12.43

TABLE 11-2  
 \*\*\*\*\* 1987 Livestock Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

Dairy Heifers & Feeder Stock -- Average Per Head

Number of Farms	12 Quantity	Value
	-----	-----
Sales (lbs)		\$198.46
Livestock Transferred Out (lbs)		\$174.79
Butchered (lbs)		\$2.74
Cull Sales (lbs)		\$50.82
Less Livestock Purchased (lbs)		\$86.76
Less Livestock Transferred In (lbs)		\$0.00
Change in Inventory (lbs)		\$67.13
Gross Production		\$407.17
Other Income		\$0.00
Total Return		\$407.17
Direct Costs		
Corn (bu)	34.33	\$52.37
Oats (bu)	2.06	\$3.10
Protein, Minerals, Etc. (lbs)	308.01	\$43.54
Complete Ration (lbs)	24.62	\$3.69
Alfalfa Hay (lbs)	2462.02	\$60.90
Alfalfa Haylage (lbs)	997.90	\$12.47
Corn Silage (lbs)	1767.94	\$10.63
Oat Silage (lbs)	52.38	\$0.26
Sorghum Silage (lbs)	327.39	\$1.09
Small Grain Silage (lbs)	458.35	\$2.29
Pasture		\$1.94
Breeding		\$4.94
Veterinarian and Medicine		\$7.34
Supplies		\$5.16
Marketing		\$4.24
Fuel and Oil		\$3.02
Repairs		\$13.01
Machinery Work Hired		\$5.93
Bedding		\$0.52
Operating Interest		\$0.05
Total Direct Costs		\$236.47
Return to Overhead		\$170.70
Overhead Costs (allocated by farmers)		
Utilities		\$7.77
Real Estate Taxes		\$1.85
Farm Insurance		\$2.76
Overhead Hired Labor		\$15.24
Lease Payments		\$2.41
Miscellaneous Farm Expense		\$3.98
Interest		\$19.12
Depreciation		\$21.22
Total Overhead Costs		\$74.33
Total Listed Costs		\$310.80
Net Return		\$96.37
Net Cash Flow Generated for		
Principal Payments, Income Taxes, and Family Living		\$114.85
Other information		
Number of Animals Purchased per Farm		14.00
Number of Animals Sold per Farm		29.00
Number of Animals Trans. Out per Farm		17.16
Number of Animals Trans. In per Farm		0.00
Percentage Death Loss		4.49

TABLE 11-3  
 \*\*\*\*\* 1987 Livestock Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

Dairy Heifers -- Average Per Head

Number of Farms	14 Quantity	Value
	-----	-----
Sales (lbs)		\$61.18
Livestock Transferred Out (lbs)		\$248.94
Butchered (lbs)		\$3.66
Cull Sales (lbs)		\$0.00
Less Livestock Purchased (lbs)		\$1.80
Less Livestock Transferred In (lbs)		\$0.00
Change in Inventory (lbs)		\$13.82
Gross Production		\$325.81
Other Income		\$0.00
Total Return		\$325.81
Direct Costs		
Corn (bu)	18.16	\$27.96
Oats (bu)	2.21	\$3.49
Barley (bu)	1.10	\$1.54
Protein, Minerals, Etc. (lbs)	229.44	\$33.95
Complete Ration (lbs)	82.20	\$12.54
Alfalfa Hay (lbs)	1950.92	\$47.30
Alfalfa Haylage (lbs)	2255.91	\$28.20
Corn Silage (lbs)	1467.13	\$9.54
Oat Silage (lbs)	695.88	\$3.48
Milk (lbs)	53.19	\$5.32
Pasture		\$1.62
Breeding		\$10.95
Veterinarian and Medicine		\$8.70
Supplies		\$5.82
Marketing		\$1.20
Fuel and Oil		\$1.98
Repairs		\$12.06
Bedding		\$0.72
Operating Interest		\$2.28
Total Direct Costs		\$218.64
Return to Overhead		\$107.17
Overhead Costs (allocated by farmers)		
Utilities		\$4.87
Real Estate Taxes		\$1.69
Farm Insurance		\$2.41
Overhead Hired Labor		\$14.15
Lease Payments		\$0.00
Miscellaneous Farm Expense		\$1.73
Interest		\$8.73
Depreciation		\$29.34
Total Overhead Costs		\$62.93
Total Listed Costs		\$281.57
Net Return		\$44.24
Net Cash Flow Generated for		
Principal Payments, Income Taxes,		
and Family Living		\$69.92
Other Information		
Number of Animals Purchased per Farm		0.21
Number of Animals Sold per Farm		29.71
Percentage Death Loss		7.70
Avg. Price Paid per Animal Bought		\$683.33
Avg. Price Received per Animal Sold		\$2,020.38



TABLE 11-4  
 \*\*\*\*\* 1987 Livestock Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Farms Sorted According to Return to Overhead per Head)

All Dairy -- Average Per Dairy Cow

	Average For All Farms		Average For Low 20%		Average For High 20%	
	Quantity	Value	Quantity	Value	Quantity	Value
Number of Farms	31		6		6	
Milk Sold (lbs)	15435.76	\$1,906.66	16057.11	\$1,977.02	15410.98	\$1,893.43
Milk Used in Home (lbs)	25.87	\$2.59	28.37	\$2.84	0.00	\$0.00
Milk Fed to Animals (lbs)	51.86	\$27.61	107.87	\$107.88	0.00	\$0.00
Sales (hd)	0.46	\$142.75	0.61	\$201.59	0.42	\$99.14
Livestock transferred out (hd)	0.46	\$264.74	0.43	\$306.26	0.60	\$282.49
Butchered (hd)	0.00	\$4.59	0.00	\$2.86	0.00	\$1.40
Cull sales (hd)	0.30	\$164.80	0.33	\$175.65	0.38	\$210.12
Less Livestock purchased (hd)	0.02	\$18.17	0.00	\$8.25	0.01	\$13.09
Less Livestock transferred in (hd)	0.35	\$224.76	0.43	\$306.26	0.33	\$203.90
Change in inventory (hd)	0.02	\$44.42	0.00	\$70.93	-0.11	-\$47.16
Gross production		\$2,315.21		\$2,530.50		\$2,222.43
Other Income		\$0.00		\$0.00		\$0.00
Total Return		\$2,315.21		\$2,530.50		\$2,222.43
Direct Costs						
Corn (bu)	152.07	\$230.56	177.4	\$266.65	141.53	\$212.30
Oats (bu)	7.67	\$11.48	2.29	\$3.80	8.27	\$12.41
Barley (bu)	2.91	\$4.18	0.00	\$0.00	0.00	\$0.00
Other Grain (lbs)	1.81	\$2.55	0.00	\$0.00	0.00	\$0.00
Protein, Minerals, Etc. (lbs)	1590.03	\$232.32	2353.39	\$353.76	682.57	\$83.27
Complete Ration (lbs)	405.87	\$37.69	40.56	\$10.14	802.69	\$36.89
Alfalfa Hay (lbs)	6970.60	\$171.94	6627.83	\$163.41	5467.30	\$136.65
Alfalfa Haylage (lbs)	8779.27	\$108.95	13065.80	\$162.03	10861.63	\$135.77
Corn Silage (lbs)	4973.09	\$31.61	5065.80	\$32.93	3120.96	\$19.22
Oat Silage (lbs)	1204.78	\$6.02	155.33	\$0.78	2638.22	\$13.19
Sorghum Silage (lbs)	124.56	\$0.41	0.00	\$0.00	0.00	\$0.00
Small Grain Silage (lbs)	174.38	\$0.87	0.00	\$0.00	0.00	\$0.00
Milk (lbs)	38.06	\$3.81	0.00	\$0.00	0.00	\$0.00
Pasture		\$6.66		\$5.99		\$9.20
Breeding		\$39.35		\$60.02		\$28.71
Veterinarian and Medicine		\$65.33		\$112.06		\$27.11
Supplies		\$127.43		\$135.92		\$97.61
Marketing		\$55.33		\$57.28		\$54.04
Fuel and Oil		\$15.52		\$18.20		\$13.93
Repairs		\$78.78		\$107.72		\$56.07
Machinery Work Hired		\$11.05		\$47.71		\$0.15
Utilities		\$1.31		\$0.69		\$6.48
Lease Payments		\$6.40		\$0.00		\$0.00
Bedding		\$4.60		\$5.61		\$1.54
Operating Interest		\$7.54		\$7.17		\$28.58
Total Direct Costs		\$1,261.70		\$1,549.85		\$973.12
Return to Overhead		\$1,053.51		\$980.65		\$1,249.31
Overhead Costs (allocated by farmers)						
Utilities		\$65.73		\$72.83		\$49.55
Real Estate Taxes		\$11.07		\$14.98		\$8.55
Farm Insurance		\$16.52		\$19.40		\$18.47
Overhead Hired Labor		\$104.84		\$136.90		\$51.59
Lease Payments		\$19.53		\$0.00		\$16.06
Miscellaneous Farm Expense		\$15.02		\$22.07		\$16.41
Interest		\$71.33		\$143.29		\$29.05
Depreciation		\$189.40		\$190.01		\$183.04
Total Overhead Costs		\$493.44		\$599.47		\$372.72
Total Listed Costs		\$1,755.14		\$2,149.32		\$1,345.84
Net Return		\$560.07		\$381.18		\$876.59
Net Cash Flow Generated for Principal Payments, Income Taxes, and Family Living		\$714.68		\$457.61		\$1,058.23
Other Information						
Average Number of Cows Per Farm	64.74		77.25		59.38	
Lbs of Milk Produced per Cow	15513.50		16193.35		15410.98	
Percent of Barn Capacity Used	105.91		90.35		122.02	
Percent of Milk Sold as Butterfat	3.39		3.01		3.40	
Percent of Dairy Herd Culled	30.89		33.00		38.17	
Lbs Milk Produced per lb Conc; Fed	1.80		1.69		1.85	
Avg. Price Received per Cwt Milk Sold	\$12.35		\$12.31		\$12.29	

TABLE 11-5  
 \*\*\*\*\* 1987 Livestock Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

Dairy Steers -- Average Per Head

Number of Farms	6	
	Quantity	Value
	-----	-----
Sales (lbs)	1368.81	\$799.44
Livestock Transferred Out (lbs)	0.00	\$0.00
Butchered (lbs)	12.63	\$6.57
Cull Sales (lbs)	0.00	\$0.00
Less Livestock Purchased (lbs)	203.41	\$117.59
Less Livestock Transferred In (lbs)	449.40	\$280.11
Change in Inventory (lbs)	103.51	\$106.09
Gross Production	832.15	\$514.41
Other Income		\$0.00
Total Return		\$514.41
Direct Costs		
Corn (bu)	104.75	\$157.14
Barley (bu)	0.12	\$0.19
Protein, Minerals, Etc. (lbs)	268.95	\$22.94
Alfalfa Hay (lbs)	647.11	\$15.17
Alfalfa Haylage (lbs)	3013.14	\$37.66
Oat Silage (lbs)	1496.46	\$7.48
Veterinarian and Medicine		\$3.28
Supplies		\$1.33
Marketing		\$8.82
Fuel and Oil		\$2.46
Repairs		\$10.51
Bedding		\$2.53
Operating Interest		\$6.29
Total Direct Costs		\$275.80
Return to Overhead		\$238.61
Overhead Costs (allocated by farmers)		
Utilities		\$10.15
Real Estate Taxes		\$1.67
Farm Insurance		\$2.95
Overhead Hired Labor		\$14.14
Lease Payments		\$0.00
Miscellaneous Farm Expense		\$3.06
Interest		\$8.84
Depreciation		\$51.65
Total Overhead Costs		\$92.45
Total Listed Costs		\$368.25
Net Return		\$146.16
Net Cash Flow Generated for		
Principal Payments, Income Taxes,		
and Family Living		\$191.24
Other Information		
Number of Animals Purchased per Farm		14.00
Number of Animals Sold per Farm		35.66
Percentage Death Loss		3.05
Effective Daily Gain (lbs)		2.27
Lbs of Feed Fed per lb of Gain		10.56
Avg. Weight per Animal Bought		478.98
Avg. Weight per Animal Sold		1265.19
Avg. Price Paid per Animal Bought		\$276.91
Avg. \$ per Cwt Recd. per Animal Sold		\$58.40

TABLE 11-6  
 \*\*\*\*\* 1987 Livestock Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

Dairy Steers -- Average Per Cwt Produced

Number of Farms	6	Value
	Quantity	-----
Sales (lbs)	164.49	\$96.07
Livestock Transferred Out (lbs)	0.00	\$0.00
Butchered (lbs)	1.51	\$0.79
Cull Sales (lbs)	0.00	\$0.00
Less Livestock Purchased (lbs)	24.44	\$14.13
Less Livestock Transferred In (lbs)	54.00	\$33.66
Change in Inventory (lbs)	12.43	\$12.75
Gross Production	100.00	\$61.82
Other Income		\$0.00
Total Return		\$61.82
<b>Direct Costs</b>		
Corn (bu)	12.58	\$18.88
Barley (bu)	0.01	\$0.02
Protein, Minerals, Etc. (lbs)	32.32	\$2.76
Alfalfa Hay (lbs)	77.76	\$1.82
Alfalfa Haylage (lbs)	362.08	\$4.53
Oat Silage (lbs)	179.82	\$0.90
Veterinarian and Medicine		\$0.39
Supplies		\$0.16
Marketing		\$1.06
Fuel and Oil		\$0.30
Repairs		\$1.26
Bedding		\$0.30
Operating Interest		\$0.76
Total Direct Costs		\$33.14
Return to Overhead		\$28.68
<b>Overhead Costs (allocated by farmers)</b>		
Utilities		\$1.22
Real Estate Taxes		\$0.20
Farm Insurance		\$0.35
Overhead Hired Labor		\$1.70
Lease Payments		\$0.00
Miscellaneous Farm Expense		\$0.37
Interest		\$1.06
Depreciation		\$6.21
Total Overhead Costs		\$11.11
Total Listed Costs		\$44.25
Net Return		\$17.57
<b>Net Cash Flow Generated for</b>		
Principal Payments, Income Taxes, and Family Living		\$22.99
<b>Other Information</b>		
Number of Animals Purchased per Farm		14.00
Number of Animals Sold per Farm		35.66
Percentage Death Loss		3.05
Effective Daily Gain (lbs)		2.27
Lbs of Feed Fed per lb of Gain		10.56
Avg. Weight per Animal Bought		478.98
Avg. Weight per Animal Sold		1265.19
Avg. Price Paid per Animal Bought		\$276.91
Avg. \$ per Cwt Recd. per Animal Sold		\$58.40

TABLE 11-7  
 \*\*\*\*\* 1987 Livestock Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

Farrow to Finish Hogs -- Average Per Litter

Number of Farms	10 Quantity	Value
Sales (lbs)	1680.85	\$863.76
Livestock Transferred Out (lbs)	0.00	\$0.00
Butchered (lbs)	2.88	\$1.02
Cull Sales (lbs)	146.98	\$61.58
Less Livestock Purchased (lbs)	9.74	\$14.26
Less Livestock Transferred In (lbs)	0.00	\$0.00
Change in Inventory (lbs)	56.34	-\$19.80
Gross Production	1877.32	\$892.30
Other Income		\$0.00
Total Return		\$892.30
<b>Direct Costs</b>		
Corn (bu)	104.89	\$157.23
Oats (bu)	4.52	\$6.73
Barley (bu)	0.23	\$0.35
Protein, Minerals, Etc. (lbs)	1525.37	\$249.92
Complete Ration (lbs)	81.34	\$10.93
Veterinarian and Medicine		\$13.58
Supplies		\$11.16
Marketing		\$3.02
Fuel and Oil		\$4.04
Repairs		\$31.16
Machinery Work Hired		\$0.50
Bedding		\$1.26
Operating Interest		\$1.68
Total Direct Costs		\$491.56
Return to Overhead		\$400.74
<b>Overhead Costs (allocated by farmers)</b>		
Utilities		\$22.37
Real Estate Taxes		\$4.38
Farm Insurance		\$6.05
Overhead Hired Labor		\$23.53
Lease Payments		\$2.91
Miscellaneous Farm Expense		\$4.77
Interest		\$30.89
Depreciation		\$85.17
Total Overhead Costs		\$180.08
Total Listed Costs		\$671.64
Net Return		\$220.66
<b>Net Cash Flow Generated for</b>		
Principal Payments, Income Taxes, and Family Living		\$304.81
<b>Other information</b>		
Number of Litters Farrowed per Farm		128.10
Number of Litters per Crate		6.01
Number of Litters per Sow		1.64
Pigs Born per Litter		9.90
Pigs Weaned per Litter		8.63
Lbs of Feed Fed per lb of Gain		4.06
Avg. Weight of Market Hogs Sold (lbs)		236.48
Avg. \$ per Cwt Received for Hogs Sold		\$51.39

TABLE 11-8  
 \*\*\*\*\* 1987 Livestock Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

Farrow to Finish Hogs -- Average Per Cwt Produced

Number of Farms	10 Quantity	Value
	-----	-----
Sales (lbs)	89.53	\$46.01
Livestock Transferred Out (lbs)	0.00	\$0.00
Butchered (lbs)	0.15	\$0.05
Cull Sales (lbs)	7.82	\$3.28
Less Livestock Purchased (lbs)	0.51	\$0.76
Less Livestock Transferred In (lbs)	0.00	\$0.00
Change in Inventory (lbs)	3.00	-\$1.06
Gross Production	100.00	\$47.53
Other Income		\$0.00
Total Return		\$47.53
Direct Costs		
Corn (bu)	5.58	\$8.38
Oats (bu)	0.24	\$0.36
Barley (bu)	0.01	\$0.02
Protein, Minerals, Etc. (lbs)	81.25	\$13.31
Complete Ration (lbs)	4.33	\$0.58
Veterinarian and Medicine		\$0.72
Supplies		\$0.59
Marketing		\$0.16
Fuel and Oil		\$0.22
Repairs		\$1.66
Machinery Work Hired		\$0.03
Bedding		\$0.07
Operating Interest		\$0.09
Total Direct Costs		\$26.18
Return to Overhead		\$21.35
Overhead Costs (allocated by farmers)		
Utilities		\$1.19
Real Estate Taxes		\$0.23
Farm Insurance		\$0.32
Overhead Hired Labor		\$1.25
Lease Payments		\$0.16
Miscellaneous Farm Expense		\$0.25
Interest		\$1.65
Depreciation		\$4.54
Total Overhead Costs		\$9.59
Total Listed Costs		\$35.77
Net Return		\$11.76
Net Cash Flow Generated for		
Principal Payments, Income Taxes, and Family Living		\$16.25
Other information		
Number of Litters Farrowed per Farm		128.10
Number of Litters per Crate		6.01
Number of Litters per Sow		1.64
Pigs Born per Litter		9.90
Pigs Weaned per Litter		8.63
Lbs of Feed Fed per lb of Gain		4.06
Avg. Weight of Market Hogs Sold (lbs)		236.48
Avg. \$ per Cwt Received for Hogs Sold		\$51.39

TABLE 11-9  
 \*\*\*\*\* 1987 Livestock Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

Hog Finishing -- Average Per Head Sold

Number of Farms	6	Value
	Quantity	Value
	-----	-----
Sales (lbs)	241.15	\$123.82
Livestock Transferred Out (lbs)	0.58	\$0.28
Butchered (lbs)	0.11	\$0.06
Cull Sales (lbs)	0.00	\$0.00
Less Livestock Purchased (lbs)	38.58	\$42.96
Less Livestock Transferred In (lbs)	9.07	\$9.07
Change in Inventory (lbs)	-12.14	-\$9.61
Gross Production	182.04	\$62.51
Other Income		\$0.00
Total Return		\$62.51
Direct Costs		
Corn (bu)	10.93	\$17.97
Oats (bu)	0.26	\$0.41
Protein, Minerals, Etc. (lbs)	146.52	\$20.70
Complete Ration (lbs)	6.49	\$0.56
Veterinarian and Medicine		\$0.18
Supplies		\$0.23
Marketing		\$1.66
Fuel and Oil		\$0.45
Repairs		\$2.44
Machinery Work Hired		\$0.36
Bedding		\$0.03
Operating Interest		\$0.11
Total Direct Costs		\$45.09
Return to Overhead		\$17.42
Overhead Costs (allocated by farmers)		
Utilities		\$1.56
Real Estate Taxes		\$0.46
Farm Insurance		\$0.32
Overhead Hired Labor		\$0.75
Lease Payments		\$0.28
Miscellaneous Farm Expense		\$0.56
Interest		\$3.80
Depreciation		\$8.67
Total Overhead Costs		\$16.40
Total Listed Costs		\$61.49
Net Return		\$1.02
Net Cash Flow Generated for		
Principal Payments, Income Taxes,		
and Family Living		\$9.63
Other Information		
Number of Animals Purchased per Farm		524.66
Number of Animals Sold per Farm		642.00
Percentage Death Loss		3.76
Effective Daily Gain (lbs)		1.30
Lbs of Feed Fed per lb of Gain		4.25
Avg. Weight per Animal Bought		47.21
Avg. Weight per Animal Sold		241.15
Avg. Price Paid per Animal Bought		\$52.57
Avg. \$ per Cwt Recd. per Animal Sold		\$51.35

TABLE 11-10  
 \*\*\*\*\* 1987 Livestock Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

Hog Finishing -- Average Per Cwt Produced

Number of Farms	6	Value
	Quantity	-----
Sales (lbs)	132.46	\$68.02
Livestock Transferred Out (lbs)	0.32	\$0.15
Butchered (lbs)	0.06	\$0.03
Cull Sales (lbs)	0.00	\$0.00
Less Livestock Purchased (lbs)	21.19	\$23.60
Less Livestock Transferred In (lbs)	4.98	\$4.98
Change in Inventory (lbs)	-6.67	-\$5.28
Gross Production	100.00	\$34.34
Other Income		\$0.00
Total Return		\$34.34
<b>Direct Costs</b>		
Corn (bu)	6.00	\$9.87
Oats (bu)	0.14	\$0.22
Protein, Minerals, Etc. (lbs)	80.48	\$11.37
Complete Ration (lbs)	3.56	\$0.31
Veterinarian and Medicine		\$0.10
Supplies		\$0.13
Marketing		\$0.91
Fuel and Oil		\$0.25
Repairs		\$1.34
Machinery Work Hired		\$0.20
Bedding		\$0.01
Operating Interest		\$0.06
Total Direct Costs		\$24.77
Return to Overhead		\$9.57
<b>Overhead Costs (allocated by farmers)</b>		
Utilities		\$0.86
Real Estate Taxes		\$0.25
Farm Insurance		\$0.18
Overhead Hired Labor		\$0.41
Lease Payments		\$0.15
Miscellaneous Farm Expense		\$0.31
Interest		\$2.09
Depreciation		\$4.76
Total Overhead Costs		\$9.01
Total Listed Costs		\$33.78
Net Return		\$0.56
<b>Net Cash Flow Generated for</b>		
Principal Payments, Income Taxes, and Family Living		\$5.29
<b>Other Information</b>		
Number of Animals Purchased per Farm		524.66
Number of Animals Sold per Farm		642.00
Percentage Death Loss		3.76
Effective Daily Gain (lbs)		1.30
Lbs of Feed Fed per lb of Gain		4.25
Avg. Weight per Animal Bought		47.21
Avg. Weight per Animal Sold		241.15
Avg. Price Paid per Animal Bought		\$52.57
Avg. \$ per Cwt Recd. per Animal Sold		\$51.35

TABLE 11-11  
 \*\*\*\*\* 1987 Livestock Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

Beef Cow-Calf -- Average Per Cow

Number of Farms	9	Value
	Quantity	-----
Sales (lbs)	129.14	\$96.45
Livestock Transferred Out (lbs)	354.53	\$268.88
Butchered (lbs)	2.88	\$1.73
Cull Sales (lbs)	174.55	\$106.59
Less Livestock Purchased (lbs)	65.89	\$41.52
Less Livestock Transferred In (lbs)	50.38	\$30.97
Change in Inventory (lbs)	1.26	-\$6.14
Gross Production	546.10	\$395.02
Other Income		\$0.00
Total Return		\$395.02
<b>Direct Costs</b>		
Corn (bu)	15.74	\$23.64
Oats (bu)	0.96	\$1.44
Protein, Minerals, Etc. (lbs)	137.08	\$15.95
Alfalfa Hay (lbs)	3641.17	\$85.74
Stover (lbs)	2405.00	\$3.61
Alfalfa Haylage (lbs)	1087.06	\$13.59
Corn Silage (lbs)	1875.90	\$11.28
Pasture		\$18.34
Breeding		\$2.68
Veterinarian and Medicine		\$12.20
Supplies		\$5.83
Marketing		\$1.02
Fuel and Oil		\$4.15
Repairs		\$13.40
Machinery Work Hired		\$0.87
Lease Payments		\$0.48
Operating Interest		\$0.22
Total Direct Costs		\$214.42
Return to Overhead		\$180.60
<b>Overhead Costs (allocated by farmers)</b>		
Utilities		\$18.76
Real Estate Taxes		\$2.63
Farm Insurance		\$4.96
Overhead Hired Labor		\$9.03
Lease Payments		\$0.43
Miscellaneous Farm Expense		\$4.49
Interest		\$18.15
Depreciation		\$42.21
Total Overhead Costs		\$100.66
Total Listed Costs		\$315.08
Net Return		\$79.94
<b>Net Cash Flow Generated for</b>		
Principal Payments, Income Taxes, and Family Living		\$120.42
<b>Other Information</b>		
Average Number of Cows per Farm	46.19	
Calving Percentage	190.76	
Weaning Percentage	187.69	
Percent of Cows Culled	16.11	
Avg. Weight per Calf Sold	603.37	
Avg. \$ per Cwt Received per Calf Sold	\$74.68	



TABLE 11-12  
 \*\*\*\*\* 1987 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	Value
	Quantity	-----
Sales (lbs)	23.64	\$17.66
Livestock Transferred Out (lbs)	64.92	\$49.24
Butchered (lbs)	0.52	\$0.32
Cull Sales (lbs)	31.96	\$19.52
Less Livestock Purchased (lbs)	12.06	\$7.60
Less Livestock Transferred In (lbs)	9.22	\$5.67
Change in Inventory (lbs)	0.23	-\$1.12
Gross Production	100.00	\$72.34
Other Income		\$0.00
Total Return		\$72.34
Direct Costs		
Corn (bu)	2.88	\$4.33
Oats (bu)	0.17	\$0.26
Protein, Minerals, Etc. (lbs)	25.10	\$2.92
Alfalfa Hay (lbs)	666.75	\$15.70
Stover (lbs)	440.39	\$0.66
Alfalfa Haylage (lbs)	199.05	\$2.49
Corn Silage (lbs)	343.50	\$2.07
Pasture		\$3.36
Breeding		\$0.49
Veterinarian and Medicine		\$2.23
Supplies		\$1.07
Marketing		\$0.19
Fuel and Oil		\$0.76
Repairs		\$2.45
Machinery Work Hired		\$0.16
Lease Payments		\$0.09
Operating Interest		\$0.04
Total Direct Costs		\$39.26
Return to Overhead		\$33.08
Overhead Costs (allocated by farmers)		
Utilities		\$3.44
Real Estate Taxes		\$0.48
Farm Insurance		\$0.91
Overhead Hired Labor		\$1.65
Lease Payments		\$0.08
Miscellaneous Farm Expense		\$0.82
Interest		\$3.32
Depreciation		\$7.73
Total Overhead Costs		\$18.43
Total Listed Costs		\$57.69
Net Return		\$14.65
Net Cash Flow Generated for		
Principal Payments, Income Taxes,		
and Family Living		\$22.06
Other Information		
Average Number of Cows per Farm		46.19
Calving Percentage		190.76
Weaning Percentage		187.69
Percent of Cows Culled		16.11
Avg. Weight per Calf Sold		603.37
Avg. \$ per Cwt Received per Calf Sold		\$74.68

TABLE 11-13  
 \*\*\*\*\* 1987 Livestock Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

All Beef Finishing Combined -- Average Per Head Sold

Number of Farms	12 Quantity	Value
Sales (lbs)	1130.34	\$712.22
Livestock Transferred Out (lbs)	14.68	\$9.11
Butchered (lbs)	3.57	\$2.29
Cull Sales (lbs)	0.00	\$0.00
Less Livestock Purchased (lbs)	516.37	\$366.89
Less Livestock Transferred In (lbs)	146.23	\$107.87
Change in Inventory (lbs)	95.35	\$112.69
Gross Production	581.36	\$361.55
Other Income		\$0.00
Total Return		\$361.55
<b>Direct Costs</b>		
Corn (bu)	59.94	\$79.44
Oats (bu)	0.47	\$0.65
Barley (bu)	0.52	\$0.68
Protein, Minerals, Etc. (lbs)	273.11	\$36.05
Alfalfa Hay (lbs)	1406.69	\$34.39
Alfalfa Haylage (lbs)	430.62	\$5.38
Corn Silage (lbs)	1397.12	\$9.08
Oat Silage (lbs)	421.05	\$2.11
Pasture		\$1.53
Veterinarian and Medicine		\$7.82
Supplies		\$7.60
Marketing		\$20.20
Fuel and Oil		\$3.52
Repairs		\$23.21
Bedding		\$1.90
Operating Interest		\$0.42
Total Direct Costs		\$233.99
Return to Overhead		\$127.56
<b>Overhead Costs (allocated by farmers)</b>		
Utilities		\$12.75
Real Estate Taxes		\$2.96
Farm Insurance		\$3.01
Overhead Hired Labor		\$4.26
Lease Payments		\$2.86
Miscellaneous Farm Expense		\$3.37
Interest		\$11.63
Depreciation		\$39.53
Total Overhead Costs		\$80.36
Total Listed Costs		\$314.35
Net Return		\$47.20
<b>Net Cash Flow Generated for</b>		
Principal Payments, Income Taxes, and Family Living		\$84.44
<b>Other Information</b>		
Number of Animals Purchased per Farm		75.66
Number of Animals Sold per Farm		87.08
Percentage Death Loss		0.42
Effective Daily Gain (lbs)		2.14
Lbs of Feed Fed per lb of Gain		10.14
Avg. Weight per Animal Bought		594.28
Avg. Weight per Animal Sold		1130.34
Avg. Price Paid per Animal Bought		\$422.24
Avg. \$ per Cwt Recd. per Animal Sold		\$63.01

TABLE 11-14  
 \*\*\*\*\* 1987 Livestock Enterprise Analysis \*\*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

All Beef Finishing Combined -- Average Per Cwt Produced

Number of Farms	12 Quantity	Value
	-----	-----
Sales (lbs)	194.43	\$122.51
Livestock Transferred Out (lbs)	2.52	\$1.57
Butchered (lbs)	0.61	\$0.39
Cull Sales (lbs)	0.00	\$0.00
Less Livestock Purchased (lbs)	88.82	\$63.11
Less Livestock Transferred In (lbs)	25.15	\$18.55
Change in Inventory (lbs)	16.40	\$19.38
Gross Production	100.00	\$62.19
Other Income		\$0.00
Total Return		\$62.19
<b>Direct Costs</b>		
Corn (bu)	10.31	\$13.66
Oats (bu)	0.08	\$0.11
Barley (bu)	0.09	\$0.12
Protein, Minerals, Etc. (lbs)	46.97	\$6.20
Alfalfa Hay (lbs)	241.96	\$5.92
Alfalfa Haylage (lbs)	74.07	\$0.93
Corn Silage (lbs)	240.31	\$1.56
Oat Silage (lbs)	72.42	\$0.36
Pasture		\$0.26
Veterinarian and Medicine		\$1.35
Supplies		\$1.31
Marketing		\$3.48
Fuel and Oil		\$0.61
Repairs		\$3.99
Bedding		\$0.33
Operating Interest		\$0.07
Total Direct Costs		\$40.25
Return to Overhead		\$21.94
<b>Overhead Costs (allocated by farmers)</b>		
Utilities		\$2.19
Real Estate Taxes		\$0.51
Farm Insurance		\$0.52
Overhead Hired Labor		\$0.73
Lease Payments		\$0.49
Miscellaneous Farm Expense		\$0.58
Interest		\$2.00
Depreciation		\$6.80
Total Overhead Costs		\$13.82
Total Listed Costs		\$54.07
Net Return		\$8.12
<b>Net Cash Flow Generated for</b>		
Principal Payments, Income Taxes, and Family Living		\$14.53
<b>Other Information</b>		
Number of Animals Purchased per Farm		75.66
Number of Animals Sold per Farm		87.08
Percentage Death Loss		0.42
Effective Daily Gain (lbs)		2.14
Lbs of Feed Fed per lb of Gain		10.14
Avg. Weight per Animal Bought		594.28
Avg. Weight per Animal Sold		1130.34
Avg. Price Paid per Animal Bought		\$422.24
Avg. \$ per Cwt Recd. per Animal Sold		\$63.01

TABLE 12  
 PRICES USED IN ANALYSIS - 1987  
 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	\$ 1.72	\$ 1.50	\$ 1.65	\$ 1.65
Oats	1.30	1.50	1.30	1.80
Soybeans	4.90	--	5.00	5.75
Alfafa Hay	50.00	50.00	50.00	50.00
Mixed Hay	40.00	40.00	40.00	40.00
Haylage	25.00	25.00	25.00	25.00
Corn Silage	13.00	13.00	13.00	13.00
Oat Silage	10.00	10.00	10.00	10.00
Straw/ton	40.00	40.00	40.00	40.00
Corn Stalks	10.00	10.00	10.00	10.00
Wheat	2.80	2.50	2.50	2.80
Barley	1.50	1.50	1.60	2.00

<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	1987	\$10.00	\$ .333	\$ 7.00	\$ .233
Young cattle, colts	1987	5.00	.167	3.50	.117
Unpaid family labor	1987	\$5/hour	\$50/day	\$900/mo.	\$10,800/yr.
Other partner's labor	1987	--	--	\$1400/mo.	\$16,800/yr.
Board for hired help	1987	--	\$6/day	--	--

Homegrown seed - soybeans	\$8/bu.
- oats	\$2/bu.

## EXPLANATORY NOTES FOR SUMMARY TABLES

A better picture of this year's profitability, liquidity and solvency can be seen by comparing this year to previous years (Table 13). To make these comparisons on an equal footing, previous years are expressed in constant 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**
(1987 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
Total Crop Acres	258	276	287	298	304	333	293	328	333	307	331	327	347	*	363	423	376	365
Gross Cash Farm Income	123,586	122,858	140,564	183,008	191,055	168,965	186,587	216,087	233,094	220,825	222,264	200,512	238,062	203,470	205,227	209,017	197,071	190,481
Total Cash Farm Expense	75,874	83,952	85,597	110,685	108,142	115,366	118,643	140,571	146,261	144,601	153,368	140,514	177,714	132,748	157,615	159,701	146,246	136,802
Farm Profit or Loss	36,803	32,171	52,747	117,639	72,772	42,896	55,059	60,910	96,559	54,898	56,347	32,637	28,910	39,325	22,676	17,653	26,100	45,197
Farm Interest Paid	6,539	7,041	7,895	9,087	8,910	12,547	8,337	13,873	13,959	13,174	18,696	17,834	25,620	20,168	21,734	23,461	21,941	16,542
Value of Farm Production	100,888	98,497	125,709	217,196	168,149	146,226	144,491	167,194	200,157	159,013	172,214	141,678	162,909	194,173	198,613	201,664	179,963	194,420
Total Ending Farm Assets	276,265	343,602	360,854	433,802	416,934	421,748	415,568	490,823	526,012	406,274	404,643	422,056	557,213	410,318	369,579	333,872	281,447	293,153
Total Ending Liabilities	114,957	144,545	168,388	168,128	129,085	136,152	120,480	160,164	183,529	149,120	189,140	216,515	282,831	186,825	210,885	212,710	176,542	162,013
Ending Net Worth	161,308	199,057	192,466	265,673	287,849	285,596	295,088	330,659	342,484	257,154	215,503	205,541	274,382	223,492	158,694	121,162	104,905	131,140
Rate of Return on:																		
Average Investment (%)	10	7	12	28	16	9	11	13	19	11	15	8	8	9	7	7	10	15**
Average Equity (%)	13	8	18	44	21	9	13	14	24	13	18	8	5	9	3	0	7	23**
Average Yield on U.S. Gov't Securities	6	4	4	7	8	6	5	5	7	10	12	14	11	9	10	7	6	6**
Debt to Asset Percent	42	42	47	39	31	32	29	33	35	37	47	51	51	46	57	64	63	55
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
Total Cash Expenses	9	8	9	8	8	11	7	10	10	9	12	13	14	15	14	15	15	12
Net Profit Margin	26	22	33	50	38	26	31	33	46	31	33	23	23	21	13	11	17	22
Asset Turnover Ratio	37	32	36	56	42	36	35	38	41	36	45	36	34	41	52	58	59	69
HOUSEHOLD EXPENSES & INCOME:																		
# farms reporting	48	43	47	38	42	36	30	38	30	35	38	22	23	13	14	15	15	14
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
Average Nonfarm Income:	4,039	5,907	4,939	4,721	5,485	5,516	6,049	4,715	7,345	8,079	8,678	9,010	9,138	5,333	8,872	6,408	8,737	8,788
Family living from the farm	1,004	968	992	1,240	1,139	1,016	928	1,101	1,110	1,260	992	1,047	650	398	586	398	392	436
TOTAL FAMILY LIVING EXPENSES	18,407	18,100	19,579	20,498	20,479	19,670	18,779	20,266	21,055	20,546	19,639	18,226	18,731	18,608	18,800	19,923	18,263	22,492
TOTAL CAPITAL EXPENDITURES	12,410	6,811	11,060	10,002	14,061	15,052	14,455	7,738	16,426	17,709	10,851	16,045	9,507	5,862	5,103	6,681	6,767	9,500
TOTAL FAMILY USE OF CASH	33,578	28,658	31,508	32,979	38,661	43,224	36,829	35,150	43,972	46,594	35,001	39,500	31,401	29,663	26,841	28,851	27,930	35,772

\* Not available.

\*\* Preliminary estimates for 1987.

TABLE 14  
 \*\*\*\* 1987 Farm Financial Information Summary by County \*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 All Figures are Average per Farm

	* Average For All Farms	Dakota Le Sueur Nicollet Rice Scott	Goodhue Houston Olmsted Wabasha Winona	Dodge Freeborn Mower Steele Waseca
Number of farms	62	14	35	11
<b>Detailed Farm Profit or Loss</b>				
Gross Cash Farm Income	\$190,481	\$221,592	\$176,595	\$190,568
Total Cash Operating Expense	\$136,802	\$144,568	\$131,670	\$132,904
Total Inventory Change	\$9,817	\$13,838	\$5,382	\$9,267
Total Depreciation and Cap. Adj.	-\$18,298	-\$29,156	-\$15,490	-\$15,579
Profit or Loss	\$45,197	\$61,705	\$34,815	\$51,352
<b>Profitability and Liquidity Analysis</b>				
Labor and Management Earnings	\$19,713	\$18,000	\$20,314	\$20,509
Rate of Return on Investment	11	13	9	13
Rate of Return on Net Worth	14	17	9	18
Farm Interest Paid	\$16,552	\$17,346	\$15,869	\$16,165
Average Farm Investment	\$358,239	\$457,380	\$325,588	\$350,478
Average Farm Net Worth	\$171,541	\$245,132	\$147,677	\$166,323
Value of Farm Production	\$194,420	\$220,546	\$178,595	\$200,855
Cash Expense as a % of Income	71	65	74	69
Interest Expense as a % of Income	8	7	8	8
<b>Comparative Financial Statement</b>				
Sole Proprietors	49	11	27	9
Total Beginning Farm Assets	\$292,827	\$350,741	\$289,334	\$242,581
Total Ending Farm Assets	\$293,153	\$345,198	\$284,617	\$251,609
Total Beginning Farm Liabilities	\$180,509	\$166,526	\$189,591	\$172,371
Total Ending Farm Liabilities	\$161,596	\$154,473	\$163,695	\$159,972
Beginning Net Worth	\$140,581	\$211,368	\$137,486	\$77,668
Ending Net Worth	\$164,836	\$231,742	\$160,975	\$102,537
Net Worth Change	\$24,255	\$20,373	\$23,488	\$24,868
Beginning Cur + Int Liab / Assets %	44	31	42	65
Ending Cur + Int Liab / Assets %	37	27	37	54
Beginning Long Term Liab / Assets %	79	59	90	78
Ending Long Term Lib / Assets %	74	59	81	78
Total Beg Farm Liab / Assets %	61	47	65	71
Total End Farm Liab / Assets %	55	44	57	63
<b>Household and Personal Expense</b>				
Number of Farms Included	14	0	12	2
Total Cash Living Expense	\$35,772	\$0	\$36,034	\$34,198
<b>Crop Production and Marketing Summary</b>				
Total Acres Owned	268	325	283	176
Total Crop Acres Farmed	365	394	336	427
Crop Acres Owned	225	263	224	202
Crop Acres Cash Rented	123	123	104	160
Crop Acres Share Rented	18	8	8	64
<b>Average Prices Received (cash sales)</b>				
Corn per Bushel	\$1.77	\$1.69	\$1.70	\$1.51
Soybeans per Bushel	\$4.95	\$4.89	\$4.99	\$4.97

\* Not all of the farms fit into the counties reported, but they are included in the "Average for All Farms"

TABLE 15  
 \*\*\*\* 1987 Farm Financial Information Summary \*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 Farms Sorted According to Total Cash Farm Income  
 All Figures are Average per Farm

	* Average For All Farms	20,000 - 39,999	40,000 - 99,999	100,000 - 199,999	200,000 - 499,999
Number of farms	62	4	11	24	20
<b>Detailed Farm Profit or Loss</b>					
Gross Cash Farm Income	\$190,481	\$31,534	\$71,743	\$164,306	\$287,120
Total Cash Operating Expense	\$136,802	\$28,943	\$53,902	\$117,278	\$219,376
Total Inventory Change	\$9,817	\$7,233	\$1,917	\$5,145	\$18,700
Total Depreciation and Cap. Adj.	-\$18,298	-\$3,387	-\$4,952	-\$11,873	-\$29,087
Profit or Loss	\$45,197	\$6,435	\$14,805	\$40,299	\$57,356
<b>Profitability and Liquidity Analysis</b>					
Labor and Management Earnings	\$19,713	\$10,050	\$14,509	\$18,900	\$23,460
Rate of Return on Investment	11	0	5	12	11
Rate of Return on Net Worth	14	-11	0	18	13
Farm Interest Paid	\$16,552	\$5,413	\$7,475	\$15,926	\$25,276
Average Farm Investment	\$358,239	\$99,055	\$148,108	\$292,618	\$518,795
Average Farm Net Worth	\$171,541	\$52,893	\$53,901	\$115,931	\$254,981
Value of Farm Production	\$194,420	\$35,505	\$77,648	\$172,134	\$281,861
Cash Expense as a % of Income	71	91	75	71	76
Interest Expense as a % of Income	8	17	10	9	8
<b>Comparative Financial Statement</b>					
Sole Proprietors	49	4	10	21	13
Total Beginning Farm Assets	\$292,827	\$98,210	\$145,242	\$284,465	\$498,317
Total Ending Farm Assets	\$293,153	\$99,901	\$144,623	\$288,108	\$493,678
Total Beginning Farm Liabilities	\$180,509	\$49,154	\$106,197	\$205,866	\$246,156
Total Ending Farm Liabilities	\$161,596	\$43,171	\$100,649	\$178,628	\$225,264
Beginning Net Worth	\$140,581	\$51,272	\$90,818	\$105,291	\$275,345
Ending Net Worth	\$164,836	\$58,946	\$98,634	\$137,482	\$306,123
Net Worth Change	\$24,255	\$7,673	\$7,815	\$32,191	\$30,778
Beginning Cur + Int Liab / Assets %	44	22	49	52	36
Ending Cur + Int Liab / Assets %	37	7	43	44	30
Beginning Long Term Liab / Assets %	79	62	106	92	63
Ending Long Term Lib / Assets %	74	60	105	81	62
Total Beg Farm Liab / Assets %	61	50	73	72	49
Total End Farm Liab / Assets %	55	43	69	72	45
<b>Household and Personal Expense</b>					
Number of Farms Included	14	1	2	5	6
Total Cash Living Expense	\$35,772	\$27,454	\$51,534	\$25,675	\$40,317
<b>Crop Production and Marketing Summary</b>					
Total Acres Owned	268	178	150	233	335
Total Crop Acres Farmed	365	96	234	324	489
Crop Acres Owned	225	87	133	175	301
Crop Acres Cash Rented	123	2	92	131	161
Crop Acres Share Rented	18	8	10	18	27
<b>Average Prices Received (cash sales)</b>					
Corn per Bushel	\$1.77	\$1.57	\$1.65	\$1.90	\$1.77
Soybeans per Bushel	\$4.95	\$4.97	\$4.92	\$5.06	\$4.85

\* Not all of the farms fit into the 4 ranges reported, but they are included in the "Average for All Farms"



TABLE 16  
 \*\*\*\* 1987 Farm Financial Information Summary by Type of Farm \*\*\*\*  
 Southeast Minnesota Farm Business Management Association  
 All Figures are Average per Farm

	* Average For All Farms	Dairy	Crop and Dairy	Crop and Hog
	-----	-----	-----	-----
Number of farms	62	15	11	7
<b>Detailed Farm Profit or Loss</b>				
Gross Cash Farm Income	\$190,481	\$149,399	\$259,301	\$274,876
Total Cash Operating Expense	\$136,802	\$109,915	\$182,220	\$193,673
Total Inventory Change	\$9,817	\$2,978	\$9,680	\$28,633
Total Depreciation and Cap. Adj.	-\$18,298	-\$11,817	-\$24,334	-\$36,399
Profit or Loss	\$45,197	\$30,644	\$62,425	\$73,436
<b>Profitability and Liquidity Analysis</b>				
Labor and Management Earnings	\$19,713	\$20,160	\$20,545	\$22,629
Rate of Return on Investment	11	7	10	13
Rate of Return on Net Worth	14	8	12	17
Farm Interest Paid	\$16,552	\$14,363	\$20,633	\$15,356
Average Farm Investment	\$358,239	\$311,065	\$571,326	\$481,306
Average Farm Net Worth	\$171,541	\$130,862	\$323,779	\$285,440
Value of Farm Production	\$194,420	\$163,703	\$278,501	\$272,823
Cash Expense as a % of Income	71	73	70	70
Interest Expense as a % of Income	8	9	7	5
<b>Comparative Financial Statement</b>				
Sole Proprietors	49	13	7	5
Total Beginning Farm Assets	\$292,827	\$300,786	\$417,336	\$344,070
Total Ending Farm Assets	\$293,153	\$300,731	\$420,885	\$351,025
Total Beginning Farm Liabilities	\$180,509	\$180,501	\$163,333	\$169,564
Total Ending Farm Liabilities	\$161,596	\$164,659	\$144,502	\$166,796
Beginning Net Worth	\$140,581	\$133,664	\$297,840	\$182,563
Ending Net Worth	\$164,836	\$149,727	\$323,007	\$211,287
Net Worth Change	\$24,255	\$16,063	\$25,167	\$28,724
Beginning Cur + Int Liab / Assets %	44	35	23	47
Ending Cur + Int Liab / Assets %	37	31	19	44
Beginning Long Term Liab / Assets %	79	84	59	51
Ending Long Term Lib / Assets %	74	79	54	50
Total Beg Farm Liab / Assets %	61	60	39	49
Total End Farm Liab / Assets %	55	54	34	47
<b>Household and Personal Expense</b>				
Number of Farms Included	14	2	5	2
Total Cash Living Expense	\$35,772	\$18,744	\$33,817	\$48,268
<b>Crop Production and Marketing Summary</b>				
Total Acres Owned	268	244	405	243
Total Crop Acres Farmed	365	237	525	574
Crop Acres Owned	225	186	364	277
Crop Acres Cash Rented	123	51	147	241
Crop Acres Share Rented	18	0	14	57
<b>Average Prices Received (cash sales)</b>				
Corn per Bushel	\$1.77	\$1.22	\$1.82	\$1.53
Soybeans per Bushel	\$4.95	\$4.86	\$4.79	\$4.85

\* Not all of the farms fit into the 3 types reported, but they are included in the "Average for All Farms"

TABLE 17  
 \*\*\*\* 1987 Crop Enterprise Analysis By County \*\*\*\*  
 Southeast Minnesota Farm Business Management Association

CORN ON CASH RENTED LAND

	Average For All Farms	Dakota Le Sueur Nicollet Rice Scott	Goodhue Houston Olmsted Wabasha Winona	Dodge Faribault Freeborn Mower Steele Waseca
Number of fields	38	10	17	11
Number of farms	36	10	16	10
Acres	72.4	62.17	77.67	74.20
Yield per acre	142.79	144.18	142.2	145.94
Operator's share of yield %	100	100	100	100
Value per Bushel	\$1.64	\$1.64	\$1.64	\$1.64
Crop product return per acre	\$234.18	\$236.45	\$233.21	\$239.34
Other crop income per acre	\$1.04	\$0.00	\$2.17	\$0.00
Gross return per acre	\$235.22	\$236.45	\$235.38	\$239.34
<b>Direct costs per acre</b>				
Seed	\$20.55	\$18.48	\$20.26	\$21.89
Fertilizer	\$38.25	\$37.21	\$37.08	\$38.20
Chemicals	\$25.19	\$26.14	\$26.48	\$23.12
Crop insurance	\$2.84	\$3.20	\$2.04	\$2.47
Custom work hired	\$4.23	\$2.39	\$5.53	\$4.41
Fuel and oil	\$11.07	\$9.47	\$12.57	\$9.83
Repairs	\$23.42	\$24.68	\$25.14	\$18.24
Crop drying	\$5.81	\$5.23	\$6.69	\$5.46
Land rent	\$63.04	\$58.62	\$63.54	\$62.12
Miscellaneous crop expense	\$0.88	\$0.08	\$0.89	\$1.88
Operating interest	\$0.71	\$0.03	\$0.86	\$1.23
Total direct costs per acre	\$195.97	\$185.54	\$201.08	\$188.85
Return to overhead per acre	\$39.25	\$50.61	\$34.30	\$50.49
<b>Overhead costs per acre (as allocated by farmers)</b>				
Utilities	\$1.26	\$1.53	\$1.47	\$0.74
Hired labor	\$5.85	\$3.19	\$8.39	\$4.18
Farm insurance	\$2.12	\$2.41	\$2.48	\$1.43
Machinery lease payments	\$3.53	\$6.91	\$3.42	\$1.09
Real estate taxes	\$0.00	\$0.00	\$0.00	\$0.00
Miscellaneous farm expense	\$2.21	\$2.13	\$2.23	\$2.31
Interest	\$12.58	\$13.04	\$15.99	\$6.47
Depreciation	\$31.86	\$48.70	\$25.57	\$32.67
Total overhead costs per acre	\$59.41	\$77.92	\$59.55	\$48.89
Total listed costs per acre	\$255.38	\$263.46	\$260.62	\$237.74
Net return per acre	-\$18.73	-\$25.56	-\$23.82	\$1.60
<b>Net cash flow generated for principal payments, income taxes, and family living per acre</b>				
	\$13.13	\$23.15	\$1.75	\$34.27
Total direct costs per Bushel	\$1.37	\$1.29	\$1.41	\$1.29
Total listed costs per Bushel	\$1.79	\$1.83	\$1.83	\$1.63
Net return per Bushel	-\$0.13	-\$0.18	-\$0.17	\$0.01
Break even yield per acre	155.08	160.64	157.59	144.96
Return to Overhead (incl. setaside)	\$114.10	\$114.76	\$111.89	\$128.43
Net Return per Acre (incl. setaside)	\$57.38	\$41.61	\$53.60	\$82.52

TABLE 18

\*\*\*\* 1987 Crop Enterprise Analysis By County \*\*\*\*  
 Southeast Minnesota Farm Business Management Association

## SOYBEANS ON CASH RENTED LAND

	Average For All Farms	Dakota Le Sueur Nicollet Rice Scott	Goodhue Houston Olmsted Wabasha Winona	Dodge Faribault Freeborn Mower Steele Waseca
Number of fields	28	6	12	10
Number of farms	25	6	10	9
Acres	73.84	83.48	41.87	102.95
Yield per acre	43.37	48.43	39.39	42.63
Operators share of yield %	100	100	100	100
Value per Bushel	\$5.00	\$5.00	\$5.00	\$5.00
Crop product return per acre	\$216.86	\$242.18	\$196.98	\$213.15
Other crop income per acre	\$2.00	\$0.00	\$1.83	\$2.22
Gross return per acre	\$218.85	\$242.18	\$198.81	\$215.37
Direct costs per acre				
Seed	\$9.48	\$9.54	\$11.27	\$8.50
Fertilizer	\$1.73	\$0.74	\$4.60	\$1.02
Chemicals	\$24.28	\$23.82	\$21.64	\$26.00
Crop insurance	\$3.87	\$4.29	\$1.82	\$3.73
Custom work hired	\$4.58	\$1.44	\$2.56	\$7.59
Fuel and oil	\$8.34	\$7.65	\$9.61	\$8.13
Repairs	\$14.57	\$16.30	\$19.19	\$11.08
Land rent	\$64.04	\$62.56	\$52.63	\$69.30
Miscellaneous crop expense	\$0.20	\$0.19	\$0.09	\$0.27
Operating interest	\$4.14	\$0.00	\$0.32	\$8.54
Total direct costs per acre	\$135.21	\$126.53	\$123.73	\$144.16
Return to overhead per acre	\$83.64	\$115.65	\$75.08	\$71.21
Overhead costs per acre (as allocated by farmers)				
Utilities	\$1.83	\$1.31	\$0.84	\$2.68
Hired labor	\$9.99	\$1.05	\$7.88	\$16.54
Farm insurance	\$1.72	\$2.39	\$2.42	\$1.05
Machinery lease payments	\$1.57	\$0.42	\$4.52	\$0.90
Real estate taxes	\$0.00	\$0.00	\$0.00	\$0.00
Miscellaneous farm expense	\$2.82	\$2.16	\$1.99	\$3.65
Interest	\$15.60	\$11.60	\$20.67	\$15.99
Depreciation	\$22.94	\$34.11	\$17.93	\$19.78
Total overhead costs per acre	\$56.46	\$53.04	\$56.25	\$60.59
Total listed costs per acre	\$191.67	\$179.57	\$179.98	\$204.75
Net return per acre	\$27.18	\$62.61	\$18.83	\$10.62
Net cash flow generated for principal payments, income taxes, and family living per acre	\$50.12	\$96.73	\$36.75	\$30.40
Total direct costs per Bushel	\$3.12	\$2.61	\$3.14	\$3.38
Total listed costs per Bushel	\$4.42	\$3.71	\$4.57	\$4.80
Net return per Bushel	\$0.63	\$1.29	\$0.48	\$0.25
Break even yield per acre	37.93	35.91	35.63	40.51