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# 1994

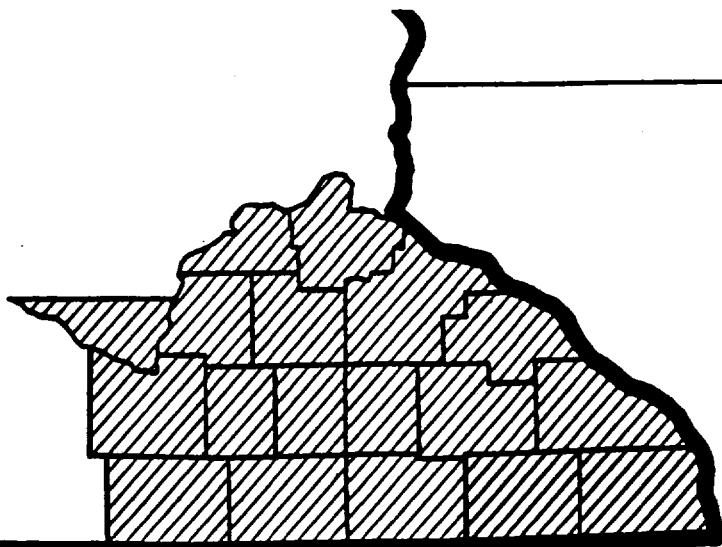
## Annual Report

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

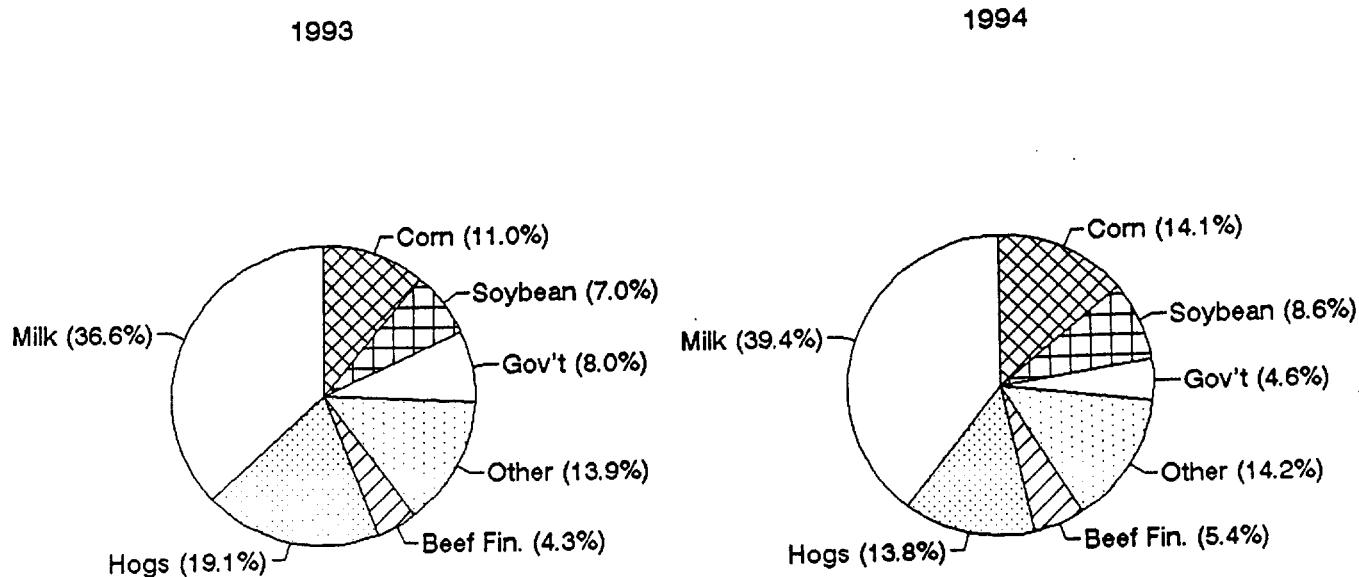
#### **COOPERATING AGENCIES:**

University of Minnesota, College of Agricultural, Food, and Environmental Sciences  
County Extension Services of the 18 Southeastern Counties  
Southeastern Minnesota Farm Business Management Association

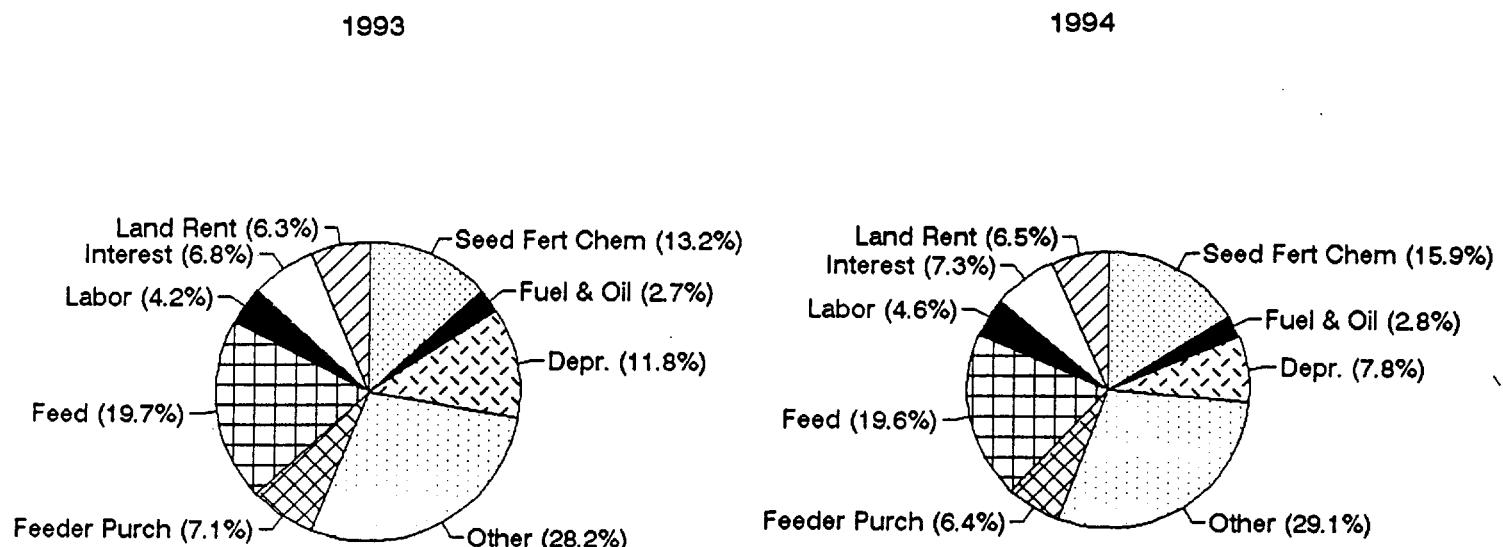
Staff Paper P95-8  
Department of Applied Economics  
University of Minnesota  
St. Paul, MN 55108  
July 1995



**Figure 2. Farm Income Sources**  
**Southeastern Minnesota Association**



**Figure 3. Farm Expense Sources**  
**Southeastern Minnesota Association**



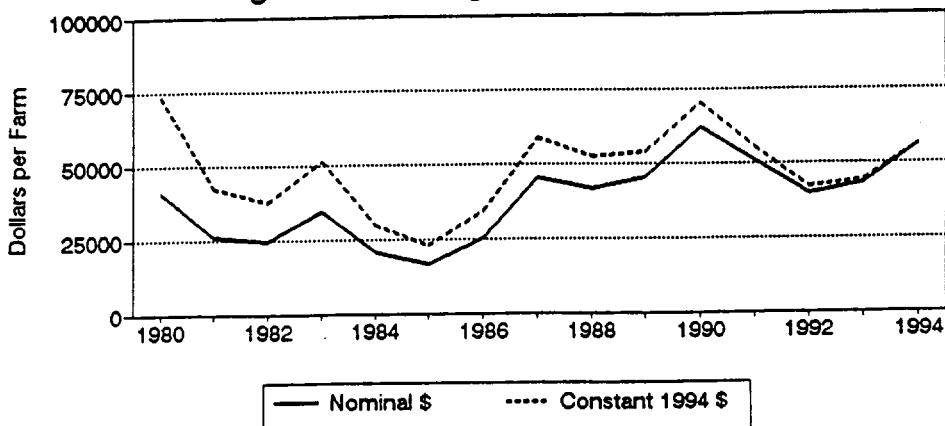
## EXECUTIVE SUMMARY

### 1993 ANNUAL REPORT OF THE SOUTHEASTERN MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION

by  
Kent D. Olson and Lorin L. Westman

In the Southeastern Association the average net farm income in 1994 was \$56,192 for the 64 farms included in this report (Table 1, page 10-11, and Figure 1). This was an increase of 30% from 1993 and is one of the highest averages on record. Most of the increase is from higher inventory levels and lower depreciation expenses. Since the Association has kept records, the reporting members have had a higher nominal profit only in 1990. Only in 1978 and 1991 was average nominal profit also greater than \$50,000. When adjusted by the Consumer Price Index (to provide a constant dollar or buying power comparison), the average 1994 profit is exceeded only in 1978, 1979, 1980, 1987 and 1990. (This accrual net farm income measure is calculated by subtracting cash farm expenses and depreciation from total cash farm income and adjusting the difference for changes in other capital and inventory items.)

Figure 1. Average Net Farm Income



As in previous years, the actual profit levels experienced by individual farms can vary greatly from the overall average of \$56,192. The high 20% of these farms had an average net farm income of \$159,809 in 1994; the low 20%, -\$9,167. Both of these groups had increases from 1993.

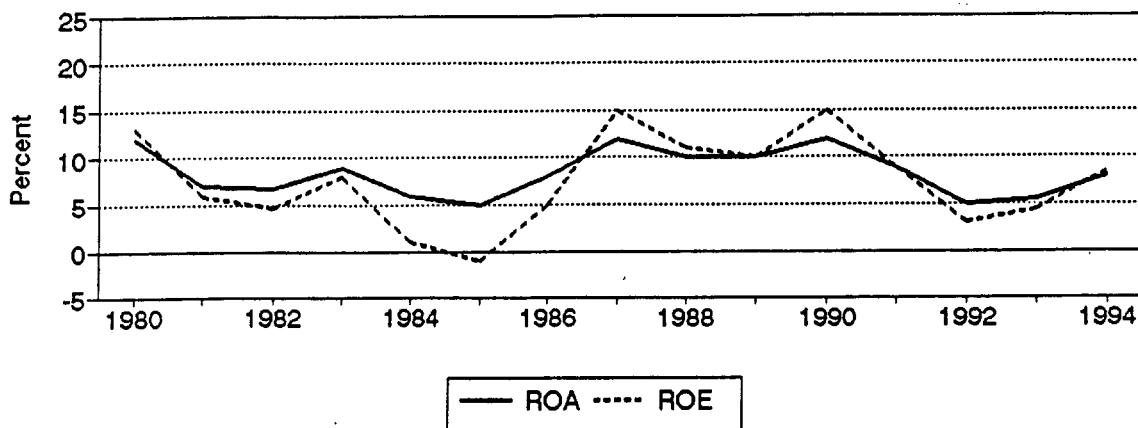
Average gross cash farm income in 1994 was \$242,784 for all 64 farms. This was a 3% increase from 1993. Three sources of sales made up 67% of total income in 1994: milk, hogs, and corn (Figure 2). Compared to 1993, milk sales increased by \$8,937 and corn sales, by \$8,015. Given the price drops in late 1994, it is not surprising that hog sales decreased by \$11,471 compared to 1993. As a percentage of total cash income, hog sales decreased in importance and all other sources increased compared to 1993.

Government payments (of all types) decreased from an average of \$18,842 in 1993 to \$11,067 in 1994. As a percentage of total income, government payments dropped from 8% to 5%.

Average total cash expenses were \$178,968 in 1994. This was just slightly higher than the 1993 average: \$172,893. Depreciation and other capital adjustments decreased to \$15,047 from \$23,192 in 1993. As a percentage of both cash expenses and depreciation in 1994, feed expenses were 20% but stable compared to 1993 (Figure 3). Seed, fertilizer, and crop chemicals increased to 16% from 13%. Interest expense was 7% of the total.

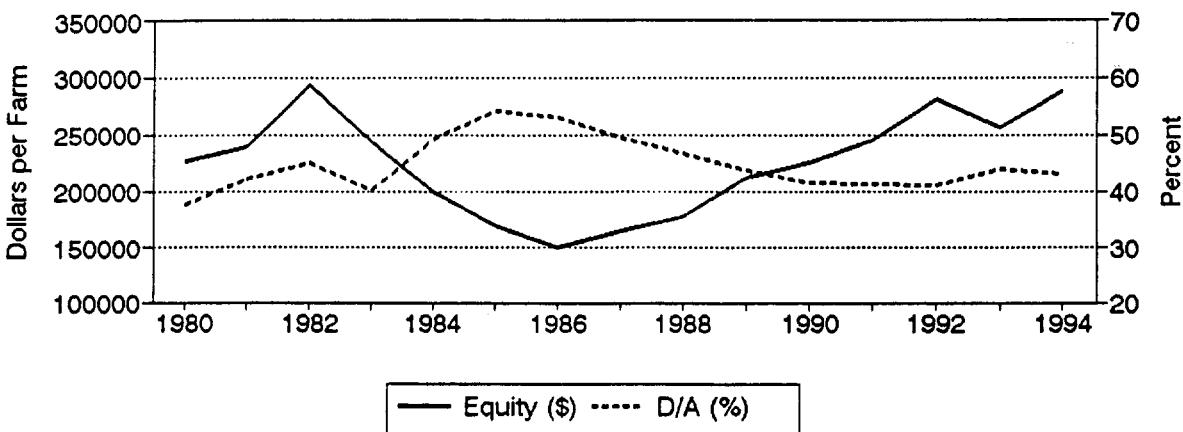
Both the rate of return on assets (ROA) and the rate of return to equity (ROE) increased from 1993 (Figure 4). ROA averaged 8% and ROE was 9% (Table 4, page 14). ROE was greater than ROA in 1994 indicating that debt capital was more profitable than its cost.

**Figure 4. Rates of Return on Assets (ROA) and Equity (ROE)**



Two key measures of solvency improved. Average total equity (of the sole proprietors) was \$292,235 at the end of 1994: an increase of \$14,997 during the year (Table 5, page 15). (Assets were valued on a cost basis.) After a decline during 1993, average equity has improved steadily since 1986 (Figure 5). At the end of 1994, the average debt-asset ratio was down slightly from 1993.

**Figure 5. Ending Equity and Ending Debt-Asset Ratio**



The report provides additional information on profitability, liquidity, and solvency as well as other whole-farm information and detailed information on crop and livestock enterprises. Also reported are whole-farm financial condition and performance by county, sales size class, and type of farm and corn and soybean returns by county.

# 1994 ANNUAL REPORT OF THE SOUTHEASTERN MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION

by  
Kent D. Olson and Lorin L. Westman<sup>1</sup>

This report summarizes the individual farm records of the members of the Southeastern Minnesota Farm Business Management Association for 1994.

Whole-farm information and enterprise costs and returns are reported. The year-end analysis of the individual farms was performed by the fieldman using FINPACK 8.0 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 using FINANSUM. In addition to the average of all farms, the averages for the high and low income groups are also presented. The tables are divided into three major groups. Tables 1 through 10 present whole-farm information. Tables in the 11-x series provide information on crop enterprises. Tables in the 12-x series provide information on livestock enterprises. Table 13 contains information on the prices used in the analysis. A summary of the average whole-farm information over time is presented in Table 14. Tables 15, 16, 17, and 18 categorize the whole-farm information by county, gross income class, type of farm, and operator age, respectively.

Of the 92 farms in the Southeastern Association, the data for 64 farms are included in this report. The rest were omitted because the records were incomplete at the time that this report was prepared. In two separate studies the farmers who belong to a management association were found to be larger than the average farm reported by the agricultural census and were more likely to have livestock.

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.

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<sup>1</sup>Olson is an Associate Professor, University of Minnesota-Twin Cities; Westman is Area Farm Management Extension Agent and Fieldman for the Association. The review and helpful comments of Vernon Eidman, Earl Fuller and Dale Nordquist are greatly appreciated.

**SOUTHEASTERN MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION**

**DISTRIBUTION OF MEMBERSHIP – 1994**

County	Number of Members	Number of Records Submitted	Association Directors	County Extension Educator Agriculture
Dakota	9	8	Orrin Legare	Robert Olson Warren Sifferath
Dodge	5	4	Gary Henslin	Bruce Schwartau
Mower	2	1		Dave Quinlan
Steele	2	2		Timothy Arlt
Faribault	2	1	Tom Hayes	Cindy Arnevik
Freeborn	2	0		Kendall Langseth
Goodhue	14	12	Dave Schwartau	Peter Scheffert
Houston	6	3	James McCormick	Bruce Christensen
Winona	13	7		Neil Broadwater
LeSueur	1	1	Tom Hayes	David Pfarr
Nicollet	1	1		Gary Hachfeld
Waseca	2	0		David Werner
Olmsted	15	14	Richard Pike	David Kjome
Fillmore	2	0		Jerrold Tesmer
Rice	3	2	Dave Woesthoff	Bradley Carlson
Scott	3	4		David Resch
Wabasha	10	4	Eldon Malwitz	Charles Schwartau
<b>TOTAL</b>	<b>92</b>	<b>64</b>		

Dave Woesthoff, President

Robert Lamprecht, Secretary-Treasurer

# SOUTHEASTERN MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION

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## **EXPLANATORY NOTES FOR THE WHOLE-FARM REPORTS**

Tables 1 through 4, and 6 through 8 include the same number of farms, which were all of the farms whose records were judged to be of sufficient quality. Table 5, the Balance Sheet, includes only sole proprietors; partnerships and corporations are excluded because some debt is held outside of the business causing potential misinterpretations of the average financial condition. The number of farms included in each of the crop and livestock tables varies because all farms do not have the same enterprises. 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 may have caused minor discrepancies between those items and the printed totals which are calculated before rounding.

### **Table 1. Farm Income 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. The second section of Table 1 lists cash expenses. "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 noncash 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 resulting "Net Farm Income" 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 asset appreciation, debt forgiveness or asset repossession.

### **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, repossession, purchases, and depreciation.

#### Table 4. 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 5.) In Tables 1-3, no opportunity costs are used. In Table 4, opportunity costs for labor, capital, and management are used. The measures and their components are described below.

##### *Profitability*

Profitability is measured in both cost and market basis (if that information is available) in Table 5.

"Labor and management earnings" equals "Net Farm Income" from Table 1 minus an opportunity interest cost of 6% on average farm net worth.

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

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

"Operating profit margin" is the "Return to farm assets" divided by "Value of farm production."

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

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

"Farm interest expense" is the accrued interest cost so it will be different from the cash interest paid shown in Table 1.

"Value of operator's labor and management" is its opportunity cost. It is evaluated using the suggested values listed in Table 13.

"Return on farm assets" is calculated by adding "Farm interest expense" and "Net farm income" and then subtracting the "Value of operator's labor and management."

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

"Return to farm equity" is calculated by subtracting the "Value of operator's labor and management" from "Net farm income."

"Average farm equity" 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" is the apparent total family expenses and income and social security taxes paid from Table 7.

"Real estate principal income is taken from the farmer's data.

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

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

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

### ***Liquidity: Accrual Basis***

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

"Accrual expense as a percent of income" is "Total accrual farm expense" divided by "Total accrual farm income."

"Interest as a percent of income" is "Interest" minus beginning accrued interest plus ending accrued interest divided by "Total accrual farm income."

### **Table 5. Balance Sheets**

The beginning and ending balance sheets and solvency measures are presented in Table 5. This table includes only sole proprietors; partnerships and corporations are excluded because some debt is held outside of the business causing potential misinterpretations of the average financial condition. If the data is available, both cost and market value balance sheets are reported.

### Table 6. Statement of Cash Flows

This table reports the sources from which cash was available or obtained and where that cash was used or remains at the end of the year.

### Table 7. Financial Guidelines Measures and Labor Analysis

This table contains two sections: first, the financial measures and, second, the labor summary. In the first section, the Farm Financial Standards Task Force's 16 financial measures for evaluating a farm's financial position and performance are reported. These 16 measures are explained below following the descriptions found in the FINPACK manual.

#### *Liquidity*

The "current ratio" is calculated by dividing the total current farm assets by the total current farm liabilities.

"Working capital" is calculated by subtracting current farm liabilities from current farm assets.

#### *Solvency (Market)*

The "farm debt to asset ratio" is calculated by dividing the total farm liabilities by the total farm assets. It is similar to the total percent in debt ratio listed earlier. The difference is that nonfarm assets and liabilities are included in the total percent in debt but not in the farm debt to asset ratio.

The "farm equity to asset ratio" is calculated by dividing farm equity or net worth by the total farm assets. It measures the proportion of the farm assets financed by the owner's equity as opposed to debt. This is the opposite of the debt to asset ratio. These two measures always add up to 100% because they describe how total farm assets are financed.

The "farm debt to equity ratio" measures farm debt relative to farm equity. It is calculated by dividing the total farm liabilities by the total farm net worth. The debt to equity ratio measures the amount of borrowed capital being employed for every dollar of equity capital.

#### *Profitability*

The "rate of return on farm assets" can be thought of as the average interest rate being earned on all investments in the farm or ranch business. If assets are valued at market value, the rate of return on assets can be looked at as the "opportunity cost" of farming versus alternate investments. If assets are valued at cost value, the rate of return on assets more closely represents the actual return on the average dollar invested in the farm. The rate of return on farm assets is calculated as follows: Rate of Return on Assets = Return on Farm Assets ÷ Average Farm Investment, where: Return on Farm Assets = Net Farm Income + Farm Interest - Value of Operator's Labor &

Management, and Average Farm Investment = (Beginning Total Farm Assets + Ending Total Farm Assets)  $\div$  2.

The "rate of return on farm equity" represents the interest rate being earned on your farm net worth. If assets are valued at market value, this return can be compared to returns available if the assets were liquidated and invested in alternate investments. If assets are valued at cost value, this more closely represents the actual return on the funds that have been invested or retained in the business. The rate of return on farm equity is calculated as follows: Rate of Return on Equity = Return on Farm Equity  $\div$  Average Farm Net Worth, where: Return on Farm Equity = Net Farm Income - Value of Operator's Labor & Management, and Average Farm Net Worth = (Beginning Farm Net Worth + Ending Farm Net Worth)  $\div$  2.

"Operating profit margin" is a measure of the operating efficiency of the business. It is calculated as follows: Operating Profit Margin = Return to Farm Assets  $\div$  Value of Farm Production. If expenses are held in line relative to the value of output produced, the farm will have a healthy net profit margin. A low net profit margin may be caused by low prices, high operating expenses, or inefficient production.

"Net farm income" represents the returns to unpaid labor, management, and equity capital invested in the business.

### ***Repayment Capacity***

The "term debt coverage ratio" measures whether the business generated enough cash to cover term debt payments. It is calculated by dividing the funds generated by the business for debt repayment (net cash farm income + nonfarm income + interest expense - family living expense - income taxes) by total term debt payments (annual scheduled principal and interest payments on intermediate and long term debt). A ratio less than 100 percent indicates that the business did not generate sufficient cash to meet scheduled payments in the past year. A ratio greater than 100 indicates the business generated enough cash to pay all term debt payments.

The "capital replacement margin" is the amount of money remaining after all operating expenses, taxes, family living costs, and scheduled debt payments have been made. It is the cash generated by the farm business that is available for financing capital replacement such as machinery and equipment. FINAN calculates the capital replacement margin by first adding interest due on intermediate and long term loans to the amount available for principal payments. It then subtracts scheduled principal and interest payments from this total.

### ***Efficiency***

"Asset turnover rate" is a measure of efficiency in using capital. It is calculated as follows: Asset Turnover Rate = Value of Farm Production  $\div$  Total Farm Assets. This will be a market or cost rate depending on how the assets are valued.

The last four ratios reflect the distribution of gross income to cover operating expenses and generate farm income. The sum of the operating expense ratio, the depreciation expense ratio, and

the interest expense ratio equals the percent of gross income used to pay business expenses. The amount remaining is net farm income. The gross farm income used to calculate these ratios is the accrual gross farm income.

The "operating expense ratio" is calculated as (Total Farm Operating Expense - Farm Interest Expense)  $\div$  Gross Farm Income. This ratio indicates the percent of the gross farm income that was used to pay operating expenses. Total farm operating expense is the accrual total operating expense.

The "depreciation expense ratio" is calculated as Depreciation  $\div$  Gross Farm Income. This ratio indicates the percent of the gross farm income that was used to cover depreciation and other capital adjustments.

The "interest expense ratio" is calculated as Farm Interest Expense  $\div$  Gross Farm Income. This ratio indicates the percent of the gross farm income used for farm interest expenses. This is the same ratio as the accrual interest as a percent of income from the Liquidity section in Table 4.

The "net farm income ratio" is calculated as Net Farm Income  $\div$  Gross Farm Income. This ratio indicates the percent of the gross farm income that remained after all expenses.

#### **Table 8. Crop Production and Marketing Summary**

This table contains three sections. The first section reports average acreage by land use. The next two sections show average price received and average yields for major crops.

#### **Table 9. Household and Personal Expenses**

For those farms that kept records, the household and personal expenses are summarized in Table 9. The farms are grouped based on profit as in Table 1. Since not all farms keep these records, the number of farms may be different for each group. Averages are determined by the number of farms keeping these records.

#### **Table 10. Nonfarm Income and Operator Information**

Table 10 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 5).

Table 1  
 FARM INCOME STATEMENT, 1994  
 Southeast Minnesota Farm Business Management Association  
 (Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of Farms	64	13	13
<b>CASH FARM INCOME</b>			
Apples	258	-	-
Barley	260	-	1104
Green Beans	378	-	735
Corn	34114	22510	64163
Corn Silage	63	-	308
Alfalfa Hay	1516	663	3136
Alfalfa Haylage	12	-	-
Oats	119	-	152
Peas	930	-	1824
Rye	56	-	-
Soybeans	20836	14752	48780
Straw	44	-	5
Sweet Corn	1240	-	2268
Spring Wheat	158	-	593
Beef Calves	117	115	-
Background Beef	1093	5381	-
Finish Beef Calves	12132	212	12843
Milk	95558	34098	145184
Dairy Calves	3058	753	7292
Dairy Heifers (for sale)	2206	2044	3362
Dairy Replacement Heifers	1052	595	505
Dairy Steers	5597	2630	14454
Raised Hogs	18455	44884	12668
Feeder Pigs	172	-	848
Finish Feeder Pigs	14955	1169	27517
Cull breeding livestock	9485	4862	13799
Misc. livestock income	36	-	70
Deficiency payments	4517	2730	9342
CRP payments	522	706	901
Other government payments	6028	2274	9603
Custom work income	1781	2482	1410
Patronage dividends, cash	1011	595	1688
Insurance income	2984	3099	2950
Cash from hedging accts	273	346	-
Other farm income	1767	1853	1327
<b>Gross Cash Farm Income</b>	<b>242784</b>	<b>148754</b>	<b>388830</b>

Table 1, continued  
**FARM INCOME STATEMENT, 1994 (Continued)**  
**Southeast Minnesota Farm Business Management Association**  
**(Farms sorted by Net Farm Income)**

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of Farms	64	13	13
<b>CASH FARM EXPENSE</b>			
Seed	8533	5030	15335
Fertilizer	11021	4819	25104
Crop chemicals	11385	8481	21524
Crop insurance	1542	1383	1545
Drying fuel	1930	1386	4415
Irrigation energy	71	-	272
Crop marketing	372	-	118
Crop miscellaneous	1134	773	1288
Feeder livestock purchase	12396	1945	19836
Purchased feed	37949	32437	40331
Breeding fees	1920	598	2017
Veterinary	4465	2723	5290
Livestock supplies	6906	3041	10147
Livestock leases	199	-	977
Livestock marketing	1978	1178	2671
Interest	14175	14065	16424
Fuel & oil	5465	3801	8144
Repairs	16920	12732	24119
Custom hire	4514	3199	3541
Hired labor	8924	6332	7214
Land rent	12600	9907	25861
Machinery & bldg leases	898	1005	245
Real estate taxes	3683	2433	5813
Farm insurance	2351	2247	2191
Utilities	4499	4084	5133
Dues & professional fees	160	78	61
Hedging account deposits	525	588	-
Miscellaneous	2457	2598	2844
Total cash expense	178968	126863	252459
Net cash farm income	63816	21891	136371
<b>INVENTORY CHANGES</b>			
Crops and feed	17520	6070	46210
Market livestock	-7047	-15659	-4596
Accounts receivable	-796	2683	315
Prepaid expenses and supplies	-480	-418	-
Accounts payable	-1772	-5298	-2165
Total inventory change	7424	-12622	39764
Net operating profit	71239	9268	176135
<b>DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS</b>			
Breeding livestock	-876	-8773	6362
Machinery and equipment	-10863	-7724	-18654
Buildings and improvements	-3774	-1989	-5550
Other farm capital	467	51	1515
Total depr. and other capital adj	-15047	-18435	-16326
Net farm income	56192	-9167	159809

Table 2  
 INVENTORY CHANGES, 1994  
 Southeast Minnesota Farm Business Management Association  
 (Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
<b>Number of Farms</b>	<b>64</b>	<b>13</b>	<b>13</b>
Net cash farm income	63816	21891	136371
CROPS AND FEED			
Ending inventory	82578	38229	189653
Beginning inventory	65058	32159	143443
Inventory change	17520	6070	46210
MARKET LIVESTOCK			
Ending inventory	44211	21545	71793
Beginning inventory	51258	37204	76388
Inventory change	-7047	-15659	-4596
ACCTS RECEIVABLE & OTHER CURRENT ASSETS			
Ending inventory	4299	3520	5810
Beginning inventory	5095	837	5495
Inventory change	-796	2683	315
PREPAID EXPENSES AND SUPPLIES			
Ending inventory	353	1295	-
Beginning inventory	833	1713	-
Inventory change	-480	-418	-
ACCOUNTS PAYABLE			
Beginning inventory	1329	2494	-
Ending inventory	3101	7792	2165
Inventory change	-1772	-5298	-2165
Total inventory change	7424	-12622	39764
Net operating profit	71239	9268	176135

Table 3  
 DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS, 1994  
 Southeast Minnesota Farm Business Management Association  
 (Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of Farms	64	13	13
Net operating profit	71239	9268	176135
<b>BREEDING LIVESTOCK</b>			
Ending inventory	42439	23586	56879
Capital sales	143	637	69
Beginning inventory	40501	24761	48936
Capital purchases	2958	8234	1650
Depreciation, capital adj.	-876	-8773	6362
<b>MACHINERY AND EQUIPMENT</b>			
Ending inventory	71820	56781	131267
Capital sales	732	302	1012
Beginning inventory	66987	48516	117328
Capital purchases	16429	16290	33605
Depreciation, capital adj.	-10863	-7724	-18654
<b>BUILDINGS AND IMPROVEMENTS</b>			
Ending inventory	50687	33572	67315
Capital sales	22	107	-
Beginning inventory	49168	33719	61107
Capital purchases	5314	1950	11758
Depreciation, capital adj.	-3774	-1989	-5550
<b>OTHER CAPITAL ASSETS</b>			
Ending inventory	2733	1420	4977
Capital sales	-	-	-
Beginning inventory	1419	1177	-
Capital purchases	848	192	3462
Depreciation, capital adj.	467	51	1515
Total depreciation, capital adj.	-15047	-18435	-16326
Net farm income	56192	-9167	159809

**Table 4**  
**PROFITABILITY AND LIQUIDITY ANALYSIS, 1994**  
**Southeast Minnesota Farm Business Management Association**  
**(Farms sorted by Net Farm Income)**

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of Farms	64	13	13
<b>PROFITABILITY (Cost)</b>			
Net farm income	56192	-9167	159809
Labor and management earnings	37384	-14512	117321
Rate of return on assets	8.0 %	-6.4 %	14.2 %
Rate of return on equity	8.6 %	-39.0 %	16.6 %
Operating profit margin	20.3 %	-18.1 %	35.5 %
Asset turnover rate	39.5 %	35.2 %	39.9 %
Interest on farm net worth	18808	5346	42489
Farm interest expense	14175	14065	16424
Value of operator lbr and mgmt.	29602	22769	42308
Return on farm assets	40766	-17871	133925
Average farm assets	508829	280185	945581
Return on farm equity	26591	-31936	117501
Average farm equity	308228	81792	708143
Value of farm production	201239	98692	376955
Number of Farms	64	13	13
<b>LIQUIDITY (Cash)</b>			
Net cash farm income	63816	21891	136371
Net nonfarm income	12435	27559	4280
Family living and taxes	45613	30631	75388
Real estate principal payments	-	-	-
Cash available for interm. debt	30638	18819	65263
Average intermediate debt	41036	51640	39426
Years to turnover interm. debt	1.3	2.7	0.6
Expense as a % of income	74 %	85 %	65 %
Interest as a % of income	6 %	9 %	4 %
<b>LIQUIDITY (Accrual)</b>			
Total accrual farm income	252460	141847	430760
Total accrual farm expense	181221	132579	254625
Net accrual operating income	71239	9268	176135
Net nonfarm income	12435	27559	4280
Family living and taxes	45613	30631	75388
Real estate principal payments	-	-	-
Available for intermediate debt	38061	6197	105028
Average intermediate debt	41036	51640	39426
Years to turnover interm. debt	1.1	8.3	0.4
Expense as a % of income	72 %	93 %	59 %
Interest as a % of income	6 %	10 %	4 %

Table 5  
 BALANCE SHEET AT COST VALUES, 1994  
 Southeast Minnesota Farm Business Management Association  
 (Farms sorted by Net Farm Income)

Number of Farms	Average Of All Farms		Average Of Low 20 %		Average Of High 20 %	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>ASSETS</b>						
Current Farm Assets						
Cash and checking balance	16983	17568	9814	10266	11894	12065
Prepaid expenses & supplies	1159	491	2024	1531	-	-
Growing crops	-	-	-	-	-	-
Accounts receivable	5581	3534	833	2447	8050	5356
Hedging accounts	375	621	-	-	-	816
Crops held for sale or feed	49109	65721	33372	35142	101637	165186
Crops under government loan	-	105	-	40	-	-
Market livestock held for sale	41436	32863	31152	19705	43687	38883
Other current assets	-	225	-	940	-	-
Total current farm assets	114643	121128	77195	70071	165269	222306
Intermediate Farm Assets						
Breeding livestock	32282	32803	24280	22839	20383	23483
Machinery and equipment	58894	61834	52655	62761	94471	101558
Other intermediate assets	-	428	-	-	-	3283
Total intermediate farm assets	91176	95065	76935	85601	114854	128325
Long-Term Farm Assets						
Farm land	153641	156247	79981	79981	363112	363112
Buildings and improvements	43696	43895	31599	31824	37119	38938
Other long-term assets	1974	2396	1391	1678	-	-
Total long-term farm assets	199311	202538	112971	113483	400231	402050
Total Farm Assets	405130	418731	267101	269155	680355	752681
Total Nonfarm Assets	85566	88725	91138	95880	89049	86886
Total Assets	490695	507456	358239	365035	769404	839567
<b>LIABILITIES</b>						
Current Farm Liabilities						
Accrued interest	-	-0	-	-0	-	-
Accounts payable	1674	3329	2947	8027	-	1709
Current notes	27430	29684	28143	26317	26345	36060
Government crop loans	-	77	-	-	-	-
Principal due on term debt	-	-	-	-	-	-
Total current farm liabilities	29104	33091	31090	34345	26345	37768
Intermediate Farm Liabilities	47998	48625	42934	61301	69249	66372
Long-term Farm Liabilities	129870	128277	128833	121915	168410	160932
Total Farm Liabilities	206971	209993	202858	217561	264005	265072
Total Nonfarm Liabilities	7480	8745	9293	10777	5000	13333
Total Liabilities	214451	218738	212151	228338	269004	278406
Net Worth (farm and nonfarm)	276244	288718	146088	136697	500399	561162
Net Worth Change		12473		-9391		60762
<b>RATIO ANALYSIS</b>						
Current Farm Liabilities / Assets	25 %	27 %	40 %	49 %	16 %	17 %
Curr. & Interim Farm Liab / Assets	37 %	38 %	48 %	61 %	34 %	30 %
Long Term Farm Liab. / Assets	65 %	63 %	114 %	107 %	42 %	40 %
Total Liabilities / Assets	44 %	43 %	59 %	63 %	35 %	33 %

**Table 6**  
**STATEMENT OF CASH FLOWS, 1994**  
**Southeast Minnesota Farm Business Management Association**  
**(Farms sorted by Net Farm Income)**

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
<b>Number of Farms</b>	<b>64</b>	<b>13</b>	<b>13</b>
(a) Beginning cash balance (farm & nonfarm)	18058	16722	17800
<b>CASH FROM OPERATING ACTIVITIES</b>			
Gross cash farm income	242784	148754	388830
Net nonfarm income (+)	12435	27559	4280
Total cash farm expense (-)	178968	126863	252459
Apparent family living expense (-)	39492	27772	57784
Income and social security tax (-)	6121	2859	17604
(b) Cash from operations (=)	30638	18819	65263
<b>CASH FROM INVESTING ACTIVITIES</b>			
Sale of breeding livestock	143	637	69
Sale of machinery & equipment (+)	732	302	1012
Sale of farm land (+)	88	-	433
Sale of farm buildings (+)	22	107	-
Sale of other farm assets (+)	-	-	-
Sale of nonfarm assets (+)	839	231	2527
Purchase of breeding livestock (-)	2958	8234	1650
Purchase of machinery & equip. (-)	16429	16290	33605
Purchase of farm land (-)	3202	-	6538
Purchase of farm buildings (-)	5314	1950	11758
Purchase of other farm assets (-)	848	192	3462
Purchase of nonfarm assets (-)	5052	5041	12491
(c) Cash from investing activities (=)	-31977	-30432	-65464
<b>CASH FROM FINANCING ACTIVITIES</b>			
Money borrowed	63401	65408	88961
Cash gifts and inheritances (+)	1326	2806	941
Principal payments (-)	63506	58331	91901
Dividends paid (-)	-	-	-
Gifts given (-)	-	-	-
(d) Cash from financing activities (=)	1220	9883	-1999
(e) Net change in cash balance (b+c+d)	-119	-1730	-2199
Ending cash balance calculated (a+e)	17939	14992	15601

**Table 7**  
**FINANCIAL GUIDELINES MEASURES, 1994**  
**Southeast Minnesota Farm Business Management Association**  
**(Farms sorted by Net Farm Income)**

Number of Farms	Average For All Farms		Average For Low 20 %		Average For High 20 %	
	64	13	13	13	13	13
<b>LIQUIDITY</b>						
Current ratio	Beginning 5.80	Ending 4.98	Beginning 3.23	Ending 2.17	Beginning 11.75	Ending 8.83
Working capital	114880	118277	58559	41244	222428	250822
<b>SOLVENCY (Cost)</b>						
Farm debt to asset ratio	Beginning 40 %	Ending 39 %	Beginning 69 %	Ending 73 %	Beginning 26 %	Ending 24 %
Farm equity to asset ratio	60 %	61 %	31 %	27 %	74 %	76 %
Farm debt to equity ratio	67 %	63 %	219 %	270 %	36 %	31 %
<b>PROFITABILITY (Cost)</b>						
Rate of return on farm assets	8.0 %		-6.4 %		14.2 %	
Rate of return on farm equity	8.6 %		-39.0 %		16.6 %	
Operating profit margin	20.3 %		-18.1 %		35.5 %	
Net farm income	56192		-9167		159809	
<b>REPAYMENT CAPACITY</b>						
Term debt coverage ratio	Cash - %	Accrual - %	Cash - %	Accrual - %	Cash - %	Accrual - %
Capital replacement margin	30638	38061	18819	6197	65263	105028
<b>EFFICIENCY</b>						
Asset turnover rate (cost)	39.5 %		35.2 %		39.9 %	
Operating expense ratio	66.2 %		83.6 %		55.3 %	
Depreciation expense ratio	6.0 %		13.0 %		3.8 %	
Interest expense ratio	5.6 %		9.9 %		3.8 %	
Net farm income ratio	22.3 %		-6.5 %		37.1 %	

#### LABOR ANALYSIS

Number of Farms	Average For All Farms		Average For Low 20 %		Average For High 20 %	
	64	13	13	13	13	13
Total unpaid labor hours	4470		2780		5610	
Total hired labor hours	980		500		849	
Total labor hours per farm	5450		3280		6460	
Value of farm production / hour	36.93		30.09		58.36	
Net farm income / unpaid hour	12.57		-3.30		28.48	

Table 8  
 CROP PRODUCTION AND MARKETING SUMMARY, 1994  
 Southeast Minnesota Farm Business Management Association  
 (Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of Farms	64	13	13
<b>ACREAGE SUMMARY</b>			
Total Acres Owned	335	153	540
Total Crop Acres	430	266	781
Crop Acres Owned	258	137	465
Crop Acres Cash Rented	163	129	308
Crop Acres Share Rented	8	-	8
Total Pasture Acres	18	16	11
<b>AVERAGE PRICE RECEIVED (Cash Sales Only)</b>			
Corn per bu.	2.22	2.19	2.35
Soybeans per bu.	5.94	5.73	6.03
Oats per bu.	1.01	-	-
Hay, Alfalfa per ton	64.86	-	-
<b>AVERAGE YIELD PER ACRE</b>			
Corn (bu.)	157.74	153.31	166.35
Soybeans (bu.)	46.12	40.06	49.50
Hay, Alfalfa (ton)	3.88	3.85	4.29
Corn Silage (ton)	20.34	-	23.32
Oats (bu.)	48.61	-	60.44

Table 9  
 HOUSEHOLD AND PERSONAL EXPENSES, 1994  
 Southeast Minnesota Farm Business Management Association  
 (Farms sorted by Net Farm Income)

	Average For All Farms	Average For Low 20%	Average For High 20%
Number of Sole Proprietors	30	8	3
Average family size	3.0	3.2	2.7
<b>FAMILY LIVING EXPENSES</b>			
Food and meals expense	3421	3822	3427
Medical care and health insurance	3539	2592	3407
Cash donations	1463	1128	1983
Household supplies	2052	1357	898
Clothing	867	979	679
Personal care	1349	2006	466
Child / Dependent care	255	-	-
Gifts	953	1227	1173
Education	805	446	479
Recreation	1206	955	1277
Utilities (household share)	1776	2051	1411
Nonfarm vehicle operating expense	1947	1944	747
Household real estate taxes	432	689	333
Dwelling rent	21	-	-
Household repairs	394	338	190
Nonfarm interest	973	1183	-
Life insurance payments	1076	899	690
Total cash family living expense	22528	21616	17160
Family living from the farm	262	407	251
Total family living	22791	22023	17410
<b>OTHER NONFARM EXPENDITURES</b>			
Income taxes	5808	3182	16325
Furnishing & appliance purchases	-	-	-
Nonfarm vehicle purchases	2045	6035	-
Nonfarm real estate purchases	5083	-	50000
Other nonfarm capital purchases	1365	986	-
Nonfarm savings & investments	823	-329	-
Total other nonfarm expenditures	15124	9873	66325
Total cash family living, investment & nonfarm capital purch	37652	31489	83485
<b>PARTNERSHIPS</b>			
Number of partnerships	5		
Number of operators per partnership	2.2		
Average owner withdrawals per farm	65568		
Average withdrawals per operator	29804		

Table 10  
 OPERATOR INFORMATION & NONFARM SUMMARY, 1994  
 Southeast Minnesota Farm Business Management Association  
 (Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of Farms	64	13	13
<b>OPERATOR INFORMATION</b>			
Average number of operators	1.4	1.2	1.7
Average age of operators	46.3	48.2	47.2
Average number of years farming	22.0	23.4	23.6
<b>NONFARM INCOME</b>			
Nonfarm wages & salary	8966	21543	2687
Nonfarm business income	1426	3008	141
Nonfarm rental income	693	538	671
Nonfarm interest income	540	530	334
Nonfarm cash dividends	55	2	196
Tax refunds	280	761	12
Other nonfarm income	475	1177	239
Total nonfarm income	12435	27559	4280
 <b>NONFARM ASSETS (Cost)</b>			
Checking & savings	1473	1416	
Stocks & bonds	2072	2263	
Other current assets	1602	1975	
Furniture & appliances	5716	5456	
Nonfarm vehicles	1728	1751	
Cash value of life ins.	9686	9579	
Retirement accounts	12016	12912	
Other intermediate assets	4045	1850	
Nonfarm real estate	30731	33877	
Other long term assets	8489	8735	
Total nonfarm assets	77557	79813	
 <b>Average For All Farms</b>			
<b>Beginning</b>		<b>Ending</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 last section of each crop table contains economic efficiency measures and the net return per acre including government payments and a charge for unpaid labor and management.

There are potentially three tables for each group depending on the farmer's tenure on the land: owned land, cash rented land, and share rented land. It is possible for an individual farm to have data in all three tables if all three land tenure categories are represented in that farm business. Farms are classified into low 20% or high 20% on the basis of returns to overhead costs. The classification is done separately for each table.

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. This is done by allocating the deficiency payments and the expenses reported in the set aside enterprise to the program crop and then dividing by the total of the production and set aside acres.

The "net return over labor and management" is calculated by allocating the farmer's charge for unpaid labor and management and subtracting it from the "net return per acre (including setaside)."

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

Figure 6. Average Corn & Soybean Yields

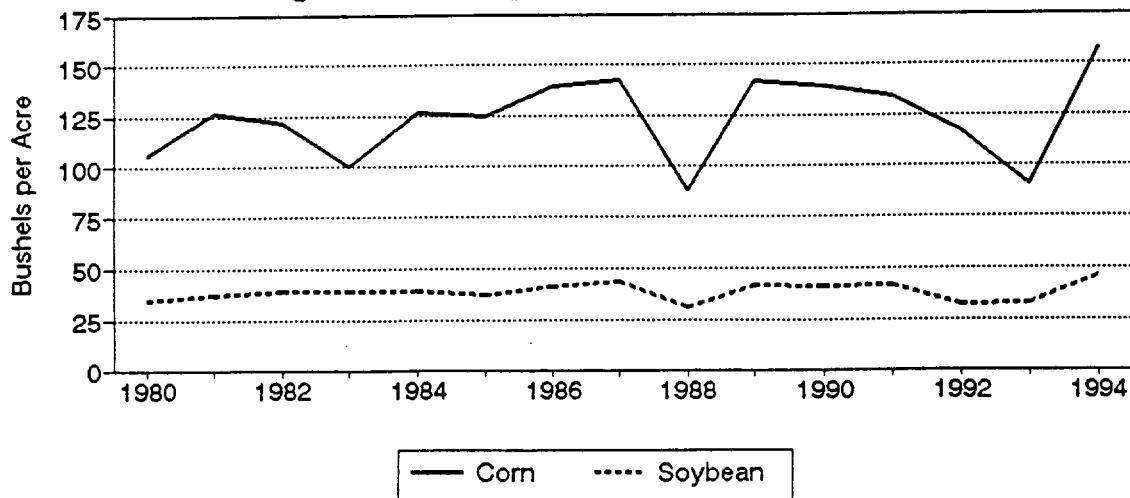


Table 11 - 1  
 Crop Enterprise Analysis, 1994  
 Southeast Minnesota Farm Business Management Association  
 (Farms sorted according to Return to Overhead per Acre)

CORN ON OWNED LAND

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of fields	53	10	10
Number of farms	49	10	10
Acres	145.24	119.55	199.77
Yield per acre (bushel)	159.71	138.88	171.67
Operators share of yield %	100.00	100.00	100.00
Value per bushel	1.80	1.80	1.81
Crop product return per acre	287.89	249.98	310.60
Miscellaneous income per acre	0.00	0.00	0.00
Gross return per acre	287.89	249.98	310.60
Direct costs per acre			
Seed	26.11	24.21	26.54
Fertilizer	34.84	32.59	31.72
Crop chemicals	32.46	50.07	30.26
Crop insurance	2.57	3.16	1.20
Drying fuel	10.10	9.89	9.60
Irrigation energy	0.44	0.00	1.68
Fuel & oil	10.75	14.08	8.39
Repairs	27.05	37.82	19.01
Custom hire	4.05	13.30	1.25
Hired labor	0.10	0.05	0.00
Machinery & bldg leases	0.07	0.11	0.00
Utilities	0.09	0.00	0.00
Marketing	1.03	0.16	0.43
Operating interest	3.51	13.11	0.29
Miscellaneous	1.52	3.84	1.34
Total direct costs per acre	154.68	202.41	131.71
Return to overhead per acre	133.21	47.57	178.90
Overhead costs per acre			
Hired labor	7.74	17.07	8.53
Machinery & bldg leases	0.26	0.00	0.18
RE & pers. property taxes	10.65	10.71	12.46
Farm insurance	3.15	4.75	2.83
Utilities	1.25	1.74	1.32
Dues & professional fees	0.20	0.23	0.54
Interest	28.14	26.65	21.70
Mach & bldg depreciation	23.81	20.27	21.38
Miscellaneous	3.13	6.49	2.83
Total overhead costs per acre	78.34	87.91	71.77
Total listed costs per acre	233.02	290.32	203.47
Net return per acre	54.88	-40.34	107.13
Total direct costs per bushel	0.97	1.46	0.77
Total listed costs per bushel	1.46	2.09	1.19
Net return per bushel	0.34	-0.29	0.62
Breakeven yield per acre	129.27	161.29	112.46
Est. labor hours per acre	4.37	7.65	2.46
Net return including govt. payments	89.70	-10.87	148.68
Lbr & mgt charge per acre	24.36	35.19	16.46
Net return over lbr & mgt	65.35	-46.06	132.22

Table 11 - 2  
 Crop Enterprise Analysis, 1994  
 Southeast Minnesota Farm Business Management Association  
 (Farms sorted according to Return to Overhead per Acre)

CORN ON CASH RENTED LAND

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of fields	44	9	11
Number of farms	39	8	8
Acres	124.33	123.29	64.82
Yield per acre (bushel)	156.20	147.01	150.63
Operators share of yield %	100.00	100.00	100.00
Value per bushel	1.80	1.80	1.80
Crop product return per acre	281.17	264.61	271.13
Miscellaneous income per acre	0.00	0.00	0.00
Gross return per acre	281.17	264.61	271.13
Direct costs per acre			
Seed	26.29	23.98	27.04
Fertilizer	37.83	30.24	26.23
Crop chemicals	32.97	35.53	32.83
Crop insurance	4.52	5.18	4.48
Drying fuel	7.79	5.90	1.45
Fuel & oil	9.59	8.44	11.20
Repairs	21.76	20.33	18.80
Custom hire	12.64	40.16	1.32
Hired labor	0.00	0.01	0.00
Land rent	73.75	80.78	55.55
Machinery & bldg leases	0.04	0.15	0.00
Utilities	0.07	0.00	0.00
Marketing	0.08	0.11	0.00
Operating interest	6.26	15.52	0.48
Miscellaneous	0.87	2.68	0.14
Total direct costs per acre	234.44	268.99	179.51
Return to overhead per acre	46.73	-4.38	91.62
Overhead costs per acre			
Hired labor	4.64	2.02	1.70
Machinery & bldg leases	0.78	1.41	1.73
Farm insurance	2.02	2.43	2.39
Utilities	1.67	2.87	0.73
Dues & professional fees	0.07	0.00	0.22
Interest	6.58	4.84	8.91
Mach & bldg depreciation	15.93	12.38	13.58
Miscellaneous	2.30	3.45	3.33
Total overhead costs per acre	33.98	29.41	32.60
Total listed costs per acre	268.42	298.40	212.11
Net return per acre	12.74	-33.79	59.02
Total direct costs per bushel	1.50	1.83	1.19
Total listed costs per bushel	1.72	2.03	1.41
Net return per bushel	0.08	-0.23	0.39
Breakeven yield per acre	149.12	165.78	117.84
Est. labor hours per acre	3.13	4.24	2.09
Net return including govt. payments	52.20	2.85	97.31
Lbr & mgt charge per acre	21.69	18.55	17.82
Net return over lbr & mgt	30.50	-15.70	79.49

Table 11 - 3  
 Crop Enterprise Analysis, 1994  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

CORN ON SHARE RENTED LAND

	Average For All Farms
Number of fields	5
Number of farms	5
Acres	70.88
Yield per acre (bushel)	138.52
Operators share of yield %	58.45
Value per bushel	1.80
Crop product return per acre	149.26
Miscellaneous income per acre	0.00
Gross return per acre	149.26
Direct costs per acre	
Seed	19.03
Fertilizer	21.62
Crop chemicals	22.11
Crop insurance	3.76
Drying fuel	5.22
Fuel & oil	12.28
Repairs	24.40
Custom hire	1.29
Hired labor	0.20
Machinery & bldg leases	5.26
Marketing	1.99
Operating interest	1.42
Miscellaneous	1.94
Total direct costs per acre	120.51
Return to overhead per acre	28.75
Overhead costs per acre	
Hired labor	2.52
Machinery & bldg leases	2.00
Farm insurance	1.89
Utilities	0.44
Interest	4.07
Mach & bldg depreciation	19.41
Miscellaneous	3.28
Total overhead costs per acre	33.61
Total listed costs per acre	154.12
Net return per acre	-4.86
Total direct costs per bushel	0.87
Total listed costs per bushel	1.11
Net return per bushel	-0.04
Breakeven yield per acre	146.48
Est. labor hours per acre	5.73
Net return including govt. payments	15.29
Lbr & mgt charge per acre	25.82
Net return over lbr & mgt	-10.53

Table 11 - 4  
 Crop Enterprise Analysis, 1994  
 Southeast Minnesota Farm Business Management Association  
 (Farms sorted according to Return to Overhead per Acre)

SOYBEANS ON OWNED LAND

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of fields	34	7	7
Number of farms	33	7	7
Acres	97.26	80.50	114.90
Yield per acre (bushel)	47.03	35.89	52.61
Operators share of yield %	100.00	100.00	100.00
Value per bushel	5.10	5.10	5.10
Crop product return per acre	239.87	183.05	268.32
Miscellaneous income per acre	0.10	0.00	0.00
Gross return per acre	239.98	183.05	268.32
Direct costs per acre			
Seed	14.19	13.23	13.04
Fertilizer	2.07	0.68	0.00
Crop chemicals	26.30	35.91	18.56
Crop insurance	5.92	12.27	3.52
Fuel & oil	7.74	8.38	7.82
Repairs	18.31	16.80	18.16
Custom hire	3.26	5.67	1.12
Hired labor	0.01	0.00	0.00
Utilities	0.04	0.00	0.00
Marketing	0.29	0.00	0.43
Operating interest	2.28	5.15	2.49
Miscellaneous	0.43	0.00	0.03
Total direct costs per acre	80.86	98.08	65.16
Return to overhead per acre	159.12	84.97	203.16
Overhead costs per acre			
Hired labor	4.86	2.73	2.42
Machinery & bldg leases	0.33	0.00	0.91
RE & pers. property taxes	11.51	10.14	11.69
Farm insurance	3.04	1.94	2.37
Utilities	0.69	0.54	0.71
Dues & professional fees	0.30	0.00	0.05
Interest	31.30	30.37	39.68
Mach & bldg depreciation	17.59	13.75	18.79
Miscellaneous	2.20	1.95	1.75
Total overhead costs per acre	71.82	61.42	78.36
Total listed costs per acre	152.67	159.51	143.52
Net return per acre	87.30	23.54	124.80
Total direct costs per bushel	1.72	2.73	1.24
Total listed costs per bushel	3.25	4.44	2.73
Net return per bushel	1.86	0.66	2.37
Breakeven yield per acre	29.92	31.28	28.14
Est. labor hours per acre	2.41	3.00	2.25
Lbr & mgt charge per acre	18.46	28.70	15.93
Net return over lbr & mgt	68.84	-5.16	108.86

Table 11 - 5  
 Crop Enterprise Analysis, 1994  
 Southeast Minnesota Farm Business Management Association  
 (Farms sorted according to Return to Overhead per Acre)

SOYBEANS ON CASH RENTED LAND

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of fields	28	5	5
Number of farms	25	5	5
Acres	93.39	113.28	98.74
Yield per acre (bushel)	45.38	35.47	50.75
Operators share of yield %	100.00	100.00	100.00
Value per bushel	5.10	5.10	5.10
Crop product return per acre	231.45	180.88	258.80
Miscellaneous income per acre	0.00	0.00	0.00
Gross return per acre	231.45	180.88	258.80
Direct costs per acre			
Seed	13.29	9.49	14.33
Fertilizer	4.30	0.86	0.00
Crop chemicals	28.91	35.69	26.12
Crop insurance	6.19	12.47	0.00
Fuel & oil	6.79	7.73	6.78
Repairs	15.22	12.55	13.36
Custom hire	6.09	0.85	1.86
Land rent	73.44	68.88	75.12
Marketing	0.01	0.00	0.05
Operating interest	4.99	14.85	0.52
Miscellaneous	0.40	0.00	0.10
Total direct costs per acre	159.63	163.37	138.25
Return to overhead per acre	71.82	17.51	120.55
Overhead costs per acre			
Hired labor	4.45	14.02	0.13
Machinery & bldg leases	0.54	0.37	0.02
Farm insurance	1.44	0.97	0.36
Utilities	0.99	2.01	0.42
Dues & professional fees	0.05	0.00	0.00
Interest	5.27	1.82	3.19
Mach & bldg depreciation	11.92	3.14	14.51
Miscellaneous	1.97	3.21	1.61
Total overhead costs per acre	26.64	25.55	20.24
Total listed costs per acre	186.27	188.92	158.49
Net return per acre	45.18	-8.04	100.32
Total direct costs per bushel	3.52	4.61	2.72
Total listed costs per bushel	4.10	5.33	3.12
Net return per bushel	1.00	-0.23	1.98
Breakeven yield per acre	36.52	37.04	31.08
Est. labor hours per acre	2.24	2.12	1.89
Lbr & mgt charge per acre	18.67	25.85	13.87
Net return over lbr & mgt	26.51	-33.89	86.45

Table 11 - 6  
 Crop Enterprise Analysis, 1994  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

OATS ON OWNED LAND

	Average For All Farms
Number of fields	15
Number of farms	15
Acres	25.57
Yield per acre (bushel)	44.91
Operators share of yield %	100.00
Value per bushel	1.20
Crop product return per acre	53.90
Miscellaneous income per acre	42.74
Gross return per acre	96.64
Direct costs per acre	
Seed	7.34
Fertilizer	6.27
Crop chemicals	1.18
Fuel & oil	5.84
Repairs	13.25
Custom hire	4.13
Operating interest	1.53
Miscellaneous	2.25
Total direct costs per acre	41.79
Return to overhead per acre	54.84
Overhead costs per acre	
Hired labor	2.24
Machinery & bldg leases	0.03
RE & pers. property taxes	7.07
Farm insurance	2.21
Utilities	0.35
Dues & professional fees	0.00
Interest	17.80
Mach & bldg depreciation	10.41
Miscellaneous	1.72
Total overhead costs per acre	41.83
Total listed costs per acre	83.62
Net return per acre	13.01
Total direct costs per bushel	0.93
Total listed costs per bushel	1.86
Net return per bushel	0.29
Breakeven yield per acre	34.07
Est. labor hours per acre	2.16
Net return including govt. payments	16.20
Lbr & mgt charge per acre	11.79
Net return over lbr & mgt	4.41

Table 11 - 7  
 Crop Enterprise Analysis, 1994  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

OATS ON CASH RENTED LAND

	Average For All Farms
Number of fields	10
Number of farms	10
Acres	17.29
Yield per acre (bushel)	55.60
Operators share of yield %	100.00
Value per bushel	1.20
Crop product return per acre	66.72
Miscellaneous income per acre	27.22
Gross return per acre	93.93
Direct costs per acre	
Seed	12.13
Fertilizer	10.76
Crop chemicals	8.50
Fuel & oil	8.01
Repairs	16.70
Custom hire	1.35
Land rent	69.56
Operating interest	4.97
Total direct costs per acre	131.99
Return to overhead per acre	-38.05
Overhead costs per acre	
Hired labor	1.06
Machinery & bldg leases	1.46
Farm insurance	1.96
Utilities	0.75
Dues & professional fees	0.06
Interest	5.91
Mach & bldg depreciation	10.87
Miscellaneous	3.00
Total overhead costs per acre	25.06
Total listed costs per acre	157.05
Net return per acre	-63.12
Total direct costs per bushel	2.37
Total listed costs per bushel	2.82
Net return per bushel	-1.14
Breakeven yield per acre	108.20
Est. labor hours per acre	1.96
Net return including govt. payments	-56.17
Lbr & mgt charge per acre	15.67
Net return over lbr & mgt	-71.84

Table 11 - 8  
 Crop Enterprise Analysis, 1994  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

BARLEY ON OWNED LAND

	Average For All Farms
Number of fields	7
Number of farms	7
Acres	22.46
Yield per acre (bushel)	63.25
Operators share of yield %	100.00
Value per bushel	2.00
Crop product return per acre	126.50
Miscellaneous income per acre	50.62
Gross return per acre	177.12
Direct costs per acre	
Seed	17.54
Fertilizer	7.08
Crop chemicals	0.29
Fuel & oil	6.63
Repairs	14.01
Custom hire	10.15
Marketing	1.34
Operating interest	0.07
Miscellaneous	0.70
Total direct costs per acre	57.81
Return to overhead per acre	119.30
Overhead costs per acre	
Hired labor	3.43
Machinery & bldg leases	0.30
RE & pers. property taxes	10.29
Farm insurance	2.72
Utilities	0.74
Dues & professional fees	0.08
Interest	19.76
Mach & bldg depreciation	16.03
Miscellaneous	2.02
Total overhead costs per acre	55.38
Total listed costs per acre	113.19
Net return per acre	63.93
Total direct costs per bushel	0.91
Total listed costs per bushel	1.79
Net return per bushel	1.01
Breakeven yield per acre	31.29
Est. labor hours per acre	2.51
Net return including govt. payments	76.44
Lbr & mgt charge per acre	9.88
Net return over lbr & mgt	66.56

Table 11 - 9  
 Crop Enterprise Analysis, 1994  
 Southeast Minnesota Farm Business Management Association  
 (Farms sorted according to Return to Overhead per Acre)

ALFALFA HAY ON OWNED LAND

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of fields	40	8	10
Number of farms	38	8	8
Acres	71.78	44.43	77.50
Yield per acre (ton)	3.85	2.21	5.29
Operators share of yield %	100.00	100.00	100.00
Value per ton	80.00	80.00	80.00
Crop product return per acre	307.96	177.08	423.32
Miscellaneous income per acre	0.05	0.35	0.00
Gross return per acre	308.02	177.43	423.32
Direct costs per acre			
Seed	13.91	14.17	19.18
Fertilizer	12.07	0.00	9.92
Crop chemicals	1.83	1.71	1.73
Fuel & oil	11.91	12.31	12.54
Repairs	42.00	36.71	46.94
Custom hire	2.28	3.54	4.50
Hired labor	0.01	0.00	0.00
Operating interest	2.99	12.04	0.31
Miscellaneous	3.30	5.79	3.54
Total direct costs per acre	90.31	86.27	98.67
Return to overhead per acre	217.71	91.16	324.66
Overhead costs per acre			
Hired labor	12.44	4.81	4.07
Machinery & bldg leases	0.10	0.00	0.15
RE & pers. property taxes	8.86	10.34	8.04
Farm insurance	3.57	3.19	3.32
Utilities	1.00	1.30	0.59
Dues & professional fees	0.26	0.00	0.00
Interest	22.68	5.35	39.01
Mach & bldg depreciation	34.12	21.58	33.70
Miscellaneous	4.15	2.73	3.34
Total overhead costs per acre	87.17	49.29	92.22
Total listed costs per acre	177.48	135.55	190.88
Net return per acre	130.54	41.88	232.44
Total direct costs per ton	23.46	38.97	18.65
Total listed costs per ton	46.10	61.24	36.07
Net return per ton	33.91	18.92	43.93
Breakeven yield per acre	2.22	1.69	2.39
Est. labor hours per acre	6.44	8.04	5.22
Lbr & mgt charge per acre	31.82	36.78	31.52
Net return over lbr & mgt	98.72	5.09	200.92

Table 11 - 10  
 Crop Enterprise Analysis, 1994  
 Southeast Minnesota Farm Business Management Association  
 (Farms sorted according to Return to Overhead per Acre)

ALFALFA HAY ON CASH RENTED LAND

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of fields	32	7	7
Number of farms	30	6	6
Acres	41.54	32.06	35.03
Yield per acre (ton)	3.94	2.74	5.28
Operators share of yield %	100.00	100.00	100.00
Value per ton	79.08	80.00	80.00
Crop product return per acre	311.69	219.09	422.66
Miscellaneous income per acre	0.10	0.62	0.00
Gross return per acre	311.80	219.71	422.66
Direct costs per acre			
Seed	14.50	12.68	15.64
Fertilizer	15.93	7.16	4.93
Crop chemicals	2.68	1.37	6.76
Fuel & oil	12.27	11.20	12.25
Repairs	38.69	58.10	27.37
Custom hire	5.26	15.41	0.73
Hired labor	0.05	0.00	0.00
Land rent	65.15	73.57	66.58
Operating interest	4.73	19.92	0.15
Miscellaneous	1.82	2.32	1.03
Total direct costs per acre	161.07	201.73	135.44
Return to overhead per acre	150.72	17.98	287.22
Overhead costs per acre			
Hired labor	7.06	3.78	6.24
Machinery & bldg leases	0.51	0.00	0.00
Farm insurance	3.26	4.73	2.76
Utilities	0.86	1.17	1.24
Dues & professional fees	0.06	0.00	0.00
Interest	5.24	1.35	10.20
Mach & bldg depreciation	25.92	23.11	16.96
Miscellaneous	2.64	4.07	2.13
Total overhead costs per acre	45.56	38.20	39.53
Total listed costs per acre	206.63	239.94	174.97
Net return per acre	105.16	-20.22	247.69
Total direct costs per ton	40.87	73.66	25.64
Total listed costs per ton	52.43	87.61	33.12
Net return per ton	26.68	-7.38	46.88
Breakeven yield per acre	2.61	2.99	2.19
Est. labor hours per acre	4.69	4.51	6.09
Lbr & mgt charge per acre	28.66	28.38	39.19
Net return over lbr & mgt	76.51	-48.61	208.50

Table 11 - 11  
 Crop Enterprise Analysis, 1994  
 Southeast Minnesota Farm Business Management Association  
 (Farms sorted according to Return to Overhead per Acre)

CORN SILAGE ON OWNED LAND

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of fields	30	6	6
Number of farms	30	6	6
Acres	25.24	33.33	29.17
Yield per acre (ton)	21.12	15.87	29.73
Operators share of yield %	100.00	100.00	100.00
Value per ton	14.01	14.00	14.02
Crop product return per acre	295.79	222.18	416.88
Miscellaneous income per acre	0.00	0.00	0.00
Gross return per acre	295.79	222.18	416.88
Direct costs per acre			
Seed	27.34	26.67	30.52
Fertilizer	30.74	39.01	33.12
Crop chemicals	34.85	41.27	26.58
Crop insurance	1.09	1.97	0.06
Irrigation energy	0.23	0.00	0.00
Fuel & oil	13.63	15.89	13.69
Repairs	38.82	44.45	38.81
Custom hire	7.79	24.84	1.07
Hired labor	0.03	0.10	0.00
Machinery & bldg leases	0.12	0.00	0.00
Marketing	0.09	0.00	0.00
Operating interest	4.47	11.14	0.00
Miscellaneous	3.08	3.49	4.31
Total direct costs per acre	162.26	208.82	148.16
Return to overhead per acre	133.53	13.36	268.72
Overhead costs per acre			
Hired labor	10.01	9.12	16.21
Machinery & bldg leases	0.07	0.00	0.00
RE & pers. property taxes	8.87	5.73	10.39
Farm insurance	4.33	5.61	4.64
Utilities	1.23	1.22	2.00
Dues & professional fees	0.39	0.00	0.83
Interest	30.23	40.34	29.00
Mach & bldg depreciation	27.46	19.79	39.50
Miscellaneous	5.23	2.76	12.37
Total overhead costs per acre	87.83	84.55	114.95
Total listed costs per acre	250.09	293.38	263.10
Net return per acre	45.70	-71.20	153.78
Total direct costs per ton	7.68	13.16	4.98
Total listed costs per ton	11.84	18.49	8.85
Net return per ton	2.16	-4.49	5.17
Breakeven yield per acre	17.85	20.96	18.76
Est. labor hours per acre	5.26	5.27	5.83
Net return including govt. payments	78.15	-25.92	169.80
Lbr & mgt charge per acre	24.30	18.70	27.55
Net return over lbr & mgt	53.85	-44.62	142.25

Table 11 - 12  
 Crop Enterprise Analysis, 1994  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

CORN SILAGE ON CASH RENTED LAND

	Average For All Farms
Number of fields	12
Number of farms	12
Acres	18.17
Yield per acre (ton)	17.63
Operators share of yield %	100.00
Value per ton	14.00
Crop product return per acre	246.81
Miscellaneous income per acre	0.00
Gross return per acre	246.81
Direct costs per acre	
Seed	24.46
Fertilizer	20.94
Crop chemicals	30.70
Crop insurance	1.77
Fuel & oil	15.09
Repairs	24.40
Custom hire	0.37
Land rent	60.19
Operating interest	2.05
Miscellaneous	0.36
Total direct costs per acre	180.31
Return to overhead per acre	66.49
Overhead costs per acre	
Hired labor	2.00
Machinery & bldg leases	0.44
Farm insurance	2.30
Utilities	1.00
Dues & professional fees	0.02
Interest	8.61
Mach & bldg depreciation	18.30
Miscellaneous	1.56
Total overhead costs per acre	34.23
Total listed costs per acre	214.54
Net return per acre	32.27
Total direct costs per ton	10.23
Total listed costs per ton	12.17
Net return per ton	1.83
Breakeven yield per acre	15.32
Est. labor hours per acre	3.61
Net return including govt. payments	62.94
Lbr & mgt charge per acre	23.81
Net return over lbr & mgt	39.13

Table 11 - 13  
 Crop Enterprise Analysis, 1994  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

OATLAGE ON OWNED LAND

	Average For All Farms
Number of fields	7
Number of farms	7
Acres	30.71
Yield per acre (ton)	4.10
Operators share of yield %	100.00
Value per ton	24.45
Crop product return per acre	100.20
Miscellaneous income per acre	8.37
Gross return per acre	108.58
Direct costs per acre	8.16
Seed	0.89
Fertilizer	6.90
Fuel & oil	15.70
Repairs	0.07
Custom hire	0.17
Operating interest	8.06
Miscellaneous	39.94
Total direct costs per acre	68.64
Overhead costs per acre	11.23
Hired labor	11.48
RE & pers. property taxes	2.78
Farm insurance	0.98
Utilities	23.95
Interest	20.97
Mach & bldg depreciation	1.56
Miscellaneous	72.95
Total overhead costs per acre	112.89
Total listed costs per acre	-4.31
Total direct costs per ton	9.75
Total listed costs per ton	27.55
Net return per ton	-1.05
Breakeven yield per acre	4.27
Est. labor hours per acre	3.29
Lbr & mgt charge per acre	14.51
Net return over lbr & mgt	-18.83

Table 11 - 14  
 Crop Enterprise Analysis, 1994  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

PASTURE ON OWNED LAND

	Average For All Farms
Number of fields	17
Number of farms	15
Acres	48.15
Yield per acre	35.38
Operators share of yield %	100.00
Value per unit	1.66
Crop product return per acre	58.76
Miscellaneous income per acre	0.00
Gross return per acre	58.76
Direct costs per acre	
Seed	0.08
Fertilizer	2.84
Crop chemicals	0.03
Fuel & oil	1.67
Repairs	3.59
Operating interest	0.96
Total direct costs per acre	9.17
Return to overhead per acre	49.59
Overhead costs per acre	
Hired labor	0.63
Machinery & bldg leases	0.00
RE & pers. property taxes	7.74
Farm insurance	2.47
Utilities	0.54
Interest	17.31
Mach & bldg depreciation	2.23
Miscellaneous	2.25
Total overhead costs per acre	33.17
Total listed costs per acre	42.34
Net return per acre	16.42
Total direct costs per unit	0.26
Total listed costs per unit	1.20
Net return per unit	0.46
Breakeven yield per acre	25.50
Est. labor hours per acre	0.76
Lbr & mgt charge per acre	6.87
Net return over lbr & mgt	9.55

Table 11 - 15  
 Crop Enterprise Analysis, 1994  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

PASTURE ON CASH RENTED LAND

	Average For All Farms
Number of fields	8
Number of farms	8
Acres	45.38
Yield per acre	4.91
Operators share of yield %	100.00
Value per unit	6.09
Crop product return per acre	29.90
Miscellaneous income per acre	0.00
Gross return per acre	29.90
Direct costs per acre	0.40
Fertilizer	0.16
Crop chemicals	1.14
Fuel & oil	3.03
Repairs	14.75
Land rent	19.48
Total direct costs per acre	10.42
Return to overhead per acre	10.42
Overhead costs per acre	5.21
Hired labor	2.66
Farm insurance	0.55
Utilities	0.09
Interest	2.88
Mach & bldg depreciation	2.41
Miscellaneous	13.80
Total overhead costs per acre	33.28
Total listed costs per acre	-3.38
Net return per acre	3.97
Total direct costs per unit	6.78
Total listed costs per unit	-0.69
Net return per unit	5.47
Breakeven yield per acre	0.41
Est. labor hours per acre	2.34
Lbr & mgt charge per acre	-5.71
Net return over lbr & mgt	

Table 11 - 16  
 Crop Enterprise Analysis, 1994  
 Southeast Minnesota Farm Business Management Association  
 (Average of all farms reporting)

CRP ON OWNED LAND

	Average For All Farms
Number of fields	9
Number of farms	9
Acres	44.42
Yield per acre	73.31
Operators share of yield %	100.00
Value per unit	1.00
Crop product return per acre	73.31
Miscellaneous income per acre	0.00
Gross return per acre	73.31
Direct costs per acre	
Crop chemicals	1.44
Fuel & oil	0.17
Repairs	0.25
Operating interest	0.91
Total direct costs per acre	2.77
Return to overhead per acre	70.54
Overhead costs per acre	
Hired labor	0.31
Machinery & bldg leases	0.87
RE & pers. property taxes	9.82
Farm insurance	1.52
Utilities	0.12
Interest	29.85
Mach & bldg depreciation	0.21
Miscellaneous	2.87
Total overhead costs per acre	45.58
Total listed costs per acre	48.35
Net return per acre	24.96
Total direct costs per unit	0.04
Total listed costs per unit	0.66
Net return per unit	0.34
Breakeven yield per acre	48.35
Est. labor hours per acre	0.20
Lbr & mgt charge per acre	1.64
Net return over lbr & mgt	23.33

## 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 "Gross Return" minus the direct and overhead costs. The last section of each livestock table contains both economic and technical efficiency measures.

The "Dairy" table contains the information for only the milking herd (which includes dry cows). "Dairy Replacement Heifers" are those heifers kept for replacement into the milking herd. "Dairy Steers" includes only steers for feeding. The "Dairy and Replacement Heifers" table is for the whole herd and includes those farms in the "Dairy" and "Dairy Replacement Heifers" tables; it does not include "Dairy Steers."

The "Beef, Finish Beef Calves" table includes the FINPACK codes for beef steer and heifer calf finishing; there was no yearling feeding.

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 "Total production." For grains, these pounds per bushel are used: corn, 56; oats, 32; barley, 48; grain sorghum, 56; wheat, 60; and millet, 48. For these forages, 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 12 - 1  
 Livestock Enterprise Analysis, 1994  
 Southeast Minnesota Farm Business Management Association  
 (Farms sorted according to Return to Overhead per head)

Dairy -- Average per Cow

Number of farms	Average For All Farms		Average For Low 20%		Average For High 20%	
	33	7	7	7	7	7
Milk sold (lb)	17907.38	2390.54	15622.76	1991.82	19143.92	2611.98
Milk used in home (lb)	20.03	2.24	26.37	2.75	22.16	2.56
Milk fed to animals (lb)	115.03	12.79	192.78	19.28	66.79	7.51
Dairy Calves sold (hd)	0.04	27.24	0.01	4.39	0.14	88.81
Transferred out (hd)	1.07	103.12	1.00	78.11	1.05	104.71
Cull sales (hd)	0.31	152.32	0.37	184.98	0.20	132.04
Butchered (hd)	0.00	0.73	0.00	0.00	0.00	0.00
Less purchased (hd)	-0.04	-36.25	-0.05	-55.95	-0.04	-35.94
Less transferred in (hd)	-0.37	-366.68	-0.32	-320.51	-0.43	-431.57
Inventory change (hd)	0.02	52.41	-0.08	-64.22	0.10	237.34
Total production		2338.45		1840.65		2717.45
Other income		0.00		0.00		0.00
Gross return		2338.45		1840.65		2717.45
Direct costs						
Barley (bu.)	0.48	0.97	0.00	0.00	0.00	0.00
Corn (bu.)	102.87	222.05	114.07	249.00	116.50	249.09
Corn Silage (lb.)	7536.79	55.06	10816.71	79.83	6437.41	47.95
Hay, Alfalfa (lb.)	2956.25	123.29	5256.41	217.66	3003.78	120.15
Hay, Grass & Other (lb.)	82.30	2.47	213.68	6.41	0.00	0.00
Haylage, Alfalfa (lb.)	8659.89	170.65	5365.62	107.36	8755.16	175.10
Haylage, Grass & Other (lb.)	274.57	5.50	0.00	0.00	1169.19	23.38
Oatlage (lb.)	434.64	6.10	147.20	1.03	0.00	0.00
Oats (bu.)	1.58	2.13	0.00	0.00	0.00	0.00
Pasture (aum)	0.47	4.08	0.09	0.94	0.00	0.00
Stover (lb.)	46.80	0.28	0.00	0.00	0.00	0.00
Complete Ration (lb.)	689.70	27.23	69.80	13.46	1715.96	18.91
Milk (lb.)	31.87	3.19	0.00	0.00	0.00	0.00
Protein Vit Minerals (lb.)	2275.35	346.09	2005.32	296.85	1953.58	300.58
Breeding fees		35.62		26.05		29.66
Veterinary		81.19		69.30		68.44
Livestock supplies		145.82		117.81		140.60
Fuel & oil		14.15		22.57		12.02
Repairs		87.77		83.55		53.62
Custom hire		11.03		14.30		6.78
Hired labor		2.75		0.00		0.00
Machinery & bldg leases		1.46		0.00		0.00
Marketing		37.06		34.33		44.59
Operating interest		7.35		29.78		3.52
Total direct costs		1393.29		1370.24		1294.40
Return to overhead		945.16		470.41		1423.05
Overhead costs						
Hired labor		95.52		83.19		56.27
Machinery & bldg leases		8.11		1.20		9.07
RE & pers. property taxes		11.34		17.43		10.51
Farm insurance		14.18		20.83		6.56
Utilities		56.45		79.94		46.96
Dues & professional fees		1.07		0.00		0.00
Interest		37.26		40.56		25.64
Mach & bldg depreciation		73.99		68.68		67.86
Miscellaneous		15.76		21.67		16.52
Total overhead costs		313.69		333.51		239.38
Total listed costs		1706.98		1703.74		1533.79
Net return		631.48		136.90		1183.67
Est. labor hours per unit		58.25		70.76		52.00
Labor & management charge		261.31		332.83		290.27
Net return over lbr & mgt		370.17		-195.93		893.40
Other Information						
Avg. number of Cows		75.1		60.2		83.1
Milk produced per Cow		18042		15842		19233
Percent butterfat in milk		3.8		3.8		3.8
Culling percentage		30.7		37.3		20.5
Percent of barn capacity		108.8		92.0		111.4
Lbs. milk/lb grain & conc.		2.2		2.0		2.0
Feed cost per cwt of milk		5.37		6.14		4.86
Feed cost per Cow		969.08		972.55		935.18
Avg. milk price per cwt.		13.35		12.75		13.64

Table 12 - 2  
 Livestock Enterprise Analysis, 1994  
 Southeast Minnesota Farm Business Management Association  
 (Farms sorted according to Return to Overhead per head)  
 Dairy Replacement Heifers -- Average per head sold/trans

Number of farms	Average For All Farms		Average For Low 20%		Average For High 20%	
	34		7		7	
Replacements sold (hd)	0.41	112.79	0.56	181.68	0.23	107.06
Transferred out (hd)	0.59	456.49	0.44	413.86	0.77	550.16
Butchered (hd)	0.00	2.91	0.01	8.28	0.00	1.31
Less purchased (hd)	-0.03	-27.09	-0.13	-95.66	-0.01	-9.71
Less transferred in (hd)	-1.19	-131.76	-1.09	-108.78	-1.13	-113.38
Inventory change (hd)	0.05	34.23	-0.04	-35.36	0.05	106.27
Total production (hd)	0.00	447.58	0.00	364.02	0.00	641.72
Other income		0.00		0.00		0.00
Gross return		447.58		364.02		641.72
Direct costs						
Barley (bu.)	0.28	0.55	1.68	3.36	0.00	0.00
Corn (bu.)	24.67	53.94	30.75	66.63	27.32	59.38
Corn Silage (lb.)	4465.92	32.40	5460.82	39.81	6605.10	48.26
Hay, Alfalfa (lb.)	2380.31	94.84	4091.54	163.66	2972.93	117.90
Hay, Grass & Other (lb.)	226.94	6.81	219.44	6.58	445.86	13.38
Haylage, Alfalfa (lb.)	2070.95	41.41	1003.13	20.06	2815.29	56.31
Haylage, Grass & Other (lb.)	71.03	1.66	0.00	0.00	0.00	0.00
Oatlage (lb.)	421.09	5.55	250.78	1.76	159.24	0.96
Oats (bu.)	3.45	4.35	6.56	9.03	2.17	2.70
Pasture (aum)	0.92	7.79	1.97	16.98	0.37	3.73
Stover (lb.)	121.26	0.69	0.00	0.00	0.00	0.00
Complete Ration (lb.)	141.78	14.59	125.39	6.38	6.31	2.52
Milk (lb.)	40.06	4.16	236.68	23.67	0.00	0.00
Protein Vit Minerals (lb.)	456.52	63.08	444.70	89.51	402.87	55.02
Breeding fees		8.34		9.07		14.12
Veterinary		7.79		7.76		7.39
Livestock supplies		6.50		10.04		8.83
Fuel & oil		4.26		4.40		3.44
Repairs		23.92		32.07		15.85
Custom hire		7.26		45.23		0.26
Hired labor		0.20		0.00		0.00
Machinery & bldg leases		1.39		4.39		0.00
Utilities		0.19		0.00		0.00
Marketing		1.46		2.08		0.57
Operating interest		1.79		2.02		0.99
Total direct costs		394.93		564.49		411.59
Return to overhead		52.65		-200.47		230.13
Overhead costs						
Hired labor		31.25		16.63		42.11
Machinery & bldg leases		2.44		0.88		6.47
RE & pers. property taxes		3.26		2.99		3.59
Farm insurance		3.80		4.43		3.38
Utilities		11.03		8.69		6.82
Dues & professional fees		0.31		0.08		0.12
Interest		10.75		4.57		12.83
Mach & bldg depreciation		19.99		12.65		20.11
Miscellaneous		4.25		2.71		2.70
Total overhead costs		87.08		53.64		98.13
Total listed costs		482.01		618.13		509.72
Net return		-34.43		-254.12		132.00
Est. labor hours per unit		15.58		16.51		15.63
Labor & management charge		70.22		111.48		59.45
Net return over lbr & mgt		-104.65		-365.60		72.54
Other Information						
No. purchased or trans in		83		55		103
Number sold or trans out		68		46		90
Percentage death loss		6.0		9.9		3.6
Feed cost/head sold+trans		331.83		447.43		360.14
Avg. purchase weight		-		0		0
Avg. sales weight		10		0		0
Avg. purch price / head		1008.79		744.27		1016.67
Avg. sales price / head		277.36		325.60		463.69

Table 12 - 3  
 Livestock Enterprise Analysis, 1994  
 Southeast Minnesota Farm Business Management Association  
 (Farms sorted according to Return to Overhead per head)

Dairy and Repl Heifers -- Average per Cow

Number of farms	Average For All Farms		Average For Low 20%		Average For High 20%	
	33	7	7	7	7	7
Milk sold (lb)	17907.38	2390.54	15830.98	2025.45	19026.09	2607.40
Milk used in home (lb)	20.03	2.24	23.60	2.48	22.32	2.58
Milk fed to animals (lb)	115.03	12.79	147.88	14.79	59.73	6.58
Dairy Calves sold (hd)	0.42	129.62	0.41	172.20	0.30	115.65
Transferred out (hd)	1.62	528.35	1.39	426.05	1.81	651.06
Cull sales (hd)	0.31	152.32	0.39	187.99	0.22	140.17
Butchered (hd)	0.01	3.44	0.01	8.26	0.00	0.00
Less purchased (hd)	-0.06	-58.05	-0.08	-88.39	-0.03	-39.21
Less transferred in (hd)	-1.48	-489.41	-1.33	-422.49	-1.50	-566.31
Inventory change (hd)	0.06	77.68	-0.14	-122.50	0.11	235.62
Total production		2749.51		2203.84		3153.53
Other income		0.00		0.00		0.00
Gross return		2749.51		2203.84		3153.53
Direct costs						
Barley (bu.)	0.74	1.48	1.37	2.73	0.00	0.00
Corn (bu.)	125.42	271.34	140.73	291.26	151.25	324.92
Corn Silage (lb.)	11587.94	84.48	12652.22	92.98	9671.05	71.96
Hay, Alfalfa (lb.)	5113.85	209.24	7432.43	305.25	6549.52	257.99
Hay, Grass & Other (lb.)	293.70	8.81	851.61	25.55	0.00	0.00
Haylage, Alfalfa (lb.)	10589.02	209.22	7410.50	148.23	12600.42	252.01
Haylage, Grass & Other (lb.)	340.74	7.05	0.00	0.00	0.00	0.00
Oatlage (lb.)	826.89	11.27	362.06	2.53	0.00	0.00
Oats (bu.)	4.80	6.18	6.94	9.37	3.05	3.67
Pasture (aum)	1.33	11.34	2.20	18.96	0.71	6.18
Stover (lb.)	159.76	0.93	203.98	1.02	0.00	0.00
Complete Ration (lb.)	821.77	40.82	262.62	38.86	1803.95	25.30
Milk (lb.)	69.19	7.06	147.88	14.79	59.73	6.58
Protein Vit Minerals (lb.)	2692.54	403.59	2580.57	391.80	2112.53	318.75
Breeding fees		43.39		31.59		33.51
Veterinary		88.45		64.51		71.17
Livestock supplies		151.87		123.69		162.97
Fuel & oil		17.92		27.39		14.39
Repairs		108.16		107.28		59.41
Custom hire		17.79		15.87		7.04
Hired labor		2.94		0.00		0.00
Machinery & bldg leases		2.76		10.11		0.30
Utilities		0.18		1.15		0.00
Marketing		38.42		37.45		39.76
Operating interest		9.02		38.90		4.49
Total direct costs	1753.72		1801.27		1660.40	
Return to overhead	995.79		402.57		1493.12	
Overhead costs						
Hired labor		124.63		96.09		76.24
Machinery & bldg leases		10.38		1.45		1.76
RE & pers. property taxes		14.38		21.03		12.18
Farm insurance		17.68		26.68		9.38
Utilities		66.49		93.33		56.36
Dues & professional fees		1.36		0.00		0.66
Interest		47.27		51.54		27.19
Mach & bldg depreciation		92.46		87.77		81.89
Miscellaneous		19.70		29.19		18.53
Total overhead costs	394.34		407.09		284.18	
Total listed costs	2148.05		2208.36		1944.58	
Net return	601.46		-4.52		1208.95	
Est. labor hours per unit		72.60		79.56		64.22
Labor & management charge		324.70		444.41		347.39
Net return over lbr & mgt	276.76		-448.92		861.56	
Other Information						
Avg. number of Cows		75.1		56.0		82.5
Milk produced per Cow		18042		16002		19108
Percent butterfat in milk		3.8		3.8		3.9
Culling percentage		30.7		38.5		22.3
Percent of barn capacity		108.8		91.0		119.1
Lbs. milk/lb grain & conc.		1.8		1.5		1.6
Feed cost per cwt of milk		7.05		8.39		6.63
Feed cost per Cow		1272.81		1343.34		1267.36
Avg. milk price per cwt.		13.35		12.79		13.70

Table 12 - 4  
 Livestock Enterprise Analysis, 1994  
 Southeast Minnesota Farm Business Management Association

Hogs, Farrow To Finish -- Average per litter

	Average For All Farms	
Number of farms	10	
	Quantity	Value
Raised Hogs sold (lb)	1907.06	777.54
Transferred out (lb)	17.02	6.38
Cull sales (lb)	106.66	29.12
Butchered (lb)	2.19	0.63
Less purchased (lb)	-16.66	-21.45
Less transferred in (lb)	-5.16	-1.55
Inventory change (lb)	-79.98	-114.06
Total production (lb)	1931.13	676.60
Other income		0.00
Gross return		676.60
Direct costs		
Barley (bu.)	1.09	2.18
Corn (bu.)	103.30	227.28
Oats (bu.)	1.77	2.20
Complete Ration (lb.)	69.08	17.02
Protein Vit Minerals (lb.)	1574.75	240.17
Veterinary		13.92
Livestock supplies		13.42
Fuel & oil		6.28
Repairs		32.24
Custom hire		4.21
Hired labor		0.10
Machinery & bldg leases		0.11
Marketing		4.23
Operating interest		3.42
Total direct costs		566.79
Return to overhead		109.82
Overhead costs		
Hired labor		22.30
RE & pers. property taxes		5.34
Farm insurance		8.91
Utilities		28.02
Dues & professional fees		0.38
Interest		23.84
Mach & bldg depreciation		30.73
Miscellaneous		6.10
Total overhead costs		125.63
Total listed costs		692.41
Net return		-15.81
Est. labor hours per unit		17.09
Labor & management charge		131.86
Net return over lbr & mgt		-147.67
Other Information		
Average number of sows		77.2
Litters farrowed		141
Litters per sow		1.83
Litters per crate		7.31
Pigs born per litter		10.09
Pigs weaned per litter		8.79
Pigs weaned per sow		16.04
Number sold per litter		8.15
Lbs of feed / lb of gain		3.61
Feed cost / cwt. of gain		25.31
Feed cost per litter		488.85
Avg wgt/Raised Hog sold		234
Avg price / cwt		40.77

Table 12 - 5  
 Livestock Enterprise Analysis, 1994  
 Southeast Minnesota Farm Business Management Association  
 Hogs, Farrow To Finish -- Average per cwt produced

	Average For All Farms	
	10	Value
Number of farms		
Raised Hogs sold (lb)	98.75	40.26
Transferred out (lb)	0.88	0.33
Cull sales (lb)	5.52	1.51
Butchered (lb)	0.11	0.03
Less purchased (lb)	-0.86	-1.11
Less transferred in (lb)	-0.27	-0.08
Inventory change (lb)	-4.14	-5.91
Total production (lb)	100.00	35.04
Other income		0.00
Gross return		35.04
Direct costs		
Barley (bu.)	0.06	0.11
Corn (bu.)	5.35	11.77
Oats (bu.)	0.09	0.11
Complete Ration (lb.)	3.58	0.88
Protein Vit Minerals (lb.)	81.55	12.44
Veterinary		0.72
Livestock supplies		0.69
Fuel & oil		0.33
Repairs		1.67
Custom hire		0.22
Marketing		0.22
Operating interest		0.18
Total direct costs		29.35
Return to overhead		5.69
Overhead costs		
Hired labor		1.15
RE & pers. property taxes		0.28
Farm insurance		0.46
Utilities		1.45
Dues & professional fees		0.02
Interest		1.23
Mach & bldg depreciation		1.59
Miscellaneous		0.32
Total overhead costs		6.51
Total listed costs		35.86
Net return		-0.82
Est. labor hours per unit		0.89
Labor & management charge		6.83
Net return over lbr & mgt		-7.65
Other Information		
Average number of sows		77.2
Litters farrowed		141
Litters per sow		1.83
Litters per crate		7.31
Pigs born per litter		10.09
Pigs weaned per litter		8.79
Pigs weaned per sow		16.04
Number sold per litter		8.15
Lbs of feed / lb of gain		3.61
Feed cost / cwt. of gain		25.31
Feed cost per litter		488.85
Avg wgt/Raised Hog sold		234
Avg price / cwt		40.77

Table 12 - 6  
 Livestock Enterprise Analysis, 1994  
 Southeast Minnesota Farm Business Management Association

Hogs, Finish Feeder Pigs -- Average per head sold/trans

	Average For All Farms	
Number of farms	8	
	Quantity	Value
Finish Hogs sold (lb)	248.31	102.92
Transferred out (lb)	0.77	0.23
Cull sales (lb)	23.91	9.25
Butchered (lb)	0.28	0.11
Less purchased (lb)	-48.37	-40.65
Less transferred in (lb)	-8.60	-6.30
Inventory change (lb)	-13.90	-12.90
Total production (lb)	202.41	52.66
Other income		0.00
Gross return		52.66
Direct costs		
Corn (bu.)	10.52	23.14
Oats (bu.)	0.06	0.08
Protein Vit Minerals (lb.)	143.76	22.93
Veterinary		0.20
Livestock supplies		0.38
Fuel & oil		0.58
Repairs		1.49
Custom hire		0.20
Hired labor		1.55
Machinery & bldg leases		0.41
Utilities		0.05
Marketing		0.28
Operating interest		0.12
Total direct costs		51.40
Return to overhead		1.26
Overhead costs		
Hired labor		0.20
RE & pers. property taxes		0.60
Farm insurance		0.59
Utilities		1.92
Dues & professional fees		0.20
Interest		1.69
Mach & bldg depreciation		3.58
Miscellaneous		0.55
Total overhead costs		9.35
Total listed costs		60.75
Net return		-8.09
Est. labor hours per unit		1.28
Labor & management charge		6.23
Net return over lbr & mgt		-14.32
Other Information		
No. purchased or trans in		1247
Number sold or trans out		1176
Percentage death loss		4.0
Avg. daily gain (lbs)		1.33
Lbs of conc / lb of gain		3.40
Lbs of feed / lb of gain		3.40
Feed cost per cwt of gain		22.80
Feed cost/head sold+trans		46.14
Average purchase weight		53
Average sales weight		249
Avg purch price / head		44.15
Avg sales price / cwt		41.45

Table 12 - 7  
 Livestock Enterprise Analysis, 1994  
 Southeast Minnesota Farm Business Management Association

Hogs, Finish Feeder Pigs -- Average per cwt produced

	Average For All Farms	
Number of farms	8	
	Quantity	Value
Finish Hogs sold (lb)	122.68	50.85
Transferred out (lb)	0.38	0.11
Cull sales (lb)	11.81	4.57
Butchered (lb)	0.14	0.05
Less purchased (lb)	-23.90	-20.08
Less transferred in (lb)	-4.25	-3.11
Inventory change (lb)	-6.87	-6.37
Total production (lb)	100.00	26.02
Other income		0.00
Gross return		26.02
Direct costs		
Corn (bu.)	5.20	11.43
Oats (bu.)	0.03	0.04
Protein Vit Minerals (lb.)	71.03	11.33
Veterinary		0.10
Livestock supplies		0.19
Fuel & oil		0.29
Repairs		0.74
Custom hire		0.10
Hired labor		0.77
Machinery & bldg leases		0.20
Utilities		0.02
Marketing		0.14
Operating interest		0.06
Total direct costs		25.39
Return to overhead		0.62
Overhead costs		
Hired labor		0.10
RE & pers. property taxes		0.30
Farm insurance		0.29
Utilities		0.95
Dues & professional fees		0.10
Interest		0.84
Mach & bldg depreciation		1.77
Miscellaneous		0.27
Total overhead costs		4.62
Total listed costs		30.01
Net return		-4.00
Est. labor hours per unit		0.63
Labor & management charge		3.08
Net return over lbr & mgt		-7.07
Other Information		
No. purchased or trans in		1247
Number sold or trans out		1176
Percentage death loss		4.0
Avg. daily gain (lbs)		1.33
Lbs of conc / lb of gain		3.40
Lbs of feed / lb of gain		3.40
Feed cost per cwt of gain		22.80
Feed cost/head sold+trans		46.14
Average purchase weight		53
Average sales weight		249
Avg purch price / head		44.15
Avg sales price / cwt		41.45

Table 12 - 8  
 Livestock Enterprise Analysis, 1994  
 Southeast Minnesota Farm Business Management Association

Beef Cow-Calf -- Average per Cow

	Average For All Farms	
Number of farms	8	
	Quantity	Value
Beef Calves sold (lb)	25.91	15.86
Transferred out (lb)	516.75	384.80
Cull sales (lb)	161.73	69.47
Less purchased (lb)	-75.13	-66.26
Less transferred in (lb)	-66.27	-44.93
Inventory change (lb)	-137.57	-117.40
Total production (lb)	425.42	241.54
Other income		0.00
Gross return		241.54
Direct costs		
Corn (bu.)	1.06	2.53
Corn Silage (lb.)	2656.08	18.79
Hay, Alfalfa (lb.)	4105.82	152.38
Haylage, Alfalfa (lb.)	2169.31	14.81
Oatlage (lb.)	952.38	5.71
Pasture (aum)	4.06	40.63
Protein Vit Minerals (lb.)	67.72	10.79
Breeding fees		1.01
Veterinary		5.08
Livestock supplies		1.90
Fuel & oil		2.25
Repairs		20.81
Custom hire		1.60
Marketing		1.82
Total direct costs		280.13
Return to overhead		-38.59
Overhead costs		
Hired labor		1.81
Machinery & bldg leases		0.08
RE & pers. property taxes		2.83
Farm insurance		4.79
Utilities		9.04
Interest		3.01
Mach & bldg depreciation		13.44
Miscellaneous		5.34
Total overhead costs		40.34
Total listed costs		320.47
Net return		-78.93
Est. labor hours per unit		10.19
Labor & management charge		110.06
Net return over lbr & mgt		-189.00
Other Information		
Number of cows		47.3
Pregnancy percentage		94.3
Pregnancy loss percentage		3.2
Culling percentage		14.3
Calving percentage		91.3
Weaning percentage		84.1
Calves sold per cow		1.19
Calf death loss percent		7.8
Average weaning weight		475
Lbs weaned/exposed female		400
Feed cost per cow		245.66
Avg wgt/Beef Calf sold		576
Avg price / cwt		61.20

Table 12 - 9  
 Livestock Enterprise Analysis, 1994  
 Southeast Minnesota Farm Business Management Association

All Beef Finish Calves -- Average per head sold/trans

	Average For All Farms	
Number of farms	10	
	Quantity	Value
Finish Beef sold (lb)	1194.37	772.11
Transferred out (lb)	23.72	16.87
Butchered (lb)	5.15	2.98
Less purchased (lb)	-293.12	-239.67
Less transferred in (lb)	-193.18	-142.25
Inventory change (lb)	-34.92	-77.93
Total production (lb)	702.02	332.12
Other income		0.00
Gross return		332.12
Direct costs		
Corn (bu.)	63.49	140.24
Corn Silage (lb.)	5776.94	43.54
Hay, Alfalfa (lb.)	714.56	26.19
Haylage, Alfalfa (lb.)	510.40	10.21
Oats (bu.)	2.98	3.65
Complete Ration (lb.)	10.21	1.27
Protein Vit Minerals (lb.)	329.49	46.03
Veterinary		7.13
Livestock supplies		2.90
Fuel & oil		3.35
Repairs		10.37
Custom hire		0.86
Marketing		11.39
Operating interest		2.03
Total direct costs		309.16
Return to overhead		22.96
Overhead costs		
Hired labor		4.27
Machinery & bldg leases		1.95
RE & pers. property taxes		0.98
Farm insurance		2.05
Utilities		6.43
Interest		8.06
Mach & bldg depreciation		10.88
Miscellaneous		2.79
Total overhead costs		37.40
Total listed costs		346.55
Net return		-14.43
Est. labor hours per unit		5.99
Labor & management charge		54.14
Net return over lbr & mgt		-68.57
Other Information		
No. purchased or trans in		115
Number sold or trans out		106
Percentage death loss		2.3
Avg. daily gain (lbs)		2.27
Lbs of conc / lb of gain		5.61
Lbs of feed / lb of gain		9.73
Feed cost per cwt of gain		38.62
Feed cost/head sold+trans		271.13
Average purchase weight		466
Average sales weight		1230
Avg purch price / cwt		81.76
Avg sales price / cwt		64.65

Table 12 - 10  
 Livestock Enterprise Analysis, 1994  
 Southeast Minnesota Farm Business Management Association

All Beef Finish Calves -- Average per cwt produced

	Average For All Farms	
Number of farms	10	
	Quantity	Value
Finish Beef sold (lb)	170.13	109.98
Transferred out (lb)	3.38	2.40
Butchered (lb)	0.73	0.43
Less purchased (lb)	-41.75	-34.14
Less transferred in (lb)	-27.52	-20.26
Inventory change (lb)	-4.97	-11.10
Total production (lb)	100.00	47.31
Other income		0.00
Gross return		47.31
Direct costs		
Corn (bu.)	9.04	19.98
Corn Silage (lb.)	822.90	6.20
Hay, Alfalfa (lb.)	101.79	3.73
Haylage, Alfalfa (lb.)	72.70	1.45
Oats (bu.)	0.42	0.52
Complete Ration (lb.)	1.45	0.18
Protein Vit Minerals (lb.)	46.93	6.56
Veterinary		1.02
Livestock supplies		0.41
Fuel & oil		0.48
Repairs		1.48
Custom hire		0.12
Marketing		1.62
Operating interest		0.29
Total direct costs		44.04
Return to overhead		3.27
Overhead costs		
Hired labor		0.61
Machinery & bldg leases		0.28
RE & pers. property taxes		0.14
Farm insurance		0.29
Utilities		0.92
Interest		1.15
Mach & bldg depreciation		1.55
Miscellaneous		0.40
Total overhead costs		5.33
Total listed costs		49.37
Net return		-2.06
Est. labor hours per unit		0.85
Labor & management charge		7.71
Net return over lbr & mgt		-9.77
Other Information		
No. purchased or trans in		115
Number sold or trans out		106
Percentage death loss		2.3
Avg. daily gain (lbs)		2.27
Lbs of conc / lb of gain		5.61
Lbs of feed / lb of gain		9.73
Feed cost per cwt of gain		38.62
Feed cost/head sold+trans		271.13
Average purchase weight		466
Average sales weight		1230
Avg purch price / cwt		81.76
Avg sales price / cwt		64.65

Table 12 - 11  
 Livestock Enterprise Analysis, 1994  
 Southeast Minnesota Farm Business Management Association

Dairy Steers -- Average per head sold/trans

Number of farms	Average For All Farms	
	Quantity	Value
	8	
Dairy Steers sold (lb)	1164.70	714.94
Butchered (lb)	8.10	5.14
Less purchased (lb)	-23.38	-30.75
Less transferred in (lb)	-301.50	-219.00
Inventory change (lb)	-69.20	-86.69
Total production (lb)	778.71	383.64
Other income		0.00
Gross return		383.64
Direct costs		
Corn (bu.)	74.96	163.39
Corn Silage (lb.)	1670.05	12.53
Hay, Alfalfa (lb.)	242.87	3.05
Hay, Grass & Other (lb.)	46.30	1.39
Haylage, Alfalfa (lb.)	2638.89	52.78
Oats (bu.)	2.03	2.45
Protein Vit Minerals (lb.)	401.57	70.65
Veterinary		4.27
Livestock supplies		6.06
Fuel & oil		3.00
Repairs		13.07
Custom hire		5.41
Marketing		3.88
Operating interest		5.52
Total direct costs		347.44
Return to overhead		36.20
Overhead costs		
Hired labor	12.29	
Machinery & bldg leases	0.21	
RE & pers. property taxes	2.83	
Farm insurance	1.75	
Utilities	8.39	
Dues & professional fees	0.08	
Interest	8.04	
Mach & bldg depreciation	19.12	
Miscellaneous	4.88	
Total overhead costs		57.58
Total listed costs		405.02
Net return		-21.38
Est. labor hours per unit		8.02
Labor & management charge		48.20
Net return over lbr & mgt		-69.59
Other Information		
No. purchased or trans in		51
Number sold or trans out		54
Percentage death loss		4.0
Avg. daily gain (lbs)		2.14
Lbs of conc / lb of gain		5.81
Lbs of feed / lb of gain		8.59
Feed cost per cwt of gain		39.33
Feed cost/head sold+trans		306.24
Average purchase weight		111
Average sales weight		1165
Avg purch price / head		145.96
Avg sales price / cwt		61.38

Table 12 - 12  
 Livestock Enterprise Analysis, 1994  
 Southeast Minnesota Farm Business Management Association

Dairy Steers -- Average per cwt produced

	Average For All Farms	
Number of farms	8	
	Quantity	Value
Dairy Steers sold (lb)	149.57	91.81
Butchered (lb)	1.04	0.66
Less purchased (lb)	-3.00	-3.95
Less transferred in (lb)	-38.72	-28.12
Inventory change (lb)	-8.89	-11.13
Total production (lb)	100.00	49.27
Other income		0.00
Gross return		49.27
Direct costs		
Corn (bu.)	9.63	20.98
Corn Silage (lb.)	214.46	1.61
Hay, Alfalfa (lb.)	31.19	0.39
Hay, Grass & Other (lb.)	5.95	0.18
Haylage, Alfalfa (lb.)	338.88	6.78
Oats (bu.)	0.26	0.32
Protein Vit Minerals (lb.)	51.57	9.07
Veterinary		0.55
Livestock supplies		0.78
Fuel & oil		0.39
Repairs		1.68
Custom hire		0.70
Marketing		0.50
Operating interest		0.71
Total direct costs		44.62
Return to overhead		4.65
Overhead costs		
Hired labor		1.58
Machinery & bldg leases		0.03
RE & pers. property taxes		0.36
Farm insurance		0.22
Utilities		1.08
Interest		1.03
Mach & bldg depreciation		2.46
Miscellaneous		0.63
Total overhead costs		7.39
Total listed costs		52.01
Net return		-2.75
Est. labor hours per unit		1.03
Labor & management charge		6.19
Net return over lbr & mgt		-8.94
Other Information		
No. purchased or trans in		51
Number sold or trans out		54
Percentage death loss		4.0
Avg. daily gain (lbs)		2.14
Lbs of conc / lb of gain		5.81
Lbs of feed / lb of gain		8.59
Feed cost per cwt of gain		39.33
Feed cost/head sold+trans		306.24
Average purchase weight		111
Average sales weight		1165
Avg purch price / head		145.96
Avg sales price / cwt		61.38

TABLE 13  
PRICES USED IN ANALYSIS - 1994  
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	\$ 2.30	\$ 2.20	\$ 1.80	\$ 1.80
Oats	1.40	1.20	1.20	1.20
Soybeans	6.00	5.50	5.10	5.00
Alfalfa Hay	90.00	80.00	80.00	90.00
Mixed Hay	60.00	60.00	60.00	60.00
Haylage	40.00	40.00	40.00	40.00
Corn Silage	15.00	15.00	14.00	14.00
Oat Silage	14.00	13.00	12.00	12.00
Straw/ton	80.00	--	80.00	80.00
Corn Stalks	12.00	12.00	12.00	12.00
Barley	2.00	2.00	1.70	1.70
 <u>Pasture Rates</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	\$10.00	\$ .333	\$ 7.00	\$ .233
Young cattle	5.00	.167	3.50	.117
Board for hired help	--	\$6/day	--	--
Homegrown seed - soybeans	\$7.00/bu.			
Homegrown seed - oats	\$2.00/bu.			
Value of Operator's Labor:	\$24,000			

## EXPLANATORY NOTES FOR SUMMARY TABLES

A better picture of the current profitability, liquidity and solvency conditions can be seen by comparing this year to previous years (Table 14). All items are taken from the annual report for that year. Monetary values are left in nominal terms unadjusted for inflation. The one exception is the "Net Farm Income (Constant 1994 \$)" using the Consumer Price Index (CPI-U) from the U.S. Department of Commerce. This shows the changes in "buying power" for the farmers.

The debt-to-asset percentage measures the degree to which assets are financed by external sources. The year-end total assets is divided by year-end total liabilities to obtain this measure. The Southeastern Association uses the cost basis of asset valuation.

Starting with 1983, financial analysis was done by FINPACK. This new program added new measures which had not been available previously and in some cases used slightly different formulas.

To evaluate current financial performance in other ways, the whole-farm analysis is summarized on a county basis (Table 15), on a gross income category basis (Table 16), by type of farm (Table 17), and by age of operator (Table 18). 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.

<u>Year</u>	<u>CPI-U</u> <u>1982-84=100</u>	<u>Adjusted CPI-U</u> <u>1994=100</u>
1980	82.4	55.6
1981	90.9	61.4
1982	96.5	65.1
1983	99.6	67.2
1984	103.8	70.1
1985	107.5	72.6
1986	109.6	74.0
1987	113.6	76.7
1988	118.3	79.9
1989	124.0	83.7
1990	130.7	88.3
1991	136.2	92.0
1992	140.3	94.7
1993	144.5	97.6
1994	148.1	100.0

TABLE 14  
\*\*\*\*\* SUMMARY OF THE WHOLE FARM ANALYSIS BY YEARS \*\*\*\*\*  
Southeastern Minnesota Farm Business Management Association  
(Overall averages for all farms reporting)

Items	1980	1981	1982	** 1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Number of Farms	86	63	54	53	57	59	61	62	63	58	65	65	63	65	64
Farm Income Statement															
Gross Cash Farm Income	161,148	160,457	202,185	178,365	187,562	197,842	190,124	190,481	187,712	203,126	219,696	212,943	219,457	236,401	242,784
Total Cash Farm Expense	111,196	112,444	150,932	116,369	144,048	151,162	141,090	136,802	135,159	146,353	146,315	144,519	153,908	172,893	178,968
Inventory Change	*	*	*	7,528	9,584	415	1,833	9,817	2,922	3,482	8,706	1,827	(7,685)	2,930	7,424
Depr. & Cap. Adj.	*	*	*	(35,150)	(32,373)	(30,386)	(25,685)	(18,298)	(13,646)	(15,010)	(20,043)	(19,416)	(17,897)	(23,192)	(15,047)
Net Farm Income	40,853	26,117	24,553	34,473	20,724	16,799	25,180	45,197	41,829	45,244	62,044	50,835	39,967	43,246	56,192
Net Farm Income (Constant 1983 \$)	73,459	42,548	37,690	51,268	29,562	23,014	34,027	58,923	52,366	54,037	70,304	55,277	42,189	44,323	56,192
Profitability and Liquidity Analysis															
Labor and Management Earnings	30,560	15,765	9,531	22,365	8,630	6,630	16,418	34,905	29,793	31,106	48,923	34,143	22,049	25,084	37,384
Rate of return on:															
Average Assets (%)	12	7	7	9	6	5	5	8	12	10	10	12	9	5	6
Average Equity (%)	13	6	5	8	1	-1	5	15	11	10	15	9	3	5	8
Operating Profit Margin (%)	34	25	26	20	13	10	16	22	20	19	23	19	11	14	20
Asset Turnover Rate (%)	35	28	26	46	45	50	50	54	52	50	53	46	42	38	40
Value of Farm Production	124,880	113,376	138,358	170,219	181,517	190,882	173,619	194,420	187,789	199,804	215,976	200,904	198,818	184,576	201,239
Farm Interest Paid	13,555	14,271	21,759	17,880	19,863	22,207	21,168	16,542	15,543	15,151	12,963	13,983	12,598	13,339	14,175
Cash Expense as a % of Income	69	70	75	65	77	76	74	72	72	67	68	70	73	74	74
Interest Paid as a % of Income	12	13	14	15	14	15	15	12	11	10	9	10	6	6	6
Gross Cash Income	8	9	11	10	11	11	9	8	7	6	7	6	6	6	6
Total Cash Expenses	*	*	*	*	0	1	2	4	3	5	2	2	2	2	1
Yrs to T/O Non RE. Debt	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Comparative Financial Statement (Cost Basis)															
No. of Sole Proprietors	28	35	42	49	41	40	46	49	48	44	51	48	46	47	46
Total Ending Assets	364,094	411,875	533,714	407,995	391,624	370,853	320,601	326,849	331,420	376,054	384,259	417,816	474,752	455,144	507,458
Total Ending Liabilities	137,132	173,263	240,207	163,744	192,733	201,572	170,318	162,013	154,430	184,661	159,333	172,612	192,695	198,475	218,738
Ending Net Worth	226,962	238,612	283,307	244,212	198,951	169,281	150,283	164,836	176,936	211,393	224,926	245,004	282,057	256,870	298,718
Ending Farm C/I Debt to Asset	28	24	41	32	42	50	45	38	33	31	31	33	40	44	43
Ending Total Debt to Asset %	38	42	45	40	49	54	53	50	47	44	41	41	41	44	43
Acreage Information															
Total Acres Owned	248	247	*	*	264	288	264	288	274	294	280	272	285	325	335
Total Crop Acres Farmed	331	327	347	*	363	423	376	365	348	372	350	401	417	432	430
Crop Acres Owned	207	204	219	*	*	210	231	198	225	223	220	210	237	261	258
Crop Acres Cash Farmed	*	*	*	*	140	180	157	123	105	128	124	159	152	162	163
Crop Acres Share Rented	*	*	*	*	*	13	12	21	18	20	22	16	5	4	5
Crop Yields															
Corn per acre	106	127	122	100	127	125	140	143	88	142	140	134	117	91	158
Soybean per acre	35	37	39	39	39	37	41	44	31	42	41	42	32	33	46
Crop Prices Received (cash sales)															
Corn per Bushel	2.71	2.41	*	*	2.99	2.44	2.02	1.77	2.17	2.38	2.39	2.28	2.34	1.97	2.22
Soybeans per Bushel	6.79	5.80	*	*	7.20	5.06	5.07	4.95	6.87	6.88	5.89	5.33	5.28	5.98	5.94
Household Information															
No. Farms Reporting Household Info	38	22	23	13	14	15	14	12	11	16	16	16	19	30	30
Average Family Size	4.0	4.0	4.0	*	3.5	3.4	3.5	3.5	3.7	3.4	3.8	4.0	3.3	3.3	3.0
Total Family Use of Cash	25,377	31,609	26,669	26,003	24,531	27,308	28,945	35,772	41,392	44,050	49,370	46,635	44,940	32,132	37,652
Average Net Nonfarm Income	6,284	7,188	7,749	*	8,108	6,065	8,429	8,788	8,396	9,370	8,403	8,343	10,377	12,192	12,435

\* Not available.

\*\* Starting with 1983, a new financial analysis program (FINANX) was used. FINANX calculated several measures which had not been available before.

TABLE 15  
 County Report, 1994  
 Southeast Minnesota Farm Business Management Association

	Dakota	Goodhue	Dodge	
	Le Sueur	Houston	Freeborn	
	Nicollet	Olmsted	Mower	
Average For	Rice	Wabasha	Steele	
All Farms	Scott	Winona	Waseca	
Number of farms	61	14	40	7
<b>Income Statement</b>				
Gross cash farm income	246590	296807	228437	249886
Total cash farm expense	180617	198653	173392	185834
Net cash farm income	65973	98154	55045	64052
Inventory change	8220	1254	9412	15338
Depreciation and capital adjustment	-15420	-10740	-15746	-22915
Net farm income	58772	88668	48711	56475
<b>Profitability (cost)</b>				
Labor and management earnings	39232	56305	33481	37951
Rate of return on assets	8 %	9 %	7 %	8 %
Rate of return on equity	9 %	11 %	7 %	10 %
Operating profit margin	21 %	28 %	17 %	23 %
Asset turnover rate	39 %	33 %	44 %	36 %
<b>Liquidity</b>				
Term debt coverage ratio	- %	- %	- %	- %
Expense as a percent of income	71 %	67 %	73 %	71 %
Interest as a percent of income	5 %	5 %	5 %	7 %
<b>Solvency (cost)</b>				
Number of sole proprietors	43	10	29	4
Ending farm assets	429633	559034	374105	-
Ending farm liabilities	209845	196993	196991	-
Ending total assets	518344	669699	452373	-
Ending total liabilities	217587	208290	200655	-
Ending net worth	300756	461409	251718	-
Net worth change	14248	22062	10246	-
Ending farm debt to asset ratio	49 %	35 %	53 %	66 %
Beg total debt to asset ratio	43 %	33 %	44 %	61 %
End total debt to asset ratio	42 %	31 %	44 %	59 %
<b>Nonfarm Information</b>				
Farms reporting living expenses	36	9	23	4
Total family living expense	21273	14176	22802	-
Total living, invest, & capital purch	38536	46605	35602	-
Net nonfarm income	11626	9988	9747	25641
<b>Crop Acres</b>				
Total acres owned	345	421	318	348
Total crop acres	430	532	382	500
Total crop acres owned	265	384	216	312
Total crop acres cash rented	156	134	159	184
Total crop acres share rented	9	14	7	4

**TABLE 16**  
**Size Of Farm Report, 1994**  
**Southeast Minnesota Farm Business Management Association**  
**(Farms Sorted By Gross Cash Farm Income)**

	Average For All Farms	40,001 - 100,000	100,001 - 200,000	200,001 - 500,000	500,001 +
<b>Number of farms</b>	64	9	21	26	7
<b>Income Statement</b>					
Gross cash farm income	242784	69665	158214	280590	608220
Total cash farm expense	178968	56315	113008	216304	415089
Net cash farm income	63816	13350	45207	64285	193131
Inventory change	7424	-185	8515	10018	-126
Depreciation and capital adjustment	-15047	-6052	-13223	-18153	-21595
Net farm income	56192	7113	40499	56150	171410
<b>Profitability (cost)</b>					
Labor and management earnings	37384	2254	27646	40354	106031
Rate of return on assets	8 %	-1 %	7 %	9 %	10 %
Rate of return on equity	9 %	-16 %	6 %	10 %	11 %
Operating profit margin	20 %	-2 %	18 %	19 %	29 %
Asset turnover rate	40 %	33 %	36 %	48 %	34 %
<b>Liquidity</b>					
Term debt coverage ratio	- %	- %	- %	- %	- %
Expense as a percent of income	72 %	81 %	69 %	75 %	68 %
Interest as a percent of income	6 %	13 %	7 %	5 %	4 %
<b>Solvency (cost)</b>					
Number of sole proprietors	46	8	15	21	2
Ending farm assets	418731	174481	402580	483848	-
Ending farm liabilities	209993	124359	254520	208960	-
Ending total assets	507456	252918	461348	590666	-
Ending total liabilities	218738	145366	256291	218847	-
Ending net worth	288718	107552	205057	371818	-
Net worth change	12473	5505	15845	15973	-
Ending farm debt to asset ratio	50 %	71 %	63 %	43 %	28 %
Beg total debt to asset ratio	44 %	59 %	56 %	38 %	24 %
End total debt to asset ratio	43 %	57 %	56 %	37 %	23 %
<b>Nonfarm Information</b>					
Farms reporting living expenses	38	8	11	17	2
Total family living expense	21019	20099	16931	24362	-
Total living, invest, & capital purch	37785	28536	27672	48499	-
Net nonfarm income	12435	29387	13751	9313	68
<b>Crop Acres</b>					
Total acres owned	335	204	275	293	830
Total crop acres	430	179	310	484	933
Total crop acres owned	258	137	205	239	677
Total crop acres cash rented	163	39	99	234	241
Total crop acres share rented	8	3	5	11	15

**TABLE 17**  
**Type Of Farm Report, 1994**  
**Southeast Minnesota Farm Business Management Association**

	Average For			Crop and	Crop and	Other
	All Farms	Crop	Dairy	Dairy	Hog	
Number of farms	64	9	21	10	9	9
<b>Income Statement</b>						
Gross cash farm income	242784	151818	226453	346927	343730	174576
Total cash farm expense	178968	124290	163484	237412	266800	126703
Net cash farm income	63816	27528	62969	109514	76930	47873
Inventory change	7424	18003	1843	23242	10826	10200
Depreciation and capital adjustment	-15047	-9230	-15674	-5270	-23762	-22358
Net farm income	56192	36300	49137	127487	63994	35715
<b>Profitability (cost)</b>						
Labor and management earnings	37384	26966	32899	88876	42817	18266
Rate of return on assets	8 %	9 %	7 %	13 %	8 %	3 %
Rate of return on equity	9 %	12 %	7 %	15 %	10 %	0 %
Operating profit margin	20 %	19 %	16 %	32 %	21 %	8 %
Asset turnover rate	40 %	46 %	42 %	40 %	40 %	31 %
<b>Liquidity</b>						
Term debt coverage ratio	- %	- %	- %	- %	- %	- %
Expense as a percent of income	72 %	74 %	72 %	64 %	75 %	69 %
Interest as a percent of income	6 %	10 %	4 %	5 %	5 %	6 %
<b>Solvency (cost)</b>						
Number of sole proprietors	46	8	16	7	6	5
Ending farm assets	418731	347796	401708	585013	574483	289224
Ending farm liabilities	209993	273343	172102	230671	242311	177507
Ending total assets	507456	448960	470319	694825	746905	323615
Ending total liabilities	218738	289583	174352	242100	261861	178307
Ending net worth	288718	159377	295967	452725	485044	145308
Net worth change	12473	26545	10069	10854	36160	-17945
Ending farm debt to asset ratio	50 %	79 %	43 %	39 %	42 %	61 %
Beg total debt to asset ratio	44 %	68 %	37 %	32 %	38 %	51 %
End total debt to asset ratio	43 %	65 %	37 %	35 %	35 %	55 %
<b>Nonfarm Information</b>						
Farms reporting living expenses	38	6	13	7	6	4
Total family living expense	21019	21719	21883	17097	28885	-
Total living, invest, & capital purch	37785	29300	30507	61334	50802	-
Net nonfarm income	12435	17321	9569	11001	14865	12802
<b>Crop Acres</b>						
Total acres owned	335	283	246	488	417	424
Total crop acres	430	562	240	650	673	357
Total crop acres owned	258	259	186	395	373	238
Total crop acres cash rented	163	303	54	235	298	95
Total crop acres share rented	8	-	-	20	3	23

TABLE 18  
Age Of Operator Report, 1994  
Southeast Minnesota Farm Business Management Association

	Average For				
	All Farms	31 - 40	41 - 50	51 - 60	Over 60
Number of farms	61	17	22	11	9
<b>Income Statement</b>					
Gross cash farm income	248646	218740	262715	225737	297087
Total cash farm expense	182685	152716	186862	172017	232558
Net cash farm income	65960	66025	75853	53719	64529
Inventory change	8100	-1684	13683	5874	10956
Depreciation and capital adjustment	-14540	-15716	-12851	-13494	-19515
Net farm income	59521	48625	76686	46100	55970
<b>Profitability (cost)</b>					
Labor and management earnings	40250	34163	52857	26343	36264
Rate of return on assets	9 %	8 %	10 %	6 %	6 %
Rate of return on equity	9 %	9 %	12 %	5 %	5 %
Operating profit margin	21 %	20 %	27 %	16 %	14 %
Asset turnover rate	40 %	41 %	39 %	38 %	43 %
<b>Liquidity</b>					
Term debt coverage ratio	- %	- %	- %	- %	- %
Expense as a percent of income	71 %	70 %	68 %	74 %	76 %
Interest as a percent of income	5 %	6 %	6 %	6 %	5 %
<b>Solvency (cost)</b>					
Number of sole proprietors	43	11	19	8	3
Ending farm assets	420946	343801	446503	512267	-
Ending farm liabilities	207725	192062	208759	215328	-
Ending total assets	509131	409671	554171	598760	-
Ending total liabilities	217029	205940	220605	217367	-
Ending net worth	292102	203731	333566	381392	-
Net worth change	13998	10013	16827	7759	-
Ending farm debt to asset ratio	49 %	56 %	47 %	42 %	59 %
Beg total debt to asset ratio	44 %	51 %	41 %	36 %	48 %
End total debt to asset ratio	43 %	50 %	40 %	36 %	45 %
<b>Nonfarm Information</b>					
Farms reporting living expenses	36	9	17	7	3
Total family living expense	21107	19175	24258	17553	-
Total living, invest, & capital purch	38386	44203	38784	34793	-
Net nonfarm income	11677	5640	16441	14600	8798
<b>Crop Acres</b>					
Total acres owned	346	254	359	402	437
Total crop acres	440	361	540	360	446
Total crop acres owned	262	199	285	302	300
Total crop acres cash rented	169	162	234	58	147
Total crop acres share rented	9	-	20	-	-