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2005

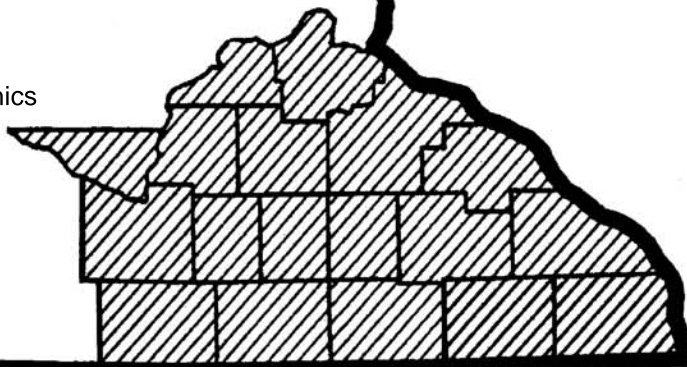
Annual Report

Southeastern Minnesota Farm Business Management Association

IN COOPERATION WITH:

Center For Farm Financial Management
Department of Applied Economics
Minnesota Extension Service
College of Agricultural, Food, and Environmental Sciences
University of Minnesota

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University of Minnesota
St. Paul, MN 55108
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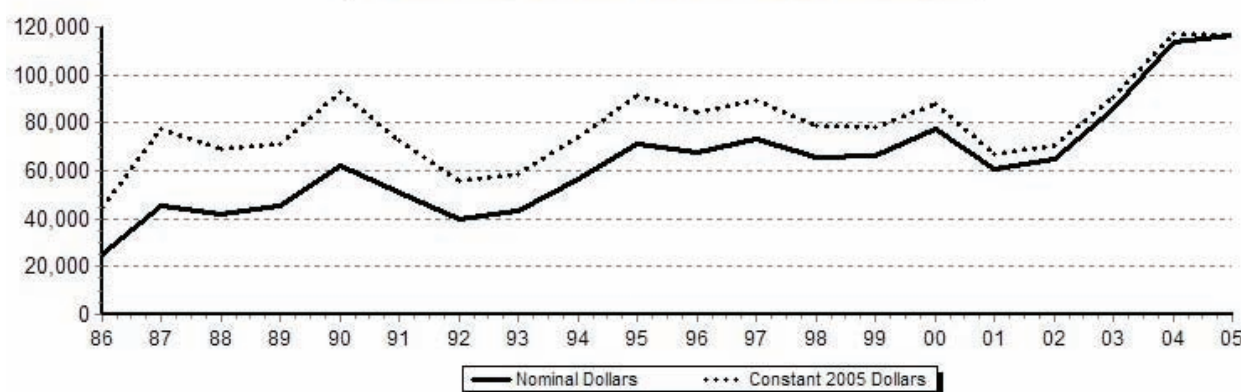
Executive Summary

2005 Annual Report of the Southeastern Minnesota Farm Business Management Association

by Dale W. Nordquist and Lorin L. Westman

The average net farm income was \$116,688 for the 45 farms included in the 2005 annual report of the Southeastern Minnesota Farm Business Management Association. This was an increase of 3% from 2004 (Figure 1). In constant dollars, 2005 was slightly less profitable than 2004, but was still the second most profitable year for association members in the past twenty years (Figure 1). Higher crop yields, strong profits for dairy operations, and increased government payments were among factors that combined to make 2005 a very profitable year for the average association farm.

Figure 1. Average Net Farm Income



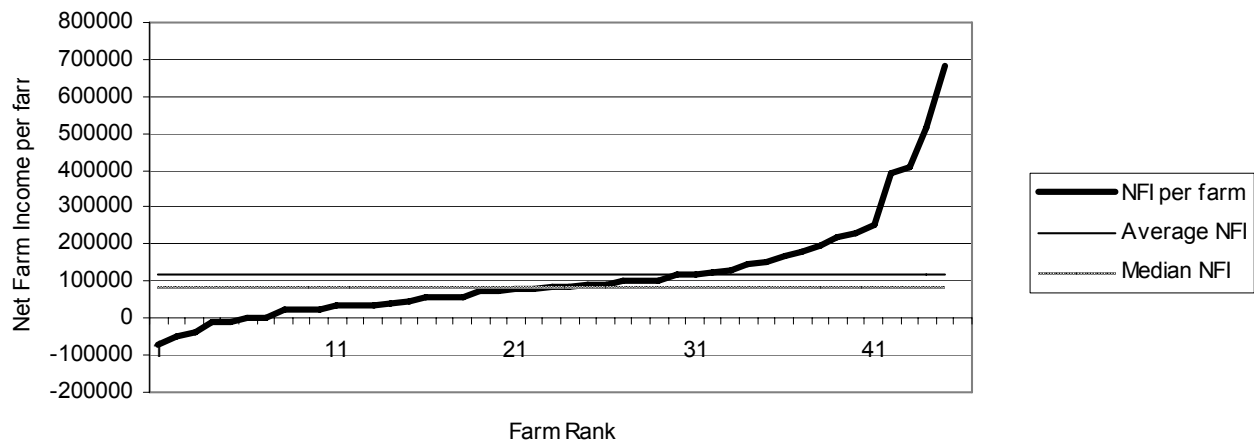
As in previous years, the income levels experienced by individual farms vary greatly from the overall average. When the net farm incomes for the 45 farms in the report are ranked from lowest to highest, the resulting graph (Figure 2) shows how much the incomes do vary. As Figure 2 indicates, a number of very profitable farms had a major impact on the average for all farms. Forty-two percent (42%) earned net farm incomes over \$100,000; 11% of the farms experienced negative net farm incomes. The median or middle income was \$82,798, considerably lower than the association average. The high 20% of these farms had an average net farm income of \$342,442; farms in the low 20% averaged \$-14,437.

Average gross cash farm income in 2005 was \$516,282 for these 45 farms. This was a 1% increase from 2004. Milk sales were 41% of gross income, unchanged from 2004. Corn and soybean sales accounted for another 32% of income. Total crop sales accounted for 33% while livestock sales accounted for 52% of total cash receipts (Figure 4).

Government payments (of all types) averaged \$55,750 in 2005, a 67% increase from the previous year. Government payments increased primarily due to the receipt of LDP payments as corn prices decreased at harvest. Government payments were \$33,294 in 2004, \$31,195 in 2003, \$19,375 in

2002, and \$40,227 in 2001. As a percent of gross income, they were 11% in 2005 compared to 7% in 2004, 7% in 2003, 5% in 2002, and 11% in 2001.

Figure 2. Distribution of Net Farm Income



Average total cash expenses were \$395,564 in 2005. This was an increase of 3% from the 2004 average. As a percentage of total expenses, seed, fertilizer, and crop chemicals, feed, depreciation and land rent were the largest expense items (Figures 5 and 6). Fuel and oil expense accounted for 4% of total expenses, up from 3% in 2004.

Average rate of return on assets (ROA) was 8% in 2005 with assets valued at adjusted cost basis, unchanged 2004 (Figure 7). Rate of return on equity (ROE) averaged 9%, also unchanged from the previous year. The fact that ROE exceeded ROA indicates that debt capital earned more than its interest cost.

Average total equity (of the 31 sole proprietors) was \$947,270 at the end of 2005, an increase of \$77,069 during the year for these farms (assets valued at adjusted cost basis). Except for a slight decline in 1993, average equity has improved steadily since 1986 (Figure 8). The average debt to asset ratio decreased slightly, from 33% to 32%.

The average corn yield was 179 bushels per acre, surpassing the previous year's record yield of 169 bushels for association farms. Soybeans averaged 53 bushels per acre, up from 43 bushels in 2004 (Figure 9).

Results by Type of Farm

The 45 farms in the report were classified as a certain type (e.g., dairy) on the basis of having 70 percent or more of their gross sales from that category. Using this criteria, there were 18 crop farms and 12 dairy farms. There were 6 farms which did not have a single source (or pair of sources) of income over 70%. The results for other types of farm are not reported because the required minimum of 5 farms in a reported group was not met.

Dairy farms earned strong profits in 2005 with average net farm income of \$176,112, up from \$158,170 in 2004 (Figure 10). Specialized crop farms earned profits averaging \$105,432, down from \$139,016 in 2004.

Dairy farms average rate of return on assets (ROA) was unchanged from the previous year at 11%, (Figure 11). Crop farms averaged 8%, down from 10%. (Assets are valued at adjusted cost basis for ROA calculations.)

Dairy farms had an average debt-to-asset ratio of 22% at the end of 2005 (assets valued at market); crop farms averaged 34% in debt (Figure 12).

The full 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 year, county, type of farm, farm size, and age of operator.

Fig. 3 SE 2004 Income Sources

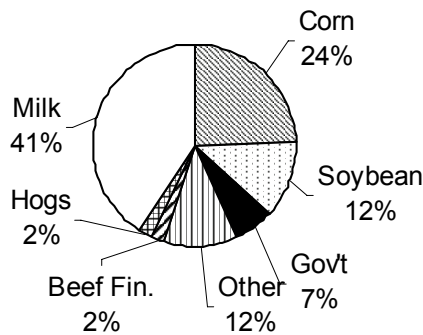


Fig. 4 SE 2005 Income Sources

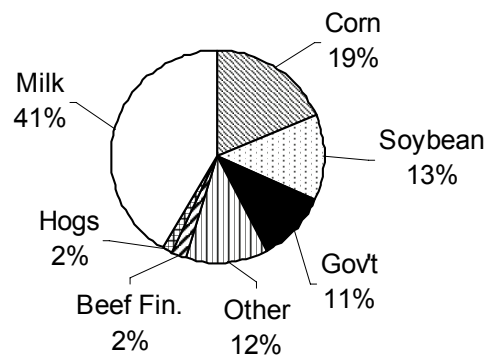


Fig 5. SE 2004 Expense Sources

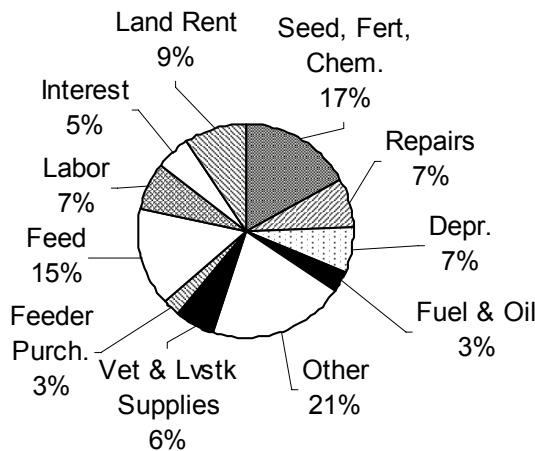


Fig. 6. SE 2005 Expense Sources

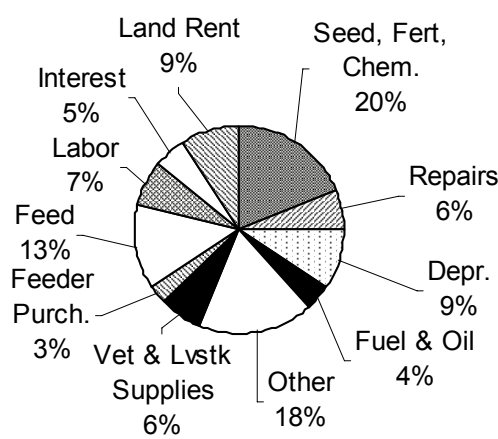


Figure 7. SE Rates of Return on Assets (ROA) and Equity (ROE)

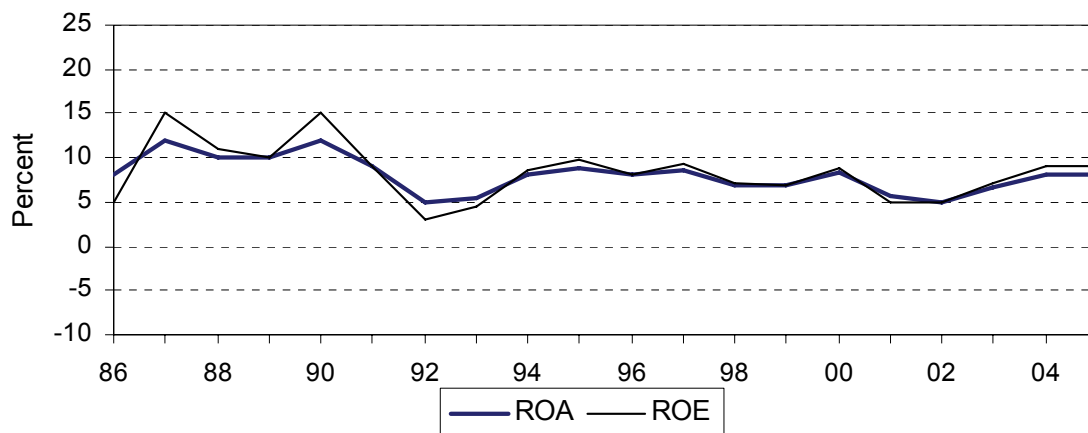


Figure 8. Ending Equity and Ending Debt-Asset Ratio

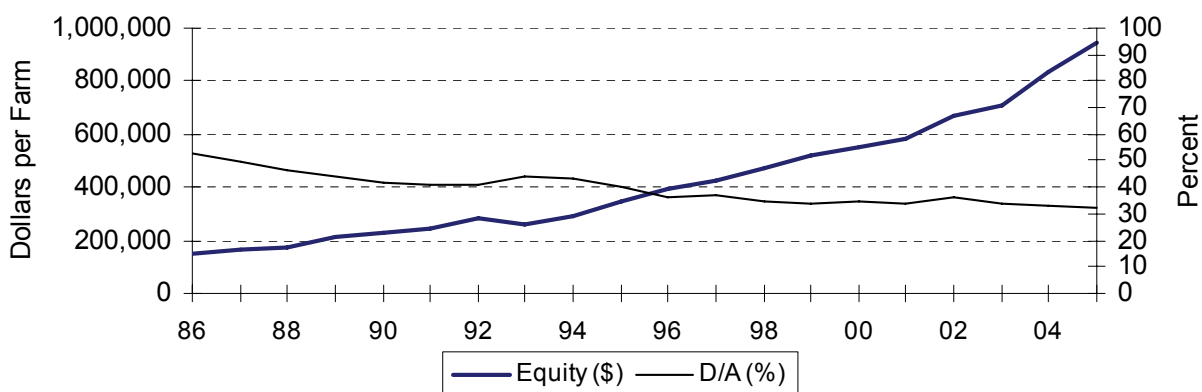


Figure 9. Average Corn & Soybean Yield

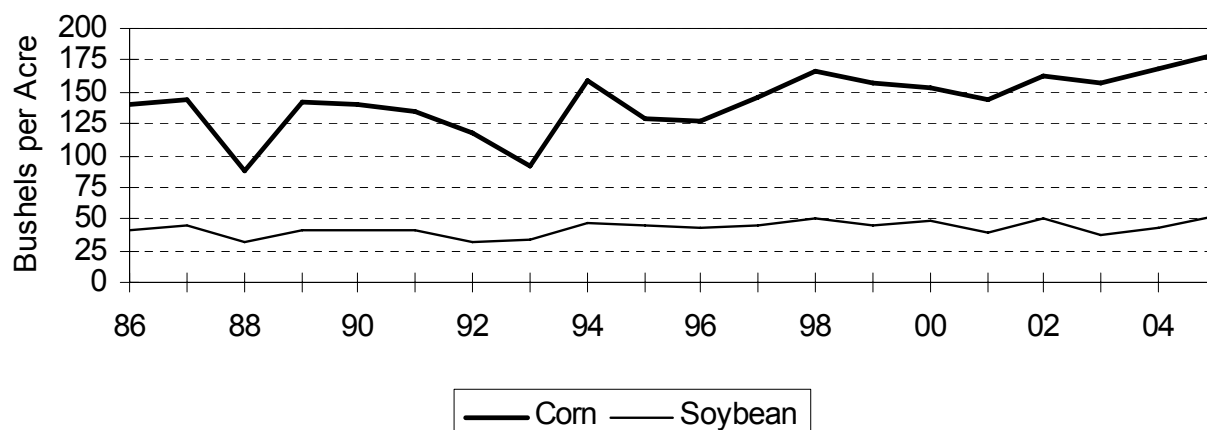


Figure 10. Net Farm Income by Type

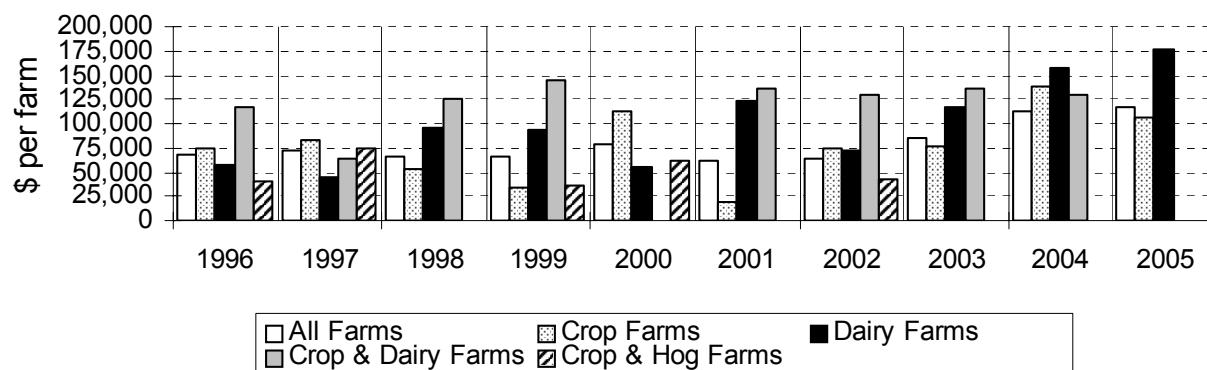


Figure 11. ROA by Type

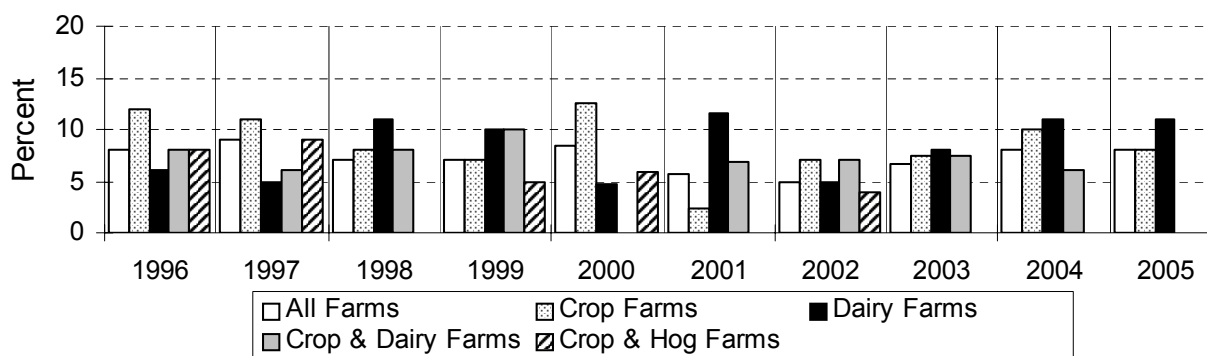
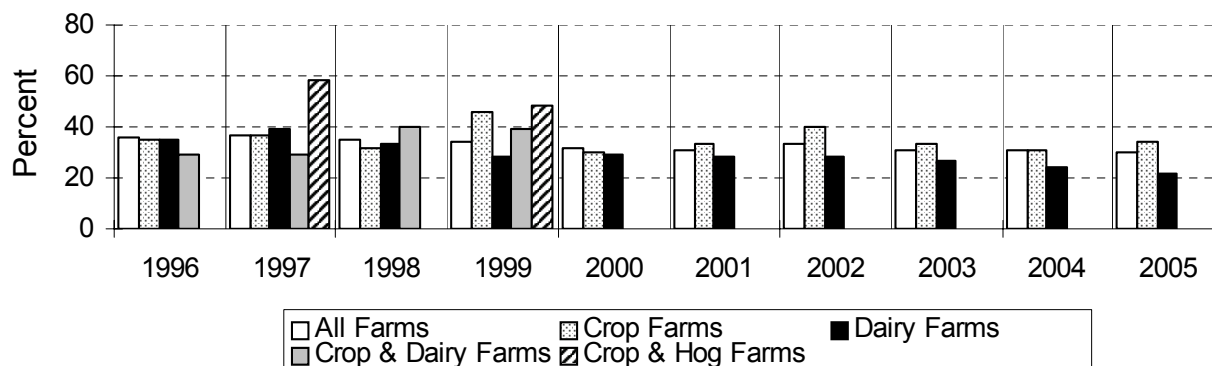


Figure 12. Debt-Asset Ratio by Type



2005 Annual Report of the Southeastern Minnesota Farm Business Management Association

by
Dale W. Nordquist and Lorin L. Westman¹

This report summarizes the individual farm records of the members of the Southeastern Minnesota Farm Business Management Association for 2005.

Whole-farm information and enterprise costs and returns are reported. The year-end analysis of the individual farms was performed by the Association fieldman using the FINPACK software from the Center for Farm Financial Management. The individual analyses were summarized at the Department of Applied Economics using RankEm Central. 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 four major groups: whole-farm information, crop enterprises, livestock enterprises, and summary information. The summary information includes whole farm historical trends and information by county, farm size, type of farm, debt to asset ratio, and operator age.

Of the 77 farms in the Southeastern Association, the data for 45 farms are included in this report. The rest were omitted because the records were incomplete at the time that this report was prepared.

Consistent with statewide trends, fewer and fewer Association farms have livestock. In order to provide more complete information, the livestock enterprise reports include farms from both the Southeastern and Southwestern Associations.

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 the majority of association and summary analysis expenses.

¹ Nordquist is Extension Economist—Center For Farm Financial Management, University of Minnesota, Twin Cities; Westman is fieldman for the Association; Rann Loppnow, Software Developer, Center For Farm Financial Management, was the programmer for RankEm Central (the analysis package used to prepare this report).

Southeastern Minnesota Farm Business Management Association

Distribution Of Membership -- 2005

County	Number of Members	Number of Records Submitted	Association Directors
<hr/>			
Dakota	7	5	Randy Sorg
Dodge	2	3	Gary Henslin
Mower	1	1	
Steele	2	1	
Faribault	1	1	Mike Krenik
Freeborn	1	1	
LeSueur	1	1	
Nicollet	1	1	
Waseca	1	0	
Goodhue	16	10	Dave Betcher
Houston	6	2	Eugene Marxhausen
Winona	11	3	
Olmsted	12	8	Don Swenson
Fillmore	1	0	
Rice	3	1	Charlene Duban
Scott	4	4	
Wabasha	<u>7</u>	<u>3</u>	Jack Welti
TOTAL	77	45	

Gary Henslin, President
Robert Lamprecht, Secretary-Treasurer

Southeastern Minnesota Farm Business Management Association

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Whole-Farm Reports

The whole-farm reports summarize the financial performance of member farms in 2005. Each table (except for the balance sheets) includes the average of the 45 farms included in the report and the average 20 percent of the farms with the lowest and highest profits (base on Net Farm Income). The Balance Sheets include 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. Appendix I provides detail on how the whole-farm measures are calculated. Below is a short summary of the whole farm reports.

Farm Income Statement

The Income Statement calculates the accrual Net Farm Income generated by the average farm for year 2005. Net Farm Income represents the return to the operator's and family's unpaid labor, management, and equity capital (net worth). It is the amount the farm contributed to owner family living, income taxes, and net worth growth. However, it does not include any asset appreciation, debt forgiveness or asset repossessions. The *Inventory Changes* and *Depreciation and Other Capital Adjustments* tables provide further detail on the non-cash adjustments made to calculate the accrual Net Farm Income.

Profitability Measures

The profitability measures are calculated based on both the cost value of assets and the market value. When calculated based on the market value of assets, the profitability measures can be compared to interest rates and returns available on alternative investments. When based on cost values, the returns more closely estimate the actual returns from the actual investment. (Cost values do not reflect the tax basis of farm assets. Instead, a method of calculating depreciation is used that estimates economic depreciation over the useful life of the assets).

The *Rate of Return on Assets* (ROA) can be thought of as the interest rate earned by all investment in farm assets. *Rate of Return on Equity* (ROE) is the rate earned on the operator's equity or net worth in the farm business. If ROE is higher than ROA, borrowed funds more than paid for their cost in interest expense. *Operating Profit Margin* measures efficiency in farm operations. The higher the margin, the more of the farm income remained in pockets of the farm operator. *Asset Turnover Rate* measures efficiency in use of capital. Again, the higher the better. Farms with high investment in fixed assets will generally have a lower turnover rate than those who lease a major share of their capital.

Liquidity Measures

Liquidity reflects the ability of the farm family to meet cash obligations including family living withdrawals, income taxes, and debt repayment. Liquidity measures are calculated on both a cash and accrual basis. The cash measures reflect how cash actually flowed through the operations during the year. The accrual measures, which adjust for changes in crop, livestock, and other inventories, more accurately reflect the income generation capacity of the businesses.

Years to Turnover Intermediate Debt reflects the ability of the business to repay short and intermediate term liabilities. Because intermediate term debt is usually scheduled for repayment over a three to seven year term, this measure is a simple way to reflect debt repayment capacity. *Expense as a Percent of Income* reflects the portion of gross income that was used to pay operating expenses. It includes interest expense but not depreciation. *Interest as a Percent of Income* shows how much of gross income went solely to pay interest expenses.

Balance Sheets

Balance sheet reports are included for both the cost and market value of assets. In both tables, current assets are identical, with crop and livestock inventories generally valued at market value. This conforms to the methodology recommended by the Farm Financial Standard Council. Intermediate and long term assets are shown at depreciated value using estimated economic depreciation, not tax, on the cost-based table. On the market table, they are valued at estimated market value.

Liabilities are the same on the cost and market tables except for the inclusion of *Deferred Liabilities* on the market statements. Deferred liabilities are the estimated taxes that would be paid if assets were liquidated at their market values.

Net Worth Change on the cost value table is the amount of earned net worth growth or loss for the year. Net worth change on the market value table includes both earned growth and changes in the market valuation of capital assets.

Statement of Cash Flows

The Statement of Cash Flows displays the sources and uses of cash for the year. *Cash From Operating Activities* includes sources and uses of cash related to normal farm operations. In the case of sole proprietors and partnerships, it also usually includes nonfarm income and expenses activities. *Cash From Investing Activities* reflect cash used to buy and sell capital assets. *Cash From Financing Activities* includes sources and uses of borrowed funds.

Financial Standards Measures

The Farm Financial Standards Council recommends that farms use these sixteen measures as standard measures of farm financial performance. They are sometimes called the *Sweet 16*. Many are repeated from the Profitability, Liquidity, and Balance Sheet tables. For a complete description, see the Financial Guidelines for Agricultural Producers at www.ffsc.org/html/guidelin.htm.

Crop Production and Marketing

This table reports farm size in acres farmed, average crop yields for major commodities, and average crop sales prices for the calendar year. Yields and prices are reported for the average of all farms for more commodities than those included in the High and Low columns because a minimum of five farms are required to report the yield or price for any group.

Household and Personal Expenses

This table reports family living and other non-farm expenditures. Only sole proprietors who keep detailed family living records are included.

Operator and Labor Information

All previous tables report results per farm, regardless of the number of families or operators involved in the operation. This report repeats several measures from previous tables on a *Per Operator* basis. It also summarizes estimated labor hours used and labor performance.

Nonfarm Summary

This table summarizes nonfarm earnings for the average farm and details nonfarm assets and liabilities.

Farm Income Statement
Southeast Minnesota Farm Business Management Association
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	45	9	9
Cash Farm Income			
Corn	95,629	36,327	226,672
Corn Silage	196	978	-
Hay, Alfalfa	2,226	370	3,552
Oats	557	-	1,948
Pasture	22	-	110
Peas	1,223	-	3,885
Soybeans	67,270	19,902	162,880
Sweet Corn	166	-	-
Wheat, Spring	425	-	2,124
Miscellaneous crop income	1,804	62	504
Beef, Finish Beef Calves	10,853	2,743	3,988
Dairy, Milk	213,231	30,622	706,367
Dairy, Dairy Calves	2,463	-	6,745
Dairy Replacement Heifers	8,974	1,321	9,502
Dairy Steers	8,281	5,231	28,095
Hogs, Farrow-Fin, Raised Hogs	5,520	8,815	-
Hogs, Finish Feeder Pigs	3,528	-	-
Cull breeding livestock	13,743	3,347	24,472
Misc. livestock income	49	-	-
LDP payments	25,788	7,766	60,235
Direct & CC govt payments	29,403	10,688	72,200
CRP payments	559	95	9
Custom work income	6,926	169	13,577
Patronage dividends, cash	4,980	661	6,801
Insurance income	3,967	1,957	3,948
Cash from hedging accts	1,034	-	556
Other farm income	7,466	2,956	5,878
Gross Cash Farm Income	516,282	134,011	1,344,045

Farm Income Statement (Continued)
Southeast Minnesota Farm Business Management Association
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	45	9	9
Cash Farm Expense			
Seed	28,408	9,954	62,124
Fertilizer	35,178	11,091	83,673
Crop chemicals	17,995	8,690	39,638
Crop insurance	4,063	1,536	9,464
Drying fuel	7,042	3,143	14,768
Irrigation energy	131	-	421
CCC buyback	1,575	-	50
Crop marketing	1,720	823	5,407
Crop miscellaneous	1,110	750	710
Feeder livestock purchase	12,329	1,049	11,024
Purchased feed	57,327	16,048	183,229
Breeding fees	5,380	846	12,948
Veterinary	8,981	2,021	27,225
Supplies	19,030	6,043	63,908
DHIA	851	310	2,099
Contract production exp.	224	-	1,120
Livestock leases	328	-	-
Livestock marketing	1,273	994	1,377
Interest	21,634	18,714	49,008
Fuel & oil	16,986	7,190	37,626
Repairs	27,443	13,236	51,504
Custom hire	25,441	7,132	84,310
Hired labor	30,931	845	110,178
Land rent	39,696	9,195	100,600
Machinery & bldg leases	2,805	-	11,493
Real estate taxes	7,516	4,114	15,518
Farm insurance	6,101	2,786	13,141
Utilities	7,080	3,112	16,937
Hedging account deposits	1,942	-	6,949
Miscellaneous	5,045	2,571	8,349
Total cash expense	395,564	132,196	1,024,797
Net cash farm income	120,718	1,816	319,248
Inventory Changes			
Crops and feed	24,815	-2,607	80,620
Market livestock	7,160	732	14,955
Accounts receivable	-3,520	-941	-4,905
Prepaid expenses and supplies	11,089	316	39,014
Accounts payable	-2,866	-249	-10,916
Total inventory change	36,679	-2,748	118,767
Net operating profit	157,397	-932	438,015
Depreciation and Other Capital Adjustments			
Breeding livestock	-6,256	-3,483	-6,630
Machinery and equipment	-28,445	-9,243	-68,800
Buildings and improvements	-6,354	-902	-20,699
Other farm capital	346	123	556
Total depr. and other capital adj	-40,709	-13,505	-95,573
Net farm income	116,688	-14,437	342,442

Inventory Changes
Southeast Minnesota Farm Business Management Association
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	45	9	9
Net cash farm income	120,718	1,816	319,248
Crops and Feed			
Ending inventory	197,816	74,579	541,768
Beginning inventory	173,001	77,186	461,148
Inventory change	24,815	-2,607	80,620
Market Livestock			
Ending inventory	60,955	24,158	128,432
Beginning inventory	53,796	23,426	113,477
Inventory change	7,160	732	14,955
Accts Receivable & Other Current Assets			
Ending inventory	3,858	444	4,988
Beginning inventory	7,377	1,385	9,894
Inventory change	-3,520	-941	-4,905
Prepaid Expenses and Supplies			
Ending inventory	48,086	4,580	143,485
Beginning inventory	36,997	4,264	104,471
Inventory change	11,089	316	39,014
Accounts Payable & Accrued Expenses			
Beginning inventory	7,090	5,439	19,668
Ending inventory	9,956	5,687	30,585
Inventory change	-2,866	-249	-10,916
Total inventory change	36,679	-2,748	118,767
Net operating profit	157,397	-932	438,015

Depreciation and Other Capital Adjustments
Southeast Minnesota Farm Business Management Association
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	45	9	9
Net operating profit	157,397	-932	438,015
Breeding Livestock			
Ending inventory	73,591	17,837	224,811
Capital sales	780	-	-
Beginning inventory	71,247	14,570	208,833
Capital purchases	9,380	6,750	22,608
Depreciation, capital adjust.	-6,256	-3,483	-6,630
Machinery and Equipment			
Ending inventory	265,719	115,153	594,123
Capital sales	898	92	598
Beginning inventory	250,024	109,804	537,114
Capital purchases	45,037	14,684	126,406
Depreciation, capital adjust.	-28,445	-9,243	-68,800
Buildings and Improvements			
Ending inventory	129,113	44,605	346,217
Capital sales	-	-	-
Beginning inventory	127,738	45,445	356,838
Capital purchases	7,729	62	10,078
Depreciation, capital adjust.	-6,354	-902	-20,699
Other Capital Assets			
Ending inventory	19,411	3,781	66,502
Capital sales	-	-	-
Beginning inventory	9,165	3,657	16,446
Capital purchases	9,900	-	49,500
Depreciation, capital adjust.	346	123	556
Total depreciation, capital adj.	-40,709	-13,505	-95,573
Net farm income	116,688	-14,437	342,442

Profitability Measures
Southeast Minnesota Farm Business Management Association
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	45	9	9
Profitability (assets valued at cost)			
Net farm income	116,688	-14,437	342,442
Labor and management earnings	63,204	-31,157	204,998
Rate of return on assets	7.5 %	-3.5 %	9.8 %
Rate of return on equity	8.5 %	-15.7 %	11.7 %
Operating profit margin	20.7 %	-16.7 %	25.9 %
Asset turnover rate	36.4 %	21.0 %	38.0 %
Interest on farm net worth	53,484	16,720	137,443
Farm interest expense	22,140	19,384	50,121
Value of operator lbr and mgmt.	41,871	23,400	73,556
Return on farm assets	96,957	-18,453	319,007
Average farm assets	1,286,801	525,892	3,246,239
Return on farm equity	74,817	-37,837	268,886
Average farm equity	883,764	240,477	2,290,724
Value of farm production	468,826	110,615	1,233,831
	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	45	9	9
Profitability (assets valued at market)			
Net farm income	151,296	13,875	421,912
Labor and management earnings	74,168	-21,854	244,503
Rate of return on assets	7.1 %	1.0 %	9.3 %
Rate of return on equity	8.5 %	-1.6 %	11.8 %
Operating profit margin	28.1 %	8.9 %	32.3 %
Asset turnover rate	25.1 %	10.8 %	28.8 %
Interest on farm net worth	77,128	35,729	177,410
Farm interest expense	22,140	19,384	50,121
Value of operator lbr and mgmt.	41,871	23,400	73,556
Return on farm assets	131,565	9,859	398,478
Average farm assets	1,864,718	1,028,397	4,291,260
Return on farm equity	109,425	-9,525	348,357
Average farm equity	1,285,466	595,477	2,956,829
Value of farm production	468,826	110,615	1,233,831

Liquidity Measures
Southeast Minnesota Farm Business Management Association
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	45	9	9
Liquidity (cash)			
Net cash farm income	120,718	1,816	319,248
Net nonfarm income	25,083	48,026	13,565
Family living and taxes	76,802	76,858	110,921
Principal due on long term debt	9,570	1,623	27,105
Cash available for interm. debt	59,429	-28,639	194,786
Average intermediate debt	123,429	87,265	337,601
Years to turnover interm. debt	2.1	**	1.7
Expense as a % of income	77 %	99 %	76 %
Interest as a % of income	4 %	14 %	4 %
Working capital to gross income	52 %	96 %	52 %
Liquidity (accrual)			
Total accrual farm income	544,737	131,196	1,434,714
Total accrual operating expense	387,340	132,128	996,700
Net accrual operating income	157,397	-932	438,015
Net nonfarm income	25,083	48,026	13,565
Family living and taxes	76,802	76,858	110,921
Principal due on long term debt	9,570	1,623	27,105
Available for intermediate debt	96,108	-31,387	313,554
Average intermediate debt	123,429	87,265	337,601
Years to turnover interm. debt	1.3	**	1.1
Expense as a % of income	71 %	101 %	69 %
Interest as a % of income	4 %	15 %	3 %
Working capital to gross income	50 %	98 %	49 %

** Income insufficient to meet debt servicing requirements

Balance Sheet at Cost Values
Southeast Minnesota Farm Business Management Association
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>		<u>Low20%</u>		<u>High 20%</u>	
Number of farms	31		6		6	
	<u>Beginning</u>	<u>Ending</u>	<u>Beginning</u>	<u>Ending</u>	<u>Beginning</u>	<u>Ending</u>
Assets						
Current Farm Assets						
Cash and checking balance	35,123	22,971	14,080	11,752	93,266	51,537
Prepaid expenses & supplies	36,767	48,795	2,115	285	104,302	149,377
Growing crops	0	0	0	0	0	0
Accounts receivable	8,331	2,722	0	0	12,128	3,623
Hedging accounts	1,826	2,580	0	0	2,713	3,859
Crops held for sale or feed	133,834	181,964	31,104	33,557	372,385	560,558
Crops under government loan	18,949	4,193	0	0	97,904	0
Market livestock held for sale	48,110	56,728	11,231	8,628	98,547	115,545
Other current assets	0	0	0	0	0	0
Total current farm assets	282,940	319,952	58,530	54,221	781,244	884,500
Intermediate Farm Assets						
Breeding livestock	52,617	51,715	2,333	1,867	123,400	132,617
Machinery and equipment	239,742	251,290	85,586	85,767	509,814	547,473
Titled vehicles	0	0	0	0	0	0
Other intermediate assets	3,831	16,750	0	0	15,958	82,708
Total intermediate farm assets	296,190	319,755	87,919	87,634	649,173	762,798
Long Term Farm Assets						
Farm land	352,164	377,399	74,972	74,972	772,163	886,826
Buildings and improvements	97,566	101,598	24,930	24,407	237,770	234,792
Other long-term assets	5,054	7,008	5,486	5,671	8,545	16,878
Total long-term farm assets	454,784	486,005	105,388	105,051	1,018,477	1,138,496
Total Farm Assets	1,033,915	1,125,712	251,837	246,906	2,448,893	2,785,794
Total Nonfarm Assets	250,305	265,171	228,843	227,615	345,006	346,514
Total Assets	1,284,220	1,390,883	480,680	474,521	2,793,899	3,132,308
Liabilities						
Current Farm Liabilities						
Accrued interest	2,685	3,575	0	1,000	10,010	11,603
Accounts payable	5,076	6,834	1,916	167	19,493	32,410
Current notes	54,334	54,555	12,667	14,575	65,974	77,100
Government crop loans	14,865	3,460	0	0	76,802	0
Principal due on term debt	19,157	12,699	5,514	2,000	49,047	28,861
Total current farm liabilities	96,117	81,123	20,097	17,741	221,326	149,974
Total intermediate farm liabs	96,625	124,609	55,114	54,382	308,987	434,888
Total long term farm liabilities	184,873	198,239	93,353	91,124	391,397	481,268
Total farm liabilities	377,615	403,971	168,565	163,246	921,710	1,066,130
Total nonfarm liabilities	36,403	39,641	28,642	31,823	10,940	10,000
Total liabilities	414,018	443,612	197,207	195,069	932,650	1,076,130
Net worth (farm and nonfarm)	870,202	947,270	283,473	279,452	1,861,248	2,056,178
Net worth change		77,069		-4,022		194,930
Ratio Analysis						
Current farm liabilities / assets	34 %	25 %	34 %	33 %	28 %	17 %
Curr. & interm farm liab. / assets	33 %	32 %	51 %	51 %	37 %	36 %
Long term farm liab. / assets	41 %	41 %	89 %	87 %	38 %	42 %
Total debt to asset ratio	32 %	32 %	41 %	41 %	33 %	34 %

Balance Sheet at Market Values
Southeast Minnesota Farm Business Management Association
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms		Low20%		High 20%	
Number of farms	31		6		6	
	<u>Beginning</u>	<u>Ending</u>	<u>Beginning</u>	<u>Ending</u>	<u>Beginning</u>	<u>Ending</u>
Assets						
Current Farm Assets						
Cash and checking balance	35,123	22,971	14,080	11,752	93,266	51,537
Prepaid expenses & supplies	36,767	48,795	2,115	285	104,302	149,377
Growing crops	0	0	0	0	0	0
Accounts receivable	8,331	2,722	0	0	12,128	3,623
Hedging accounts	1,826	2,580	0	0	2,713	3,859
Crops held for sale or feed	133,834	181,964	31,104	33,557	372,385	560,558
Crops under government loan	18,949	4,193	0	0	97,904	0
Market livestock held for sale	48,110	56,728	11,231	8,628	98,547	115,545
Other current assets	0	0	0	0	0	0
Total current farm assets	282,940	319,952	58,530	54,221	781,244	884,500
Intermediate Farm Assets						
Breeding livestock	52,617	51,715	2,333	1,867	123,400	132,617
Machinery and equipment	298,443	311,940	115,167	116,167	637,333	675,444
Titled vehicles	0	0	0	0	0	0
Other intermediate assets	6,427	19,347	0	0	16,042	82,792
Total intermediate farm assets	357,488	383,002	117,500	118,033	776,775	890,852
Long Term Farm Assets						
Farmland	705,946	754,830	394,928	413,678	1,392,145	1,552,725
Buildings and improvements	131,800	137,983	39,000	38,917	324,467	328,717
Other long-term assets	5,638	9,826	9,336	9,855	8,545	16,878
Total long-term farm assets	843,385	902,638	443,264	462,449	1,725,156	1,898,320
Total Farm Assets	1,483,813	1,605,591	619,294	634,703	3,283,175	3,673,672
Total Nonfarm Assets	274,088	288,203	275,217	272,220	368,648	368,113
Total Assets	1,757,901	1,893,794	894,510	906,923	3,651,823	4,041,785
Liabilities						
Current Farm Liabilities						
Accrued interest	2,685	3,575	0	1,000	10,010	11,603
Accounts payable	5,076	6,834	1,916	167	19,493	32,410
Current notes	54,334	54,555	12,667	14,575	65,974	77,100
Government crop loans	14,865	3,460	0	0	76,802	0
Principal due on term debt	19,157	12,699	5,514	2,000	49,047	28,861
Total current farm liabilities	96,117	81,123	20,097	17,741	221,326	149,974
Total intermediate farm liabs	96,625	124,609	55,114	54,382	308,987	434,888
Total long term farm liabilities	184,873	198,239	93,353	91,124	391,397	481,268
Total farm liabilities	377,615	403,971	168,565	163,246	921,710	1,066,130
Total nonfarm liabilities	36,403	39,641	28,642	31,823	10,940	10,000
Total liabs excluding deferreds	414,018	443,612	197,207	195,069	932,650	1,076,130
Total deferred liabilities	126,610	127,034	85,890	85,890	248,698	250,386
Total liabilities	540,628	570,646	283,097	280,959	1,181,348	1,326,516
Retained earnings	870,202	947,270	283,473	279,452	1,861,248	2,056,178
Market valuation equity	347,071	375,878	327,940	346,512	609,227	659,091
Net worth (farm and nonfarm)	1,217,273	1,323,148	611,413	625,964	2,470,475	2,715,269
Net worth excluding deferreds	1,343,883	1,450,182	697,303	711,854	2,719,173	2,965,655
Net worth change		105,875		14,551		244,794
Ratio Analysis						
Current farm liabilities / assets	34 %	25 %	34 %	33 %	28 %	17 %
Curr. & interm farm liab. / assets	30 %	29 %	43 %	42 %	34 %	33 %
Long term farm liab. / assets	22 %	22 %	21 %	20 %	23 %	25 %
Total debt to asset ratio	31 %	30 %	32 %	31 %	32 %	33 %
Debt to assets excl deferreds	24 %	23 %	22 %	22 %	26 %	27 %

Statement Of Cash Flows
Southeast Minnesota Farm Business Management Association
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	45	9	9
Beginning cash (farm & nonfarm)	53,156	108,495	67,373
Cash From Operating Activities			
Gross cash farm income	516,282	134,011	1,344,045
Net nonfarm income	25,083	48,026	13,565
Total cash farm expense	-395,564	-132,196	-1,024,797
Apparent family living expense	-68,362	-60,449	-103,217
Income and social security tax	-8,441	-16,409	-7,705
Cash from operations	68,998	-27,017	221,892
Cash From Investing Activities			
Sale of breeding livestock	780	-	-
Sale of machinery & equipment	898	92	598
Sale of titled vehicles	-	-	-
Sale of farm land	7,346	-	-
Sale of farm buildings	-	-	-
Sale of other farm assets	-	-	-
Sale of nonfarm assets	1,339	1,383	5,313
Purchase of breeding livestock	-9,380	-6,750	-22,608
Purchase of machinery & equip.	-45,037	-14,684	-126,406
Purchase of titled vehicles	-	-	-
Purchase of farm land	-70,343	-	-257,127
Purchase of farm buildings	-7,729	-62	-10,078
Purchase of other farm assets	-9,900	-	-49,500
Purchase of nonfarm assets	-8,688	-5,244	-9,183
Cash from investing activities	-140,715	-25,265	-468,993
Cash From Financing Activities			
Money borrowed	186,701	60,312	504,976
Cash gifts and inheritances	3,427	16	3,960
Principal payments	-124,571	-48,310	-248,581
Dividends paid	-	-	-
Gifts given	-1,333	-	-6,667
Cash from financing activities	64,223	12,018	253,688
Net change in cash balance	-7,494	-40,264	6,587
Ending cash (farm & nonfarm)	45,662	68,232	73,960

Financial Standards Measures
Southeast Minnesota Farm Business Management Association
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	45	9	9
Liquidity			
Current ratio	4.20	4.17	4.75
Working capital	270,760	128,378	704,767
Solvency (market)			
Farm debt to asset ratio	31 %	43 %	32 %
Farm equity to asset ratio	69 %	57 %	68 %
Farm debt to equity ratio	46 %	75 %	47 %
Profitability (cost)			
Rate of return on farm assets	7.5 %	-3.5 %	9.8 %
Rate of return on farm equity	8.5 %	-15.7 %	11.7 %
Operating profit margin	20.7 %	-16.7 %	25.9 %
Net farm income	116,688	-14,437	342,442
Repayment Capacity			
Term debt coverage ratio	330 %	-86 %	474 %
Capital replacement margin	70,471	-29,743	248,699
Efficiency			
Asset turnover rate (cost)	36.4 %	21.0 %	38.0 %
Operating expense ratio	67.0 %	85.9 %	66.0 %
Depreciation expense ratio	7.5 %	10.3 %	6.7 %
Interest expense ratio	4.1 %	14.8 %	3.5 %
Net farm income ratio	21.4 %	-11.0 %	23.9 %

Crop Production and Marketing Summary
Southeast Minnesota Farm Business Management Association
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	45	9	9
Acreage Summary			
Total acres owned	420	282	831
Total crop acres	722	309	1,592
Crop acres owned	386	208	870
Crop acres cash rented	331	98	722
Crop acres share rented	5	3	-
Total pasture acres	8	9	1
Average Price Received (Cash Sales Only)			
Corn per bushel	2.07	1.74	2.17
Soybeans per bushel	6.17	5.96	6.62
Hay, Alfalfa per ton	79.69	-	-
Average Yield Per Acre			
Corn (bushel)	178.62	167.39	182.47
Soybeans (bushel)	53.31	48.14	55.99
Hay, Alfalfa (ton)	4.60	3.82	5.23
Corn Silage (ton)	20.69	-	21.37
Oats (bushel)	77.01	-	-
Peas (lb)	3,867.00	-	-

Household and Personal Expenses
Southeast Minnesota Farm Business Management Association
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>
Number of farms	10
Average family size	2.9
Family Living Expenses	
Food and meals expense	7,621
Medical care	4,735
Health insurance	6,844
Cash donations	3,218
Household supplies	4,673
Clothing	1,564
Personal care	1,212
Child / Dependent care	725
Alimony and Child support	-
Gifts	4,584
Education	3,125
Recreation	6,264
Utilities (household share)	2,347
Nonfarm vehicle operating expense	3,416
Household real estate taxes	553
Dwelling rent	-
Household repairs	2,583
Nonfarm interest	384
Disability / Long term care insuran	92
Life insurance payments	669
Nonfarm property insurance	-
Miscellaneous	1,419
Total cash family living expense	56,027
Family living from the farm	52
Total family living	56,078
Other Nonfarm Expenditures	
Income taxes	12,605
Furnishing & appliance purchases	-
Nonfarm vehicle purchases	-
Nonfarm real estate purchases	1,315
Other nonfarm capital purchases	3,362
Nonfarm savings & investments	2,696
Total other nonfarm expenditures	19,978
Total cash family living investment & nonfarm capital purch	76,005

Operator and Labor Information
Southeast Minnesota Farm Business Management Association
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	45	9	9
Operator Information			
Average number of operators	1.3	1.3	1.4
Average age of operators	54.4	60.3	53.7
Average number of years farming	31.6	36.6	35.1
Results Per Operator			
Working capital	210,073	96,283	487,916
Total assets (market)	1,702,110	923,521	3,372,350
Total liabilities	498,682	344,400	1,021,578
Net worth (market)	1,203,428	579,121	2,350,772
Net worth excl deferred liabs	1,340,260	689,750	2,613,489
Gross farm income	422,641	98,397	993,264
Total farm expense	332,107	109,225	756,189
Net farm income	90,534	-10,828	237,075
Net nonfarm income	19,461	36,020	9,391
Family living & tax withdrawals	59,588	57,644	76,792
Total acres owned	325.6	211.5	575.0
Total crop acres	560.3	232.0	1,101.9
Crop acres owned	299.6	155.9	602.3
Crop acres cash rented	256.9	73.7	499.6
Crop acres share rented	3.7	2.4	-
Total pasture acres	6.4	6.7	0.6
Labor Analysis			
Number of farms	45	9	9
Total unpaid labor hours	3,486	2,578	5,517
Total hired labor hours	2,240	202	7,504
Total labor hours per farm	5,726	2,779	13,020
Unpaid hours per operator	2,705	1,933	3,819
Value of farm production / hour	81.88	39.80	94.76
Net farm income / unpaid hour	33.47	-5.60	62.07
Average hourly hired labor wage	13.43	2.92	13.90
Partnerships & LLCs			
Number of farms	12	3	3
Number of operators	2.0	-	-
Owner withdrawals per farm	-	-	-
Withdrawals per operator	-	-	-

Nonfarm Summary
Southeast Minnesota Farm Business Management Association
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	45	9	9
Nonfarm Income			
Nonfarm wages & salary	18,789	41,466	4,572
Net nonfarm business income	201	-	237
Nonfarm rental income	3,014	327	2,880
Nonfarm interest income	1,317	2,902	2,391
Nonfarm cash dividends	3	15	-
Tax refunds	537	1,401	725
Other nonfarm income	1,221	1,916	2,761
Total nonfarm income	25,083	48,026	13,565
Gifts and inheritances	3,427	16	3,960
Nonfarm Assets (market)			
Checking & savings	3,343	3,112	105
Stocks & bonds	18,616	22,619	12,550
Other current assets	17,775	4,111	58,565
Furniture & appliances	7,022	20,222	4,867
Nonfarm vehicles	7,522	12,144	5,056
Cash value of life ins.	13,925	11,188	12,715
Retirement accounts	45,880	38,410	49,096
Other intermediate assets	20,381	3,036	51,426
Nonfarm real estate	77,731	65,222	36,434
Other long term assets	33,417	26,366	55,940
Total nonfarm assets	245,612	206,432	286,753
Nonfarm Liabilities			
Accrued interest	74	-	364
Accounts payable	-	-	-
Current notes	1,122	-	-
Princ due on term debt	219	-	-
Total current liabilities	1,415	-	364
Intermediate liabilities	1,150	3,485	-
Long term liabilities	26,954	17,730	6,303
Total nonfarm liabilities	29,519	21,215	6,667
Nonfarm net worth	216,093	185,217	280,087
Nonfarm debt to asset ratio	12 %	10 %	2 %

Crop Reports

The Crop Enterprise Analysis tables show the average physical production, gross return, direct costs, overhead costs, and net returns per acre. There are potentially three tables for each crop depending on the farmer's tenure on the land: owned land, cash rented land, and share rented land. Farms are classified into low 20% or high 20% on the basis of net return per acre. The classification is done separately for each table.

Gross Return Per Acre includes the value of the crop produced plus any other income directly associated with production of the crop, including LDP payments, crop insurance proceeds and any disaster payments that might have been received. It does not include direct and counter-cyclical government payments (see Net Return With Government Payments).

The *Value Per Unit* is assigned by the producer. For cash crops, the value is based on the actual sales price for production sold or contracted before year-end and the inventory value for crops still in inventory at year-end. The local harvest-time price is used for forages and other feed crops.

Net Return Per Acre is the amount contributed toward operator labor, management, and equity capital. Any wages and benefits paid to the operator are removed from labor costs (and added to *Labor and Management Charge*) so that all farms are on equal footing. Land costs include land rent on the rented land pages but only actual interest paid and real estate taxes on owned land. For this reason, net returns from owned and rented land should not be compared.

Net Return With Government Payments is the net return per acre after decoupled government payments such as direct and counter-cyclical government payments have been added. These payments are generally allocated evenly per acre across all crops except vegetables and pasture.

Net Return Over Labor and Management is the return, including government payments, remaining after compensating the operator for unpaid labor and management. This is the per acre return to equity capital.

Cost of Production shows the average cost per unit produced in each cost category. *Total Direct and Overhead Expense per Unit* is the breakeven price needed to cover cash costs and depreciation. *Less Government and Other Income* is the breakeven price if government payments and any miscellaneous income are used to offset some expenses. *With Labor and Management* is the breakeven price to provide a labor and management return for the operator(s).

Machinery Cost Per Acre includes fuel and oil, repairs, custom hire, machinery lease payments, machinery depreciation, and interest on intermediate debt.

Crop Enterprise Analysis
Southeast Minnesota Farm Business Management Association
(Farms Sorted By Net Return)

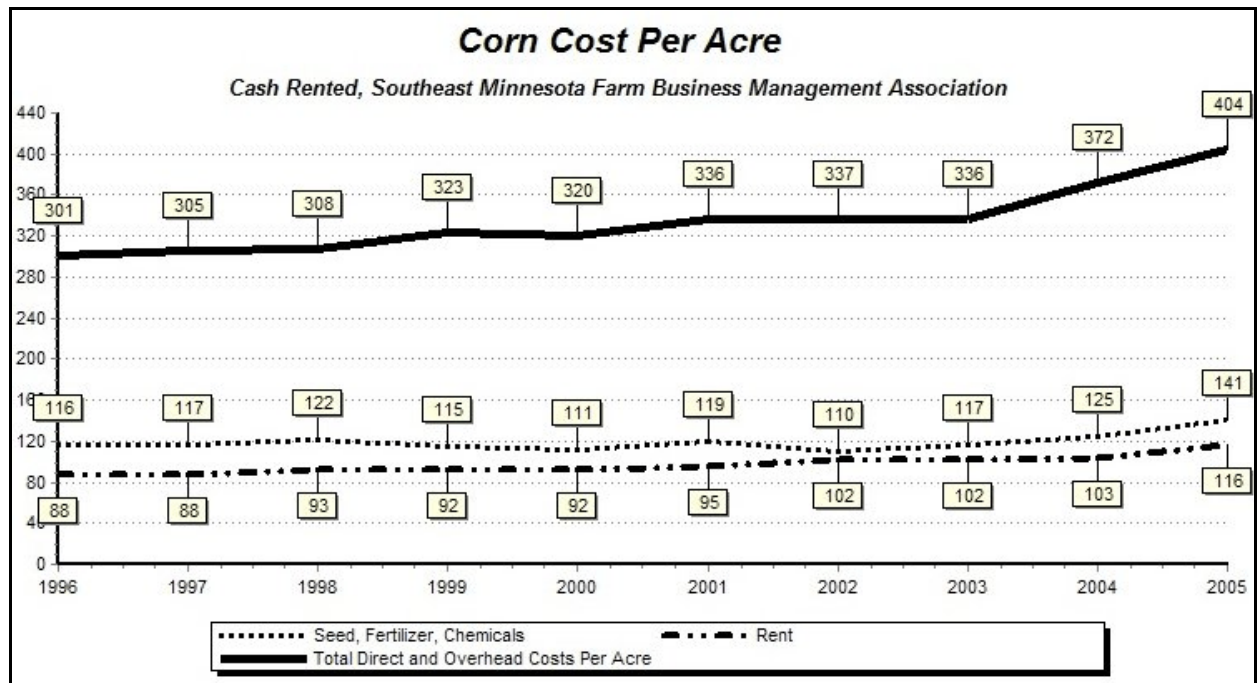
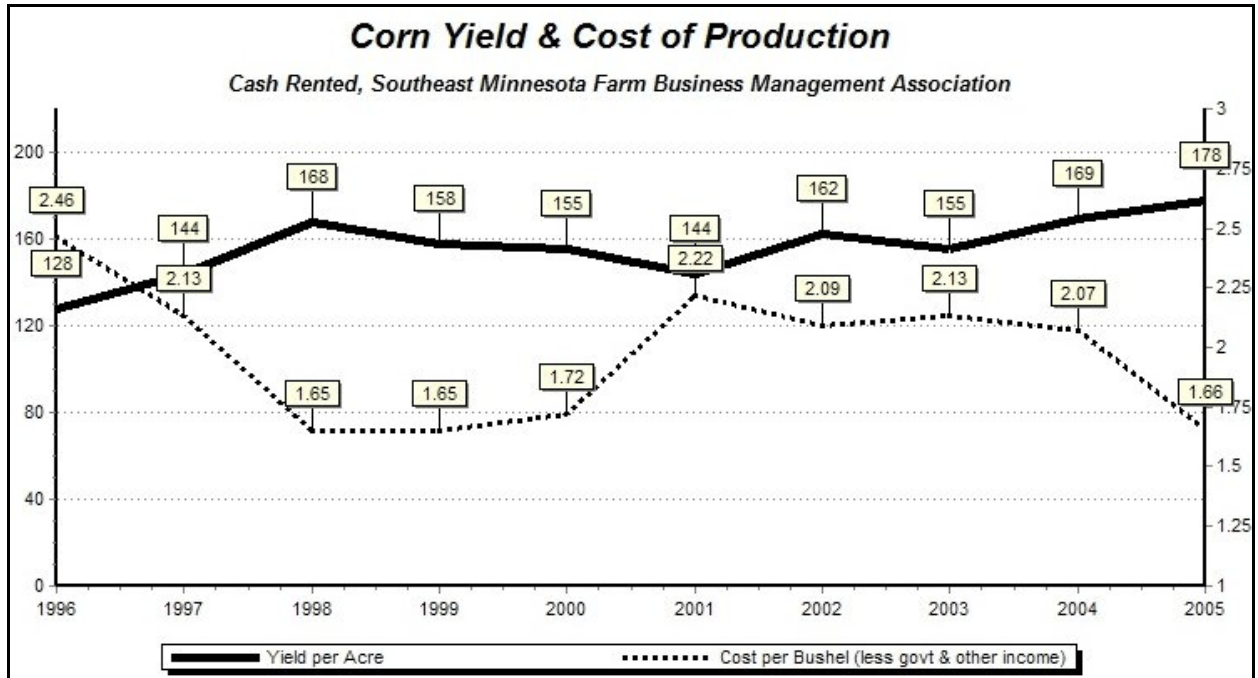
Corn on Owned Land

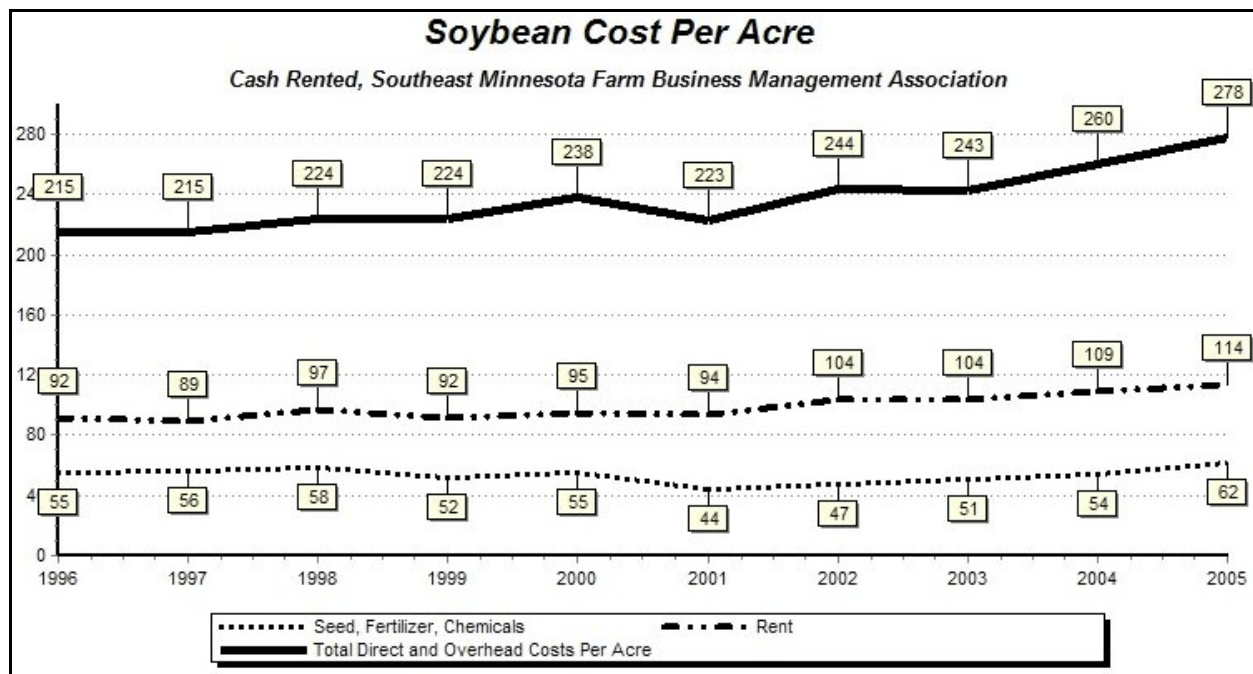
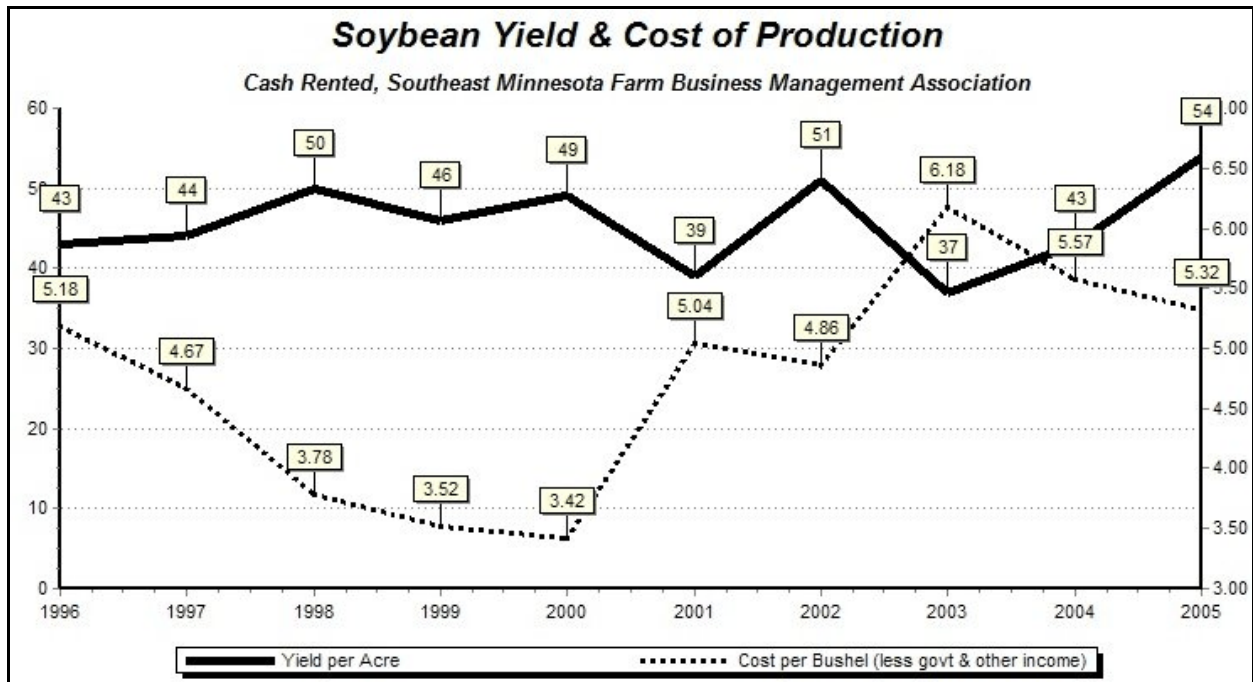
	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of fields	36	7	7
Number of farms	35	7	7
Acres	194.97	110.00	288.89
Yield per acre (bu.)	180.22	154.72	190.98
Operators share of yield %	100.00	100.00	100.00
Value per bu.	1.90	1.84	1.88
Total product return per acre	343.02	285.01	358.40
Miscellaneous income per acre	71.16	53.81	91.24
Gross return per acre	414.18	338.82	449.65
Direct Expenses			
Seed	46.42	52.36	44.13
Fertilizer	66.66	58.87	60.78
Crop chemicals	32.62	51.63	24.22
Crop insurance	4.99	5.00	2.36
Drying fuel	14.85	25.27	12.07
Fuel & oil	19.01	24.85	18.31
Repairs	25.46	39.51	17.26
Custom hire	18.23	11.74	6.92
Utilities	0.36	-	1.27
Marketing	0.22	1.71	0.12
Operating interest	3.49	5.62	2.76
Miscellaneous	0.57	0.19	0.46
Total direct expenses per acre	232.90	276.75	190.67
Return over direct exp per acre	181.28	62.07	258.98
Overhead Expenses			
Custom hire	3.41	5.96	6.23
Hired labor	6.27	2.59	6.37
Machinery & bldg leases	1.47	-	0.85
RE & pers. property taxes	16.57	16.02	18.82
Farm insurance	5.23	8.28	5.02
Utilities	2.61	3.10	3.90
Interest	29.90	62.01	13.15
Mach & bldg depreciation	34.19	42.84	38.26
Miscellaneous	3.88	4.60	3.95
Total overhead expenses per acre	103.52	145.40	96.54
Total dir & ovhd expenses per acre	336.42	422.15	287.21
Net return per acre	77.76	-83.33	162.44
Government payments	64.04	60.35	79.41
Net return with govt pmts	141.80	-22.98	241.85
Labor & management charge	33.66	36.83	25.39
Net return over lbr & mgt	108.14	-59.81	216.46
Cost of Production			
Total direct expense per bu.	1.29	1.79	1.00
Total dir & ovhd exp per bu.	1.87	2.73	1.50
Less govt & other income	1.12	1.99	0.61
With labor & management	1.30	2.23	0.74
Machinery cost per acre	100.97	128.24	83.11
Est. labor hours per acre	2.80	4.24	2.26

Crop Enterprise Analysis
Southeast Minnesota Farm Business Management Association
(Farms Sorted By Net Return)

Corn on Cash Rent

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of fields	39	8	10
Number of farms	30	6	6
Acres	188.54	48.03	145.87
Yield per acre (bu.)	177.58	150.54	180.61
Operators share of yield %	100.00	100.00	100.00
Value per bu.	2.00	1.85	2.04
Total product return per acre	355.46	278.70	368.85
Miscellaneous income per acre	76.20	25.06	98.31
Gross return per acre	431.66	303.75	467.15
Direct Expenses			
Seed	45.65	40.58	53.17
Fertilizer	65.78	61.34	61.81
Crop chemicals	29.81	43.32	28.05
Crop insurance	10.21	7.20	6.40
Drying fuel	15.70	16.67	17.73
Fuel & oil	19.36	18.46	16.70
Repairs	21.36	40.23	12.51
Custom hire	6.98	23.10	2.60
Land rent	115.99	111.67	103.32
Operating interest	10.88	6.94	3.92
Miscellaneous	0.41	0.64	0.29
Total direct expenses per acre	342.13	370.15	306.52
Return over direct exp per acre	89.52	-66.39	160.64
Overhead Expenses			
Custom hire	6.07	4.85	0.49
Hired labor	8.11	7.27	0.37
Machinery & bldg leases	5.97	0.27	3.72
Farm insurance	4.63	7.46	5.63
Utilities	3.00	3.65	3.72
Interest	2.87	15.22	3.70
Mach & bldg depreciation	26.32	22.68	30.57
Miscellaneous	4.43	5.75	3.61
Total overhead expenses per acre	61.40	67.15	51.82
Total dir & ovhd expenses per acre	403.54	437.30	358.33
Net return per acre	28.12	-133.54	108.82
Government payments	59.26	69.94	75.17
Net return with govt pmts	87.38	-63.60	184.00
Labor & management charge	26.83	36.84	23.76
Net return over lbr & mgt	60.55	-100.44	160.23
Cost of Production			
Total direct expense per bu.	1.93	2.46	1.70
Total dir & ovhd exp per bu.	2.27	2.90	1.98
Less govt & other income	1.51	2.27	1.02
With labor & management	1.66	2.52	1.16
Machinery cost per acre	85.43	124.33	66.67
Est. labor hours per acre	2.44	5.13	1.67





Crop Enterprise Analysis
Southeast Minnesota Farm Business Management Association
(Farms Sorted By Net Return)

Soybeans on Owned Land

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of fields	29	5	6
Number of farms	28	5	6
Acres	188.65	224.52	121.08
Yield per acre (bu.)	52.83	48.40	61.80
Operators share of yield %	100.00	100.00	100.00
Value per bu.	5.61	5.50	5.61
Total product return per acre	296.50	265.98	346.80
Miscellaneous income per acre	0.75	1.83	-
Gross return per acre	297.25	267.81	346.80
Direct Expenses			
Seed	27.96	31.82	26.96
Fertilizer	6.60	11.67	8.07
Crop chemicals	22.99	17.77	23.33
Crop insurance	5.06	6.17	1.27
Fuel & oil	13.40	15.50	18.90
Repairs	16.98	30.23	18.54
Custom hire	11.69	4.52	5.10
Machinery & bldg leases	0.23	1.13	-
Operating interest	5.01	6.55	0.79
Miscellaneous	0.52	-	0.82
Total direct expenses per acre	110.44	125.36	103.78
Return over direct exp per acre	186.81	142.46	243.02
Overhead Expenses			
Custom hire	3.99	1.45	0.60
Hired labor	4.62	6.68	0.96
Machinery & bldg leases	2.47	2.98	0.19
RE & pers. property taxes	16.65	17.19	14.03
Farm insurance	4.66	5.07	4.82
Utilities	1.52	1.63	2.31
Interest	30.66	48.25	3.54
Mach & bldg depreciation	23.13	29.46	29.99
Miscellaneous	3.85	4.81	3.08
Total overhead expenses per acre	91.55	117.51	59.52
Total dir & ovhd expenses per acre	201.99	242.87	163.30
Net return per acre	95.27	24.95	183.50
Government payments	14.06	10.36	16.44
Net return with govt pmts	109.32	35.31	199.94
Labor & management charge	25.70	23.03	36.22
Net return over lbr & mgt	83.62	12.28	163.72
Cost of Production			
Total direct expense per bu.	2.09	2.59	1.68
Total dir & ovhd exp per bu.	3.82	5.02	2.64
Less govt & other income	3.54	4.77	2.38
With labor & management	4.03	5.24	2.96
Machinery cost per acre	71.85	89.19	71.78
Est. labor hours per acre	1.82	2.26	2.60

Crop Enterprise Analysis
Southeast Minnesota Farm Business Management Association
(Farms Sorted By Net Return)

Soybeans on Cash Rent

	<u>Avg. Of All Farms</u>	<u>High 20%</u>
Number of fields	33	10
Number of farms	24	5
Acres	172.29	33.17
Yield per acre (bu.)	53.81	53.74
Operators share of yield %	100.00	100.00
Value per bu.	5.66	5.98
Total product return per acre	304.45	321.53
Miscellaneous income per acre	0.23	-
Gross return per acre	304.68	321.53
Direct Expenses		
Seed	26.50	29.36
Fertilizer	13.24	10.42
Crop chemicals	22.52	13.05
Crop insurance	8.66	15.25
Fuel & oil	13.91	12.56
Repairs	15.96	11.76
Custom hire	8.17	1.70
Land rent	114.02	80.78
Operating interest	7.42	1.46
Miscellaneous	0.10	0.08
Total direct expenses per acre	230.49	176.41
Return over direct exp per acre	74.19	145.12
Overhead Expenses		
Custom hire	4.89	1.04
Hired labor	6.47	0.57
Machinery & bldg leases	4.38	0.06
Farm insurance	4.28	4.38
Utilities	1.55	1.51
Interest	2.87	1.92
Mach & bldg depreciation	19.03	18.38
Miscellaneous	3.96	4.51
Total overhead expenses per acre	47.42	32.38
Total dir & ovhd expenses per acre	277.92	208.79
Net return per acre	26.76	112.74
Government payments	12.53	23.94
Net return with govt pmts	39.29	136.68
Labor & management charge	21.10	23.76
Net return over lbr & mgt	18.19	112.92
Cost of Production		
Total direct expense per bu.	4.28	3.28
Total dir & ovhd exp per bu.	5.16	3.89
Less govt & other income	4.93	3.44
With labor & management	5.32	3.88
Machinery cost per acre	67.94	42.60
Est. labor hours per acre	1.68	1.76

Crop Enterprise Analysis
Southeast Minnesota Farm Business Management Association
(Farms Sorted By Net Return)

Corn Silage on Owned Land

	<u>Avg. Of All Farms</u>
Number of fields	16
Number of farms	16
Acres	49.63
Yield per acre (ton)	20.57
Operators share of yield %	100.00
Value per ton	18.95
Total product return per acre	389.69
Miscellaneous income per acre	80.36
Gross return per acre	470.05
Direct Expenses	
Seed	43.39
Fertilizer	34.57
Crop chemicals	29.90
Crop insurance	1.51
Fuel & oil	30.19
Repairs	46.48
Custom hire	71.45
Machinery & bldg leases	6.62
Operating interest	2.42
Miscellaneous	0.19
Total direct expenses per acre	266.72
Return over direct exp per acre	203.33
Overhead Expenses	
Custom hire	30.48
Hired labor	8.54
Machinery & bldg leases	0.80
RE & pers. property taxes	9.59
Farm insurance	7.45
Utilities	4.20
Interest	22.63
Mach & bldg depreciation	33.38
Miscellaneous	5.30
Total overhead expenses per acre	122.36
Total dir & ovhd expenses per acre	389.08
Net return per acre	80.97
Government payments	51.52
Net return with govt pmts	132.49
Labor & management charge	32.84
Net return over lbr & mgt	99.64
Cost of Production	
Total direct expense per ton	12.97
Total dir & ovhd exp per ton	18.92
Less govt & other income	12.51
With labor & management	14.10
Machinery cost per acre	223.59
Est. labor hours per acre	7.04

Crop Enterprise Analysis
Southeast Minnesota Farm Business Management Association
(Farms Sorted By Net Return)

Corn Silage on Cash Rent

	<u>Avg. Of All Farms</u>
Number of fields	12
Number of farms	11
Acres	23.31
Yield per acre (ton)	17.76
Operators share of yield %	100.00
Value per ton	19.15
Total product return per acre	340.13
Miscellaneous income per acre	82.53
Gross return per acre	422.66
Direct Expenses	
Seed	46.92
Fertilizer	33.87
Crop chemicals	35.37
Crop insurance	2.06
Fuel & oil	26.24
Repairs	34.47
Custom hire	61.99
Land rent	96.74
Machinery & bldg leases	1.92
Operating interest	3.29
Miscellaneous	0.28
Total direct expenses per acre	343.13
Return over direct exp per acre	79.53
Overhead Expenses	
Custom hire	21.75
Hired labor	5.21
Machinery & bldg leases	0.32
Farm insurance	5.97
Utilities	5.75
Interest	6.19
Mach & bldg depreciation	28.35
Miscellaneous	4.67
Total overhead expenses per acre	78.20
Total dir & ovhd expenses per acre	421.33
Net return per acre	1.33
Government payments	50.22
Net return with govt pmts	51.55
Labor & management charge	30.01
Net return over lbr & mgt	21.54
Cost of Production	
Total direct expense per ton	19.32
Total dir & ovhd exp per ton	23.73
Less govt & other income	16.25
With labor & management	17.94
Machinery cost per acre	179.40
Est. labor hours per acre	5.21

Crop Enterprise Analysis
Southeast Minnesota Farm Business Management Association
(Farms Sorted By Net Return)

Hay, Alfalfa on Owned Land

	<u>Avg. Of All Farms</u>	<u>High 20%</u>
Number of fields	24	5
Number of farms	23	5
Acres	89.34	90.66
Yield per acre (ton)	4.65	6.14
Operators share of yield %	100.00	100.00
Value per ton	85.70	81.75
Total product return per acre	398.78	502.25
Miscellaneous income per acre	0.69	-
Gross return per acre	399.47	502.25
Direct Expenses		
Seed	19.54	5.88
Fertilizer	25.03	12.09
Crop chemicals	7.86	9.71
Fuel & oil	25.61	29.82
Repairs	47.12	63.71
Custom hire	31.94	9.56
Operating interest	1.24	1.97
Miscellaneous	0.97	-
Total direct expenses per acre	159.32	132.74
Return over direct exp per acre	240.15	369.52
Overhead Expenses		
Custom hire	14.24	1.54
Hired labor	17.98	3.82
Machinery & bldg leases	2.59	0.01
RE & pers. property taxes	11.85	8.03
Farm insurance	6.20	4.03
Utilities	2.50	1.47
Interest	16.62	22.88
Mach & bldg depreciation	49.75	49.69
Miscellaneous	3.80	3.83
Total overhead expenses per acre	125.54	95.29
Total dir & ovhd expenses per acre	284.85	228.02
Net return per acre	114.62	274.23
Government payments	-	-
Net return with govt pmts	114.62	274.23
Labor & management charge	40.79	49.66
Net return over lbr & mgt	73.83	224.57
Cost of Production		
Total direct expense per ton	34.24	21.60
Total dir & ovhd exp per ton	61.22	37.11
Less govt & other income	61.07	37.11
With labor & management	69.83	45.20
Machinery cost per acre	172.51	153.77
Est. labor hours per acre	6.63	6.47

Crop Enterprise Analysis
Southeast Minnesota Farm Business Management Association
(Farms Sorted By Net Return)

Hay, Alfalfa on Cash Rent

	<u>Avg. Of All Farms</u>
Number of fields	14
Number of farms	14
Acres	47.54
Yield per acre (ton)	4.59
Operators share of yield %	100.00
Value per ton	85.87
Total product return per acre	393.79
Miscellaneous income per acre	-
Gross return per acre	393.79
Direct Expenses	
Seed	5.96
Fertilizer	24.09
Crop chemicals	10.64
Fuel & oil	23.19
Repairs	39.95
Custom hire	31.69
Land rent	100.03
Operating interest	3.64
Miscellaneous	0.13
Total direct expenses per acre	239.33
Return over direct exp per acre	154.46
Overhead Expenses	
Custom hire	8.50
Hired labor	14.88
Machinery & bldg leases	1.10
Farm insurance	4.72
Utilities	3.70
Interest	4.42
Mach & bldg depreciation	39.54
Miscellaneous	3.91
Total overhead expenses per acre	80.77
Total dir & ovhd expenses per acre	320.10
Net return per acre	73.69
Government payments	-
Net return with govt pmts	73.69
Labor & management charge	35.31
Net return over lbr & mgt	38.37
Cost of Production	
Total direct expense per ton	52.19
Total dir & ovhd exp per ton	69.80
Less govt & other income	69.80
With labor & management	77.50
Machinery cost per acre	147.55
Est. labor hours per acre	4.97

Crop Enterprise Analysis
Southeast Minnesota Farm Business Management Association
(Farms Sorted By Net Return)

Oats on Owned Land

	<u>Avg. Of All Farms</u>
Number of fields	5
Number of farms	5
Acres	20.48
Yield per acre (bu.)	78.02
Operators share of yield %	100.00
Value per bu.	1.75
Total product return per acre	136.58
Miscellaneous income per acre	60.07
Gross return per acre	196.65
Direct Expenses	
Seed	12.83
Fertilizer	7.12
Fuel & oil	11.46
Repairs	16.18
Custom hire	20.67
Machinery & bldg leases	6.67
Operating interest	1.56
Miscellaneous	0.44
Total direct expenses per acre	76.94
Return over direct exp per acre	119.71
Overhead Expenses	
Custom hire	8.45
Hired labor	0.92
RE & pers. property taxes	14.70
Farm insurance	4.89
Utilities	1.48
Interest	13.84
Mach & bldg depreciation	19.78
Miscellaneous	5.31
Total overhead expenses per acre	69.37
Total dir & ovhd expenses per acre	146.31
Net return per acre	50.34
Government payments	0.52
Net return with govt pmts	50.86
Labor & management charge	34.48
Net return over lbr & mgt	16.38
Cost of Production	
Total direct expense per bu.	0.99
Total dir & ovhd exp per bu.	1.88
Less govt & other income	1.10
With labor & management	1.54
Machinery cost per acre	82.84
Est. labor hours per acre	2.47

Crop Enterprise Analysis
Southeast Minnesota Farm Business Management Association
(Farms Sorted By Net Return)

Pasture on Owned Land

	<u>Avg. Of All Farms</u>
Number of fields	6
Number of farms	6
Acres	37.92
Yield per acre (aum)	4.68
Operators share of yield %	100.00
Value per aum	10.00
Total product return per acre	46.82
Miscellaneous income per acre	10.45
Gross return per acre	57.27
Direct Expenses	
Fuel & oil	2.59
Repairs	3.46
Miscellaneous	0.29
Total direct expenses per acre	6.34
Return over direct exp per acre	50.94
Overhead Expenses	
Custom hire	3.43
Hired labor	1.86
RE & pers. property taxes	15.38
Farm insurance	2.46
Interest	15.04
Mach & bldg depreciation	3.15
Miscellaneous	1.70
Total overhead expenses per acre	43.02
Total dir & ovhd expenses per acre	49.35
Net return per acre	7.92
Government payments	-
Net return with govt pmts	7.92
Labor & management charge	3.85
Net return over lbr & mgt	4.06
Cost of Production	
Total direct expense per aum	1.35
Total dir & ovhd exp per aum	10.54
Less govt & other income	8.31
With labor & management	9.13
Machinery cost per acre	12.46
Est. labor hours per acre	0.66

Crop Enterprise Analysis
Southeast Minnesota Farm Business Management Association
(Farms Sorted By Net Return)

CRP on Owned Land

	<u>Avg. Of All Farms</u>
Number of fields	6
Number of farms	6
Acres	31.82
Yield per acre (\$)	90.05
Operators share of yield %	100.00
Value per \$	1.00
Total product return per acre	90.05
Miscellaneous income per acre	-
Gross return per acre	90.05
Direct Expenses	
Crop chemicals	1.18
Fuel & oil	1.16
Operating interest	1.71
Total direct expenses per acre	4.06
Return over direct exp per acre	85.99
Overhead Expenses	
Custom hire	0.65
RE & pers. property taxes	13.70
Farm insurance	5.48
Utilities	0.81
Interest	21.24
Miscellaneous	3.03
Total overhead expenses per acre	44.91
Total dir & ovhd expenses per acre	48.97
Net return per acre	41.08
Government payments	-
Net return with govt pmts	41.08
Labor & management charge	1.47
Net return over lbr & mgt	39.61
Cost of Production	
Total direct expense per \$	0.05
Total dir & ovhd exp per \$	0.54
Less govt & other income	0.54
With labor & management	0.56
Machinery cost per acre	1.90
Est. labor hours per acre	0.11

Livestock Reports

The Livestock Enterprise Analysis tables show the average physical production, gross returns, direct costs, overhead costs, and net returns per budget unit. Consistent with statewide trends, fewer and fewer Association farms have livestock. In order to provide more complete information, the livestock enterprise reports include farms from both the Southwestern and Southeastern Associations.

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.”

Gross Return is the accrual gross value produced by the enterprise. It includes income from sale of offspring and livestock products, cull income, non-cash transfers to other enterprises, and the value of production used in the home or for feed. It also includes the value of inventory change from beginning to the end of the year. The cost of livestock purchased and the value of animals transferred in are deducted.

Net Return is the amount contributed by a unit of the enterprise toward operator labor, management, and equity capital. Any wages and benefits paid to the operator are removed from labor costs (and added to *Labor and Management Charge*) so that all farms are on equal footing.

Net Return Over Labor and Management is the return remaining after compensating the operator for unpaid labor and management. This is the per unit return to equity capital.

Cost of Production section shows the average cost per unit sold in each cost category. *Total direct and overhead expense per unit* is the breakeven price needed to cover cash costs and depreciation. For grow/finish enterprises, this includes the purchase cost or transfer in value of the animal. *With other revenue adjustments* is the breakeven price adjusted for cull sales, other offspring sales, the cost of replacement stock, and any other miscellaneous income. This assumes that some costs can be covered by these other income sources. *With labor and management* is the final breakeven price to provide a labor and management return for the operator(s).

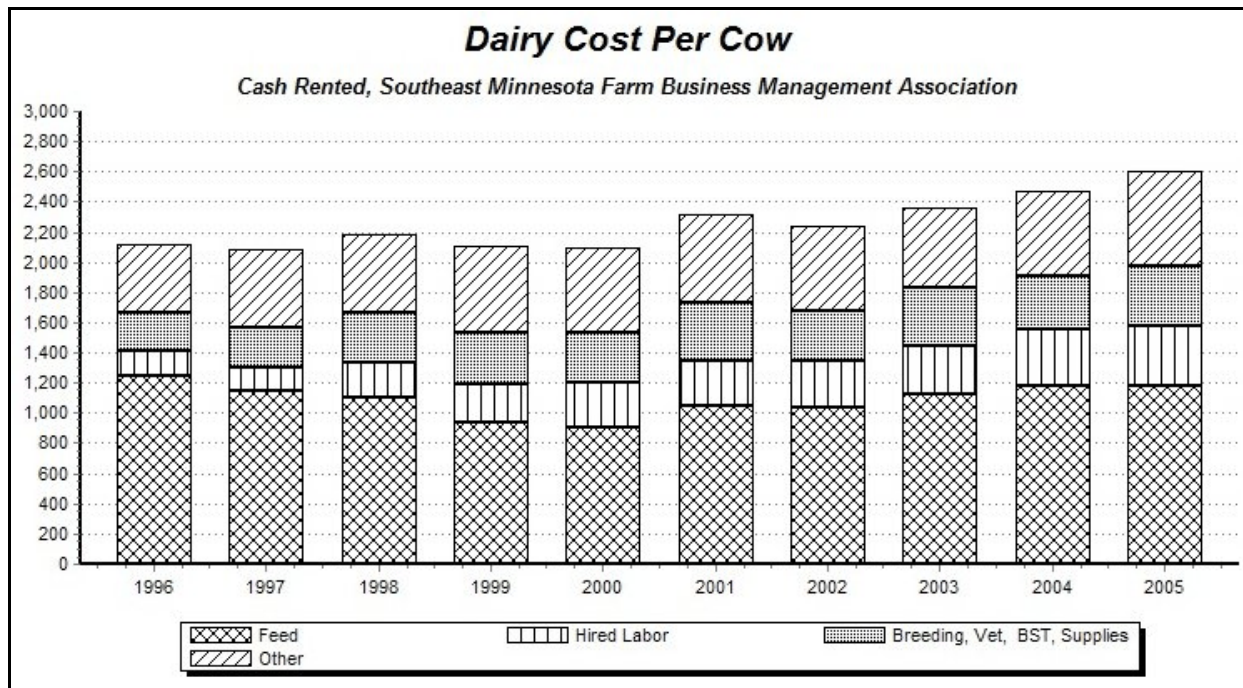
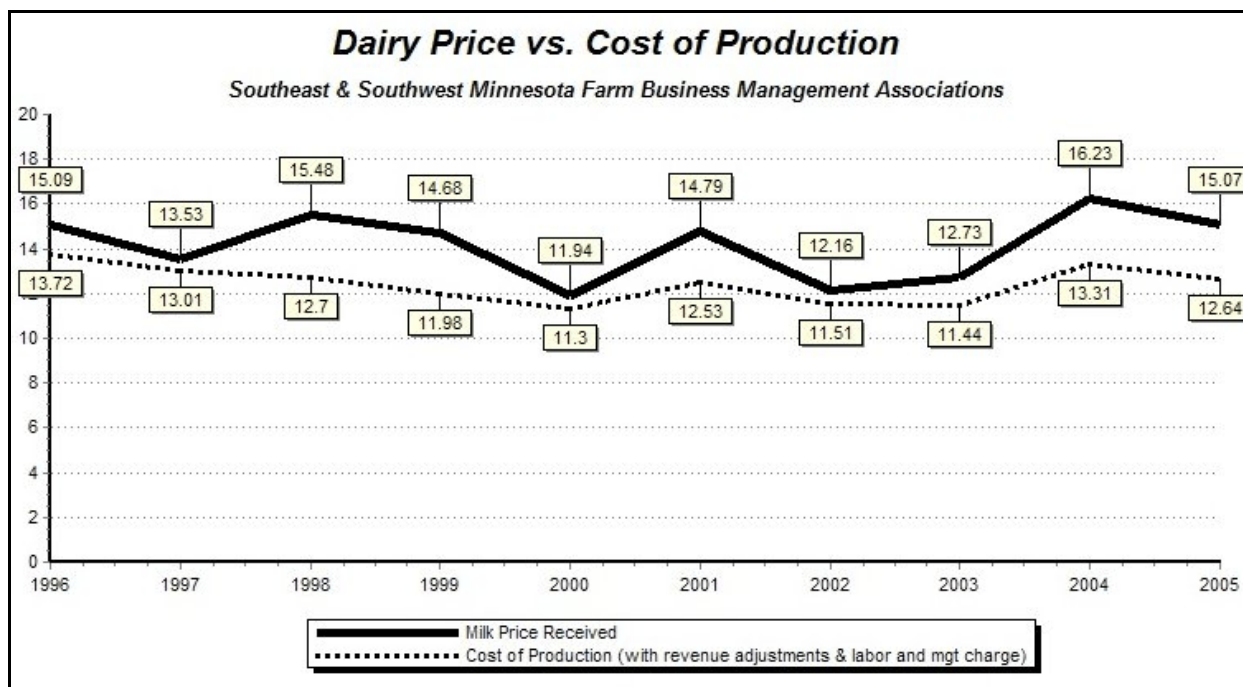
Other Information contains both economic and technical efficiency measures for each enterprise.

Rounding of individual items for the report may have caused minor discrepancies with the calculated totals. If fewer than 5 farms have a certain livestock enterprise, that information is not reported. If there are fewer than 25 farms, the high and low groups are not reported.

Livestock Enterprise Analysis
Southeast & Southwest Minnesota Farm Business Management Associations
(Farms Sorted By Net Return Per Unit)

Dairy -- Average Per Cow

	<u>Avg. Of All Farms</u>		<u>High 20%</u>	
Number of farms	22		5	
	Quantity	Value	Quantity	Value
Milk sold (lb)	23,345.27	3,518.08	22,456.20	3,522.22
Milk used in home (lb)	4.88	0.71	13.11	1.94
Milk fed to animals (lb)	18.97	1.06	46.47	4.65
Dairy Calves sold (hd)	0.45	88.43	0.39	82.13
Transferred out (hd)	0.48	128.84	0.60	145.46
Cull sales (hd)	0.27	164.58	0.31	193.68
Butchered (hd)	0.00	1.02	-	-
Less purchased (hd)	-0.07	-105.78	0.00	-10.02
Less transferred in (hd)	-0.29	-461.11	-0.35	-606.61
Inventory change (hd)	0.02	42.69	-0.01	12.58
Total production		3,378.51		3,346.04
Other income		13.17		2.51
Gross return		3,391.68		3,348.54
Direct Expenses				
Corn (bu.)	86.13	163.81	106.83	199.43
Corn Silage (lb.)	14,930.66	130.58	15,706.61	152.41
Hay, Alfalfa (lb.)	2,625.00	126.04	3,677.49	150.25
Hay, Grass & Other (lb.)	176.84	4.73	169.20	4.94
Haylage, Alfalfa (lb.)	6,738.49	143.41	4,188.13	69.52
Complete Ration (lb.)	1,131.68	113.02	-	-
Protein Vit Minerals (lb.)	2,234.36	440.64	2,788.56	385.42
Other feed stuffs	1,093.48	53.28	292.56	26.21
Breeding fees		48.32		38.48
Veterinary		119.16		83.90
BST		29.96		-
Supplies		207.50		149.69
DHIA		10.66		3.38
Fuel & oil		46.63		35.80
Repairs		112.93		61.09
Custom hire		35.79		11.55
Hired labor		51.99		-
Marketing		28.50		10.60
Operating interest		10.38		0.22
Total direct expenses		1,877.34		1,382.89
Return over direct expense		1,514.35		1,965.66
Overhead Expenses				
Custom hire		27.58		58.18
Hired labor		344.60		346.70
RE & pers. property taxes		7.57		10.72
Farm insurance		28.85		50.57
Utilities		56.67		53.06
Interest		63.23		3.60
Mach & bldg depreciation		162.22		150.02
Miscellaneous		36.37		75.59
Total overhead expenses		727.08		748.44
Total dir & ovhd expenses		2,604.42		2,131.33
Net return		787.26		1,217.21
Labor & management charge		222.30		276.54
Net return over lbr & mgt		564.96		940.67
Cost of Production				
Total direct expense per cwt.		8.03		6.14
Total dir & ovhd expense per cwt.		11.14		9.47
With other revenue adjustments		11.69		10.27
With labor and management		12.64		11.49
Est. labor hours per unit		44.76		42.53
Other Information				
Avg. number of Cows		177.6		178.6
Milk produced per Cow		23,369		22,516
Culling percentage		27.3		31.0
Turnover rate		34.9		36.7
Percent of barn capacity		114.5		107.5
Lbs. milk/lb grain & conc.		2.7		2.6
Feed cost per cwt of milk		5.03		4.39
Feed cost per Cow		1,175.52		988.18
Avg. milk price per cwt.		15.07		15.68



Livestock Enterprise Analysis
Southeast & Southwest Minnesota Farm Business Management Associations
(Farms Sorted By Net Return Per Unit)

Dairy Replacement Heifers -- Average Per Head Sold/Trans

	Avg. Of All Farms		High 20%	
Number of farms	21		5	
	Quantity	Value	Quantity	Value
Replacements sold (hd)	0.17	249.32	0.12	115.27
Transferred out (hd)	0.83	1,251.97	0.88	1,513.43
Cull sales (hd)	0.01	9.12	-	-
Butchered (hd)	0.00	1.74	0.00	0.66
Less purchased (hd)	-0.03	-55.87	-	-
Less transferred in (hd)	-1.16	-302.26	-1.32	-357.63
Inventory change (hd)	0.05	112.86	0.18	433.69
Total production (hd)	0.00	1,266.90	0.00	1,705.42
Other income		-		-
Gross return		1,266.90		1,705.42
Direct Expenses				
Corn (bu.)	32.54	69.83	19.27	35.64
Corn Silage (lb.)	9,440.71	89.36	9,716.16	96.51
Hay, Alfalfa (lb.)	3,670.81	156.00	4,073.06	143.00
Hay, Grass & Other (lb.)	311.92	10.79	449.78	15.59
Haylage, Alfalfa (lb.)	5,401.64	118.91	-	-
Pasture (aum)	1.00	16.20	1.13	11.27
Sorghum Silage (lb.)	1,174.86	9.36	-	-
Milk Replacer (lb.)	8.40	7.00	-	-
Protein Vit Minerals (lb.)	784.17	201.86	678.12	128.52
Other feed stuffs	406.50	15.35	620.90	19.55
Breeding fees		22.09		23.42
Veterinary		36.95		14.97
Supplies		40.82		3.96
Fuel & oil		18.81		10.15
Repairs		40.40		15.66
Custom hire		154.76		353.30
Bedding		1.16		0.11
Total direct expenses		1,009.63		871.64
Return over direct expense		257.26		833.78
Overhead Expenses				
Custom hire		23.16		57.87
Hired labor		97.37		66.87
Farm insurance		10.58		9.56
Utilities		18.65		8.20
Interest		17.30		4.26
Mach & bldg depreciation		63.50		30.01
Miscellaneous		16.55		17.98
Total overhead expenses		247.12		194.77
Total dir & ovhd expenses		1,256.75		1,066.41
Net return		10.15		639.01
Labor & management charge		94.47		73.38
Net return over lbr & mgt		-84.32		565.62
Cost of Production				
Total direct expense per head		1,244.03		794.93
Total dir & ovhd expense per head		1,491.15		989.69
With other revenue adjustments		1,491.15		989.69
With labor and management		1,585.62		1,063.08
Est. labor hours per unit		17.58		15.01
Other Information				
No. purchased or trans in		84		121
Number sold or trans out		70		92
Average number of head		159		201
Percentage death loss		3.8		3.0
Feed cost per average head		305.12		205.11
Feed cost/head sold+trans		694.66		450.07
Avg. purchase weight		-		-
Avg. sales weight		-		-
Avg. purch price / head		1,669.20		-
Avg. sales price / head		1,460.02		996.13

Livestock Enterprise Analysis
Southeast & Southwest Minnesota Farm Business Management Associations
(Farms Sorted By Net Return Per Unit)

Dairy and Repl Heifers -- Average Per Cow

	<u>Avg. Of All Farms</u>	
Number of farms	16	
	Quantity	Value
Milk sold (lb)	23,260.91	3,521.02
Milk used in home (lb)	4.26	0.55
Milk fed to animals (lb)	25.74	1.14
Dairy Calves sold (hd)	0.46	162.74
Transferred out (hd)	0.88	659.58
Cull sales (hd)	0.26	174.79
Butchered (hd)	0.00	2.09
Less purchased (hd)	-0.04	-64.65
Less transferred in (hd)	-0.84	-639.65
Inventory change (hd)	0.04	79.33
Total production		3,896.95
Other income		15.50
Gross return		3,912.45
Direct Expenses		
Corn (bu.)	114.87	225.96
Corn Silage (lb.)	16,368.37	131.49
Hay, Alfalfa (lb.)	3,979.34	184.62
Haylage, Alfalfa (lb.)	10,713.66	225.23
Protein Vit Minerals (lb.)	2,741.34	676.03
Other feed stuffs	2,526.99	92.97
Breeding fees		58.08
Veterinary		159.30
BST		35.38
Supplies		222.46
DHA		14.62
Fuel & oil		61.67
Repairs		146.44
Custom hire		51.82
Hauling and trucking		2.65
Marketing		44.21
Total direct expenses		2,332.92
Return over direct expense		1,579.53
Overhead Expenses		
Custom hire		19.22
Hired labor		398.12
RE & pers. property taxes		9.91
Farm insurance		27.48
Utilities		72.63
Interest		62.91
Mach & bldg depreciation		220.85
Miscellaneous		28.84
Total overhead expenses		839.96
Total dir & ovhd expenses		3,172.88
Net return		739.57
Labor & management charge		279.31
Net return over lbr & mgt		460.27
Cost of Production		
Total direct expense per cwt.		10.02
Total dir & ovhd expense per cwt.		13.62
With other revenue adjustments		11.95
With labor and management		13.15
Est. labor hours per unit		52.61
Other Information		
Avg. number of Cows		141.9
Milk produced per Cow		23,291
Culling percentage		25.9
Turnover rate		34.1
Percent of barn capacity		115.2
Lbs. milk/lb grain & conc.		2.4
Feed cost per cwt of milk		6.60
Feed cost per Cow		1,536.30
Avg. milk price per cwt.		15.14

Livestock Enterprise Analysis
Southeast & Southwest Minnesota Farm Business Management Association
(Farms Sorted By Net Return Per Unit)

Beef Cow-Calf -- Average Per Cow

	<u>Avg. Of All Farms</u>	
Number of farms	16	
	Quantity	Value
Beef Calves sold (lb)	101.58	114.73
Transferred out (lb)	341.40	411.09
Cull sales (lb)	114.87	69.12
Butchered (lb)	3.79	1.47
Less purchased (lb)	-41.25	-62.66
Less transferred in (lb)	-77.98	-81.41
Inventory change (lb)	33.90	64.79
Total production (lb)	476.30	517.13
Other income		-
Gross return		517.13
Direct Expenses		
Corn (bu.)	6.08	8.63
Corn Silage (lb.)	4,476.12	34.25
Hay, Alfalfa (lb.)	1,588.37	54.03
Hay, Grass & Other (lb.)	2,665.12	79.28
Outlage (lb.)	924.49	5.14
Pasture (aum)	2.38	37.78
Complete Ration (lb.)	16.65	6.85
Protein Vit Minerals (lb.)	137.93	16.17
Other feed stuffs	336.39	7.33
Breeding fees		14.14
Veterinary		35.13
Supplies		10.79
Fuel & oil		15.76
Repairs		18.00
Hauling and trucking		4.73
Marketing		2.83
Bedding		6.44
Operating interest		9.89
Total direct expenses		367.19
Return over direct expense		149.94
Overhead Expenses		
Custom hire		7.66
Hired labor		7.02
Machinery & bldg leases		6.46
Farm insurance		5.32
Utilities		9.00
Dues & professional fees		5.02
Interest		7.05
Mach & bldg depreciation		17.69
Miscellaneous		9.39
Total overhead expenses		74.62
Total dir & ovhd expenses		441.80
Net return		75.32
Labor & management charge		67.56
Net return over lbr & mgt		7.77
Cost of Production		
Total direct expense per cwt.		77.09
Total dir & ovhd expense per cwt.		92.76
With other revenue adjustments		78.89
With labor and management		93.07
Est. labor hours per unit		7.50
Other Information		
Number of cows		61.3
Pregnancy percentage		97.8
Pregnancy loss percentage		2.4
Culling percentage		8.7
Calving percentage		95.4
Weaning percentage		87.5
Calves sold per cow		0.83
Calf death loss percent		8.5
Average weaning weight		525
Lbs weaned/exposed female		459
Feed cost per cow		249.46
Avg wgt/Beef Calf sold		562
Avg price / cwt		112.95

Livestock Enterprise Analysis
Southeast & Southwest Minnesota Farm Business Management Associations
(Farms Sorted By Net Return Per Unit)

Beef Cow-Calf -- Average Per Cwt. Produced

	<u>Avg. Of All Farms</u>	
Number of farms	16	
	Quantity	Value
Beef Calves sold (lb)	21.33	24.09
Transferred out (lb)	71.68	86.31
Cull sales (lb)	24.12	14.51
Butchered (lb)	0.79	0.31
Less purchased (lb)	-8.66	-13.16
Less transferred in (lb)	-16.37	-17.09
Inventory change (lb)	7.12	13.60
Total production (lb)	100.00	108.57
Other income		-
Gross return		108.57
Direct Expenses		
Corn (bu.)	1.28	1.81
Corn Silage (lb.)	939.77	7.19
Hay, Alfalfa (lb.)	333.48	11.34
Hay, Grass & Other (lb.)	559.55	16.65
Oatlage (lb.)	194.10	1.08
Pasture (aum)	0.50	7.93
Complete Ration (lb.)	3.50	1.44
Protein Vit Minerals (lb.)	28.96	3.40
Other feed stuffs	70.63	1.54
Breeding fees		2.97
Veterinary		7.37
Supplies		2.27
Fuel & oil		3.31
Repairs		3.78
Hauling and trucking		0.99
Marketing		0.59
Bedding		1.35
Operating interest		2.08
Total direct expenses		77.09
Return over direct expense		31.48
Overhead Expenses		
Custom hire		1.61
Hired labor		1.47
Machinery leases		1.36
Farm insurance		1.12
Utilities		1.89
Dues & professional fees		1.05
Interest		1.48
Mach & bldg depreciation		3.71
Miscellaneous		1.97
Total overhead expenses		15.67
Total dir & ovhd expenses		92.76
Net return		15.81
Labor & management charge		14.18
Net return over lbr & mgt		1.63
Cost of Production		
Total direct expense per cwt.		77.09
Total dir & ovhd expense per cwt.		92.76
With other revenue adjustments		78.89
With labor and management		93.07
Est. labor hours per unit		1.58
Other Information		
Number of cows		61.3
Pregnancy percentage		97.8
Pregnancy loss percentage		2.4
Culling percentage		8.7
Calving percentage		95.4
Weaning percentage		87.5
Calves sold per cow		0.83
Calf death loss percent		8.5
Average weaning weight		525
Lbs weaned/exposed female		459
Feed cost per cow		249.46
Avg wgt/Beef Calf sold		562
Avg price / cwt		112.95

Livestock Enterprise Analysis
Southeast & Southwest Minnesota Farm Business Management Association
(Farms Sorted By Net Return Per Unit)

All Beef Finish Calves -- Average Per Head

	<u>Avg. Of All Farms</u>	
Number of farms	18	
	Quantity	Value
Finish Beef sold (lb)	1,170.85	988.77
Transferred out (lb)	13.09	13.44
Butchered (lb)	4.73	3.93
Less purchased (lb)	-633.34	-773.27
Less transferred in (lb)	-45.48	-56.27
Inventory change (lb)	83.91	115.94
Total production (lb)	593.76	292.55
Other income		-
Gross return		292.55
Direct Expenses		
Corn (bu.)	58.67	98.28
Corn Silage (lb.)	2,548.78	22.74
Hay, Alfalfa (lb.)	351.64	12.13
Hay, Grass & Other (lb.)	169.59	5.13
Complete Ration (lb.)	3.67	2.51
Creep / Starter (lb.)	4.74	0.54
Protein Vit Minerals (lb.)	296.11	34.50
Corn Distillers Grn (dry) (lb.)	166.07	6.35
Corn Gluten (lb.)	433.15	6.22
Other feed stuffs	170.05	2.70
Veterinary		6.62
Supplies		5.99
Fuel & oil		8.30
Repairs		10.85
Hauling and trucking		7.53
Operating interest		17.99
Total direct expenses		248.39
Return over direct expense		44.16
Overhead Expenses		
Custom hire		2.64
Hired labor		5.40
Machinery & bldg leases		2.06
RE & pers. property taxes		2.01
Farm Insurance		2.49
Utilities		4.06
Dues & professional fees		1.37
Interest		8.59
Mach & bldg depreciation		13.47
Miscellaneous		2.89
Total overhead expenses		44.97
Total dir & ovhd expenses		293.36
Net return		-0.82
Labor & management charge		30.69
Net return over lbr & mgt		-31.51
Cost of Production		
Total direct expense per cwt.		80.92
Total dir & ovhd expense per cwt.		84.72
With other revenue adjustments		84.72
With labor and management		87.31
Est. labor hours per unit		3.18
Other Information		
No. purchased or trans in		282
Number sold or trans out		263
Percentage death loss		1.0
Avg. daily gain (lbs)		2.41
Lbs of conc / lb of gain		7.04
Lbs of feed / lb of gain		9.49
Feed cost per cwt of gain		32.18
Feed cost per head		191.10
Average purchase weight		689
Average sales weight		1,269
Avg purch price / cwt		122.09
Avg sales price / cwt		84.45

Livestock Enterprise Analysis
Southeast & Southwest Minnesota Farm Business Management Association
(Farms Sorted By Net Return Per Unit)

Beef, Finish Beef Calves -- Average Per Cwt. Produced

	<u>Avg. Of All Farms</u>	
Number of farms	18	
	Quantity	Value
Finish Beef sold (lb)	197.19	166.53
Transferred out (lb)	2.20	2.26
Butchered (lb)	0.80	0.66
Less purchased (lb)	-106.67	-130.23
Less transferred in (lb)	-7.66	-9.48
Inventory change (lb)	14.13	19.53
Total production (lb)	100.00	49.27
Other income		-
Gross return		49.27
Direct Expenses		
Corn (bu.)	9.88	16.55
Corn Silage (lb.)	429.26	3.83
Hay, Alfalfa (lb.)	59.22	2.04
Hay, Grass & Other (lb.)	28.56	0.86
Complete Ration (lb.)	0.62	0.42
Creep / Starter (lb.)	0.80	0.09
Protein Vit Minerals (lb.)	49.87	5.81
Corn Distillers Grn (dry) (lb.)	27.97	1.07
Corn Gluten (lb.)	72.95	1.05
Other feed stuffs	28.64	0.46
Veterinary		1.12
Supplies		1.01
Fuel & oil		1.40
Repairs		1.83
Hauling and trucking		1.27
Operating interest		3.03
Total direct expenses		41.83
Return over direct expense		7.44
Overhead Expenses		
Custom hire		0.44
Hired labor		0.91
Machinery & bldg leases		0.35
RE & pers. property taxes		0.34
Farm Insurance		0.42
Utilities		0.68
Dues & professional fees		0.23
Interest		1.45
Mach & bldg depreciation		2.27
Miscellaneous		0.49
Total overhead expenses		7.57
Total dir & ovhd expenses		49.41
Net return		-0.14
Labor & management charge		5.17
Net return over lbr & mgt		-5.31
Cost of Production		
Total direct expense per cwt.		80.92
Total dir & ovhd expense per cwt.		84.72
With other revenue adjustments		84.72
With labor and management		87.31
Est. labor hours per unit		0.53
Other Information		
No. purchased or trans in		282
Number sold or trans out		263
Percentage death loss		1.0
Avg. daily gain (lbs)		2.41
Lbs of conc / lb of gain		7.04
Lbs of feed / lb of gain		9.49
Feed cost per cwt of gain		32.18
Feed cost per head		191.10
Average purchase weight		689
Average sales weight		1,269
Avg purch price / cwt		122.09
Avg sales price / cwt		84.45

Livestock Enterprise Analysis
Southeast & Southwest Minnesota Farm Business Management Association
(Farms Sorted By Net Return Per Unit)

Dairy Steers -- Average Per Head

	<u>Avg. Of All Farms</u>	
Number of farms	7	
	Quantity	Value
Dairy Steers sold (lb)	1,473.25	1,169.12
Transferred out (lb)	9.53	9.53
Butchered (lb)	25.01	19.30
Less purchased (lb)	-288.94	-347.98
Less transferred in (lb)	-179.86	-193.23
Inventory change (lb)	-49.37	-0.57
Total production (lb)	989.63	656.17
Other income		-
Gross return		656.17
Direct Expenses		
Corn (bu.)	102.25	214.51
Corn Silage (lb.)	1,497.83	13.14
Hay, Alfalfa (lb.)	462.75	16.35
Hay, Grass & Other (lb.)	452.63	14.47
Haylage, Alfalfa (lb.)	1,220.90	27.47
Protein Vit Minerals (lb.)	705.72	109.62
Other feed stuffs	0.89	1.34
Veterinary		19.14
Supplies		25.95
Fuel & oil		10.07
Repairs		18.17
Marketing		5.41
Operating interest		6.97
Total direct expenses		482.62
Return over direct expense		173.55
Overhead Expenses		
Custom hire		5.18
Hired labor		16.63
RE & pers. property taxes		4.14
Farm insurance		8.75
Utilities		11.59
Dues & professional fees		0.63
Mach & bldg depreciation		30.35
Miscellaneous		5.79
Total overhead expenses		83.06
Total dir & ovhd expenses		565.68
Net return		90.49
Labor & management charge		68.10
Net return over lbr & mgt		22.38
Cost of Production		
Total direct expense per cwt.		67.78
Total dir & ovhd expense per cwt.		73.39
With other revenue adjustments		73.39
With labor and management		77.98
Est. labor hours per unit		7.61
Other Information		
No. purchased or trans in		57
Number sold or trans out		54
Percentage death loss		3.2
Avg. daily gain (lbs)		2.11
Lbs of conc / lb of gain		6.40
Lbs of feed / lb of gain		8.45
Feed cost per cwt of gain		40.11
Feed cost per head		396.91
Average purchase weight		350
Average sales weight		1,326
Avg purch price / head		421.87
Avg sales price / cwt		79.36

Livestock Enterprise Analysis
Southeast & Southwest Minnesota Farm Business Management Association
(Farms Sorted By Net Return Per Unit)

Dairy Steers -- Average Per Cwt. Produced

	<u>Avg. Of All Farms</u>	
Number of farms	7	
	Quantity	Value
Dairy Steers sold (lb)	148.87	118.14
Transferred out (lb)	0.96	0.96
Butchered (lb)	2.53	1.95
Less purchased (lb)	-29.20	-35.16
Less transferred in (lb)	-18.17	-19.53
Inventory change (lb)	-4.99	-0.06
Total production (lb)	100.00	66.30
Other income		-
Gross return		66.30
Direct Expenses		
Corn (bu.)	10.33	21.68
Corn Silage (lb.)	151.35	1.33
Hay, Alfalfa (lb.)	46.76	1.65
Hay, Grass & Other (lb.)	45.74	1.46
Haylage, Alfalfa (lb.)	123.37	2.78
Protein Vit Minerals (lb.)	71.31	11.08
Other feed stuffs	0.09	0.14
Veterinary		1.93
Supplies		2.62
Fuel & oil		1.02
Repairs		1.84
Marketing		0.55
Operating interest		0.70
Total direct expenses		48.77
Return over direct expense		17.54
Overhead Expenses		
Custom hire		0.52
Hired labor		1.68
RE & pers. property taxes		0.42
Farm insurance		0.88
Utilities		1.17
Dues & professional fees		0.06
Mach & bldg depreciation		3.07
Miscellaneous		0.58
Total overhead expenses		8.39
Total dir & ovhd expenses		57.16
Net return		9.14
Labor & management charge		6.88
Net return over lbr & mgt		2.26
Cost of Production		
Total direct expense per cwt.		67.78
Total dir & ovhd expense per cwt.		73.39
With other revenue adjustments		73.39
With labor and management		77.98
Est. labor hours per unit		0.77
Other Information		
No. purchased or trans in		57
Number sold or trans out		54
Percentage death loss		3.2
Avg. daily gain (lbs)		2.11
Lbs of conc / lb of gain		6.40
Lbs of feed / lb of gain		8.45
Feed cost per cwt of gain		40.11
Feed cost per head		396.91
Average purchase weight		350
Average sales weight		1,326
Avg purch price / head		421.87
Avg sales price / cwt		79.36

Livestock Enterprise Analysis
Southeast & Southwest Minnesota Farm Business Management Association
(Farms Sorted By Net Return Per Unit)

Hogs, Farrow To Finish -- Average Per Litter

	<u>Avg. Of All Farms</u>	
Number of farms	11	
	Quantity	Value
Raised Hogs sold (lb)	2,113.26	1,061.12
Cull sales (lb)	157.99	60.78
Butchered (lb)	6.56	2.91
Less purchased (lb)	-58.83	-62.47
Inventory change (lb)	54.12	1.49
Total production (lb)	2,273.11	1,063.83
Other income		-
Gross return		1,063.83
Direct Expenses		
Corn (bu.)	100.79	179.16
Protein Vit Minerals (lb.)	1,837.58	281.48
Corn Distillers Grn (dry) (lb.)	43.67	1.72
Other feed stuffs	41.96	7.04
Breeding fees		13.35
Veterinary		34.74
Supplies		43.59
Fuel & oil		16.67
Repairs		17.34
Custom hire		24.17
Operating interest		10.96
Total direct expenses		630.22
Return over direct expense		433.62
Overhead Expenses		
Custom hire		24.96
Hired labor		63.32
Machinery & bldg leases		6.63
RE & pers. property taxes		5.35
Farm insurance		17.28
Utilities		29.06
Dues & professional fees		9.83
Interest		25.53
Mach & bldg depreciation		52.64
Miscellaneous		8.45
Total overhead expenses		252.03
Total dir & ovhd expenses		882.24
Net return		181.59
Labor & management charge		58.54
Net return over lbr & mgt		123.05
Cost of Production		
Total direct expense per cwt.		27.72
Total dir & ovhd expense per cwt.		38.81
With other revenue adjustments		39.13
With labor and management		41.70
Est. labor hours per unit		7.89
Other Information		
Average number of sows		93.4
Litters farrowed		182
Litters per sow		1.95
Litters per crate		7.14
Pigs born per litter		10.67
Pigs weaned per litter		9.35
Pigs weaned per sow		18.04
Number sold per litter		8.20
Lbs of feed / lb of gain		3.36
Feed cost / cwt. of gain		20.65
Feed cost per litter		469.40
Avg wgt/Raised Hog sold		258
Avg price / cwt		50.21

Livestock Enterprise Analysis
Southeast & Southwest Minnesota Farm Business Management Association
(Farms Sorted By Net Return Per Unit)

Hogs, Farrow To Finish -- Average Per Cwt. Produced

	<u>Avg. Of All Farms</u>	
Number of farms	11	
	Quantity	Value
Raised Hogs sold (lb)	92.97	46.68
Cull sales (lb)	6.95	2.67
Butchered (lb)	0.29	0.13
Less purchased (lb)	-2.59	-2.75
Inventory change (lb)	2.38	0.07
Total production (lb)	100.00	46.80
Other income		-
Gross return		46.80
Direct Expenses		
Corn (bu.)	4.43	7.88
Protein Vit Minerals (lb.)	80.84	12.38
Corn Distillers Grn (dry) (lb.)	1.92	0.08
Other feed stuffs	1.85	0.31
Breeding fees		0.59
Veterinary		1.53
Supplies		1.92
Fuel & oil		0.73
Repairs		0.76
Custom hire		1.06
Operating interest		0.48
Total direct expenses		27.72
Return over direct expense		19.08
Overhead Expenses		
Custom hire		1.10
Hired labor		2.79
Machinery & bldg leases		0.29
RE & pers. property taxes		0.24
Farm insurance		0.76
Utilities		1.28
Dues & professional fees		0.43
Interest		1.12
Mach & bldg depreciation		2.32
Miscellaneous		0.37
Total overhead expenses		11.09
Total dir & ovhd expenses		38.81
Net return		7.99
Labor & management charge		2.58
Net return over lbr & mgt		5.41
Cost of Production		
Total direct expense per cwt.		27.72
Total dir & ovhd expense per cwt.		38.81
With other revenue adjustments		39.13
With labor and management		41.70
Est. labor hours per unit		0.35
Other Information		
Average number of sows		93.4
Litters farrowed		182
Litters per sow		1.95
Litters per crate		7.14
Pigs born per litter		10.67
Pigs weaned per litter		9.35
Pigs weaned per sow		18.04
Number sold per litter		8.20
Lbs of feed / lb of gain		3.36
Feed cost / cwt. of gain		20.65
Feed cost per litter		469.40
Avg wgt/Raised Hog sold		258
Avg price / cwt		50.21

Livestock Enterprise Analysis
Southeast & Southwest Minnesota Farm Business Management Association
(Farms Sorted By Net Return Per Unit)

Hogs, Finish Feeder Pigs -- Average Per Head

	<u>Avg. Of All Farms</u>	
Number of farms	7	
	Quantity	Value
Finish Hogs sold (lb)	233.93	118.98
Butchered (lb)	0.31	0.15
Less purchased (lb)	-50.96	-65.97
Inventory change (lb)	31.27	17.04
Total production (lb)	214.54	70.19
Other income		-
Gross return		70.19
Direct Expenses		
Corn (bu.)	7.58	13.52
Complete Ration (lb.)	0.35	18.64
Protein Vit Minerals (lb.)	95.04	13.46
Other feed stuffs	0.06	0.10
Veterinary		0.82
Supplies		1.76
Fuel & oil		1.40
Repairs		1.72
Custom hire		0.65
Livestock leases		0.22
Marketing		0.35
Operating interest		1.93
Total direct expenses		54.57
Return over direct expense		15.62
Overhead Expenses		
Custom hire		0.39
Hired labor		0.39
Machinery & bldg leases		4.45
RE & pers. property taxes		0.32
Farm insurance		0.80
Utilities		0.92
Dues & professional fees		0.22
Interest		1.43
Mach & bldg depreciation		3.16
Miscellaneous		0.57
Total overhead expenses		13.28
Total dir & ovhd expenses		67.85
Net return		2.34
Labor & management charge		6.40
Net return over lbr & mgt		-4.05
Cost of Production		
Total direct expense per cwt.		44.18
Total dir & ovhd expense per cwt.		49.86
With other revenue adjustments		49.86
With labor and management		52.59
Est. labor hours per unit		0.53
Other Information		
No. purchased or trans in		2,061
Number sold or trans out		1,495
Percentage death loss		3.7
Avg. daily gain (lbs)		1.20
Lbs of conc / lb of gain		2.41
Lbs of feed / lb of gain		2.41
Feed cost per cwt of gain		21.31
Feed cost per head		45.72
Average purchase weight		41
Average sales weight		258
Avg purch price / head		52.79
Avg sales price / cwt		50.86

Livestock Enterprise Analysis
Southeast & Southwest Minnesota Farm Business Management Association
(Farms Sorted By Net Return Per Unit)

Hogs, Finish Feeder Pigs -- Average Per Cwt. Produced

	Avg. Of All Farms	
Number of farms	7	
	Quantity	Value
Finish Hogs sold (lb)	109.04	55.46
Butchered (lb)	0.14	0.07
Less purchased (lb)	-23.75	-30.75
Inventory change (lb)	14.57	7.94
Total production (lb)	100.00	32.72
Other income		-
Gross return		32.72
Direct Expenses		
Corn (bu.)	3.53	6.30
Complete Ration (lb.)	0.16	8.69
Protein Vit Minerals (lb.)	44.30	6.27
Other feed stuffs	0.03	0.05
Veterinary		0.38
Supplies		0.82
Fuel & oil		0.65
Repairs		0.80
Custom hire		0.30
Livestock leases		0.10
Marketing		0.16
Operating interest		0.90
Total direct expenses		25.44
Return over direct expense		7.28
Overhead Expenses		
Custom hire		0.18
Hired labor		0.18
Machinery & bldg leases		2.08
RE & pers. property taxes		0.15
Farm insurance		0.37
Utilities		0.43
Interest		0.67
Mach & bldg depreciation		1.47
Miscellaneous		0.37
Total overhead expenses		6.19
Total dir & ovhd expenses		31.62
Net return		1.09
Labor & management charge		2.98
Net return over lbr & mgt		-1.89
Cost of Production		
Total direct expense per cwt.		44.18
Total dir & ovhd expense per cwt.		49.86
With other revenue adjustments		49.86
With labor and management		52.59
Est. labor hours per unit		0.25
Other Information		
No. purchased or trans in		2,061
Number sold or trans out		1,495
Percentage death loss		3.7
Avg. daily gain (lbs)		1.20
Lbs of conc / lb of gain		2.41
Lbs of feed / lb of gain		2.41
Feed cost per cwt of gain		21.31
Feed cost per head		45.72
Average purchase weight		41
Average sales weight		258
Avg purch price / head		52.79
Avg sales price / cwt		50.86

Livestock Enterprise Analysis
Southeast & Southwest Minnesota Farm Business Management Association
(Farms Sorted By Net Return Per Unit)

Hogs, Weaning to Finish -- Average Per Head

	Avg. Of All Farms	
Number of farms	7	
	Quantity	Value
Wean-Fin Pig sold (lb)	256.19	128.19
Cull sales (lb)	0.20	0.06
Butchered (lb)	0.01	0.00
Less purchased (lb)	-15.27	-42.08
Inventory change (lb)	7.83	8.15
Total production (lb)	248.96	94.33
Other income		0.21
Gross return		94.53
Direct Expenses		
Corn (bu.)	8.89	14.78
Complete Ration (lb.)	85.36	5.44
Protein Vit Minerals (lb.)	69.46	12.15
Other feed stuffs	0.04	7.59
Veterinary		1.58
Supplies		1.01
Contract production exp.		3.74
Fuel & oil		1.93
Repairs		1.79
Custom hire		0.77
Operating interest		0.40
Total direct expenses		51.16
Return over direct expense		43.37
Overhead Expenses		
Custom hire		1.21
Hired labor		4.40
Farm insurance		1.04
Utilities		0.94
Interest		1.47
Mach & bldg depreciation		2.16
Miscellaneous		0.67
Total overhead expenses		17.16
Total dir & ovhd expenses		68.32
Net return		26.21
Labor & management charge		3.98
Net return over lbr & mgt		22.24
Cost of Production		
Total direct expense per cwt.		33.19
Total dir & ovhd expense per cwt.		39.89
With other revenue adjustments		39.81
With labor and management		41.36
Est. labor hours per unit		0.39
Other Information		
No. purchased or trans in		18,283
Number sold or trans out		15,666
Percentage death loss		5.2
Avg. daily gain (lbs)		1.43
Lbs of conc / lb of gain		2.62
Lbs of feed / lb of gain		2.97
Feed cost per cwt of gain		16.05
Feed cost per head		39.96
Average purchase weight		13
Average sales weight		254
Avg purch price / head		35.77
Avg sales price / cwt		50.04

Livestock Enterprise Analysis
Southeast & Southwest Minnesota Farm Business Management Association
(Farms Sorted By Net Return Per Unit)

Hogs, Weaning to Finish -- Average Per Cwt. Produced

	Avg. Of All Farms	
Number of farms	7	
	Quantity	Value
Wean-Fin Pig sold (lb)	102.90	51.49
Cull sales (lb)	0.08	0.02
Butchered (lb)	0.00	0.00
Less purchased (lb)	-6.13	-16.90
Inventory change (lb)	3.14	3.27
Total production (lb)	100.00	37.89
Other income		0.08
Gross return		37.97
Direct Expenses		
Corn (bu.)	3.57	5.94
Complete Ration (lb.)	34.29	2.19
Protein Vit Minerals (lb.)	27.90	4.88
Other feed stuffs	0.02	3.05
Veterinary		0.63
Supplies		0.40
Contract production exp.		1.50
Fuel & oil		0.77
Repairs		0.72
Custom hire		0.31
Operating interest		0.16
Total direct expenses		20.55
Return over direct expense		17.42
Overhead Expenses		
Custom hire		0.48
Hired labor		1.77
Farm insurance		0.42
Utilities		0.38
Interest		0.59
Mach & bldg depreciation		0.87
Miscellaneous		0.27
Total overhead expenses		6.89
Total dir & ovhd expenses		27.44
Net return		10.53
Labor & management charge		1.60
Net return over lbr & mgt		8.93
Cost of Production		
Total direct expense per cwt.		33.19
Total dir & ovhd expense per cwt.		39.89
With other revenue adjustments		39.81
With labor and management		41.36
Est. labor hours per unit		0.16
Other Information		
No. purchased or trans in		18,283
Number sold or trans out		15,666
Percentage death loss		5.2
Avg. daily gain (lbs)		1.43
Lbs of conc / lb of gain		2.62
Lbs of feed / lb of gain		2.97
Feed cost per cwt of gain		16.05
Feed cost per head		39.96
Average purchase weight		13
Average sales weight		254
Avg purch price / head		35.77
Avg sales price / cwt		50.04

Livestock Enterprise Analysis
Southeast & Southwest Minnesota Farm Business Management Association
(Farms Sorted By Net Return Per Unit)

Hogs, Contractee -- Average Per Pig Space

	Avg. Of All Farms	
Number of farms	13	
	Quantity	Value
Total production (hd)	0.00	0.00
Other income		35.63
Gross return		35.63
Direct Expenses		
Supplies		3.02
Fuel & oil		1.28
Repairs		1.90
Operating interest		0.49
Total direct expenses		6.70
Return over direct expense		28.94
Overhead Expenses		
Custom hire		1.32
Hired labor		1.48
Machinery & bldg leases		1.23
RE & pers. property taxes		0.41
Farm insurance		1.06
Utilities		2.01
Dues & professional fees		0.26
Interest		4.85
Mach & bldg depreciation		5.66
Miscellaneous		0.42
Total overhead expenses		20.25
Total dir & ovhd expenses		26.95
Net return		8.68
Labor & management charge		4.73
Net return over lbr & mgt		3.95
Cost of Production		
Total direct expense per head		-
Total dir & ovhd expense per head		-
With other revenue adjustments		-
With labor and management		-
Est. labor hours per unit		0.48
Other Information		
Number of pigs		4,966
Pigs per pig space (per year)		2.27
Pigs per 100 sq. ft. (per yr)		29.71
Net return per 100 sq. ft.		113.67
Net return per labor hour		18.27
Square feet per pig space		7.64

Summary Tables

Financial Summary by Years

A better picture of the current profitability, liquidity and solvency conditions can be seen by comparing this year to previous years in the *Summary by Years* table. 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 \$)* using the Consumer Price Index (CPI-U) from the U.S. Department of Commerce. This shows the changes in “buying power” for the farmers, compared to the current year. The CPI used is reported below.

<u>Year</u>	<u>CPI-U</u> <u>1982-84=100</u>	<u>Year</u>	<u>CPI-U</u> <u>1982-84=100</u>
1986	109.6	1996	156.9
1987	113.6	1997	160.5
1988	118.3	1998	163.0
1989	124.0	1999	166.6
1990	130.7	2000	172.2
1991	136.2	2001	177.0
1992	140.3	2002	179.9
1993	144.5	2003	184.0
1994	148.2	2004	188.9
1995	152.4	2005	195.3

Financial Summary by County

This table summarizes whole-farm financial performance by county. Counties are grouped by proximity and similar crop production potential.

Financial Summary by Farm Size (Gross Farm Income)

This table summarizes whole-farm financial performance by size of farm. Farms are categorized based on gross farm income.

Financial Summary by Farm Type

This table summarizes whole-farm financial performance by type of farm. Farm type is assigned based on greater than 70 percent of sales from that commodity or combination of commodities.

Financial Summary by Debt To Asset Ratio

This table summarizes whole-farm financial performance by debt level. Farms are categorized based on total farm and nonfarm Debt To Asset Ratio.

Financial Summary by Age of Operator

This table summarizes whole-farm financial performance based on age of the primary operator.

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

Row	Items	1986	1987	1988	1989	1990	1991	1992	1993	1994
1	Number of Farms	61	62	63	58	65	65	63	65	64
Farm Income Statement										
2	Gross Cash Farm Income	190,124	190,481	187,712	203,126	219,696	212,943	219,457	236,401	242,784
3	Total Cash Farm Expense	141,090	136,802	135,159	146,353	146,315	144,519	153,908	172,893	178,968
4	Inventory Change	1,833	9,817	2,922	3,482	8,706	1,827	-7,685	2,930	7,424
5	Depr. & Cap. Adj.	-25,685	-18,298	-13,646	-15,010	-20,043	-19,416	-17,897	-23,192	-15,047
6	Net Farm Income	25,180	45,197	41,829	45,244	62,044	50,835	39,967	43,246	56,192
7	Net Farm Income (Constant \$)	44,869	77,702	69,055	71,259	92,710	72,893	55,635	58,449	74,051
Profitability and Liquidity Analysis										
8	Labor and Management Earnings	16,418	34,905	29,793	31,106	46,923	34,143	22,049	25,084	37,384
Rate of return on:										
9	Average Assets (%)	8	12	10	10	12	9	5	6	8
10	Average Equity (%)	5	15	11	10	15	9	3	5	9
11	Operating Profit Margin (%)	16	22	20	19	23	19	11	14	20
12	Asset Turnover Rate (%)	50	54	52	50	53	46	42	38	40
13	Value of Farm Production	173,619	194,420	187,789	199,804	215,976	200,904	198,818	184,576	201,239
14	Farm Interest Paid	21,168	16,542	15,543	15,151	12,963	13,983	12,509	13,339	14,175
15	Cash Expense as a % of Income	74	72	72	72	67	68	70	73	74
Interest Paid as a % of:										
16	Gross Cash Income	11	9	8	7	6	7	6	6	6
17	Total Cash Expenses	15	12	11	10	9	10	8	8	8
18	Yrs. to T/O Non R.E. Debt	3.6	4.1	3.4	4.5	1.5	1.5	2.0	1.5	1.3
Comparative Financial Statement (Cost Basis)										
19	No. of Sole Proprietors	46	49	48	44	51	48	46	47	46
20	Total Ending Assets	320,601	326,849	331,420	376,054	384,259	417,616	474,752	455,144	507,456
21	Total Ending Liabilities	170,318	162,013	154,430	164,661	159,333	172,612	192,695	198,475	218,738
22	Ending Net Worth	150,283	164,836	176,990	211,393	224,926	245,004	282,057	256,670	288,718
23	Ending Farm C+I Debt to Asset %	45	38	33	33	31	31	33	40	38
24	Ending Total Debt to Asset %	53	50	47	44	41	41	41	44	43
Acreage Information										
25	Total Acres Owned	264	268	274	294	280	272	285	325	335
26	Total Crop Acres Farmed	376	365	348	372	350	401	417	432	430
27	Crop Acres Owned	198	225	223	222	210	237	261	264	258
28	Crop Acres Cash Rented	157	123	105	128	124	159	152	162	163
29	Crop Acres Share Rented	21	18	20	22	16	5	4	5	8
Crop Yields										
30	Corn per acre	140	143	88	142	140	134	117	91	158
31	Soybean per acre	41	44	31	42	41	42	32	33	46
Crop Prices Received (cash sales)										
32	Corn per Bushel	2.02	1.77	2.17	2.36	2.39	2.28	2.34	1.97	2.22
33	Soybeans per Bushel	5.07	4.95	6.87	6.88	5.89	5.33	5.28	5.98	5.94
Household Information										
34	No. Farms Reporting HseHld Info	15	14	12	11	16	16	16	19	30
35	Average Family Size	3.5	3.5	3.5	3.7	3.4	3.8	4.0	3.3	3.0
36	Total Family Use of Cash	26,945	35,772	41,392	44,050	49,370	46,635	44,940	32,132	37,652
37	Average Net Nonfarm Income	8,429	8,788	8,396	9,370	8,403	8,343	10,377	12,192	12,435

* Not available.

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

1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Row
----	----	----	----	----	----	----	----	----	----	----	----
62	61	64	60	62	58	59	54	50	46	45	1
269,666	291,050	294,687	320,356	411,665	352,354	365,819	402,565	470,459	509,817	516,282	2
198,873	211,486	225,501	239,611	314,644	267,986	274,867	328,740	366,322	383,908	395,564	3
20,130	3,690	21,010	1,575	-53	19,036	-6,480	14,376	12,101	16,409	36,679	4
-19,541	-15,676	-16,885	-16,580	-30,556	-25,732	-23,494	-23,536	-30,568	-28,855	-40,709	5
71,382	67,579	73,311	65,739	66,412	77,672	60,978	64,666	85,669	113,462	116,688	6
91,476	84,118	89,206	78,766	77,853	88,091	67,283	70,202	90,930	117,306	116,688	7
47,696	41,777	45,620	36,896	35,032	45,373	26,509	25,398	44,067	64,967	63,204	8
9	8	9	7	7	8	6	5	7	8	8	9
10	8	9	7	7	9	5	5	7	9	9	10
22	21	24	19	18	22	17	15	17	22	21	11
40	39	37	36	39	37	34	35	40	38	36	12
239,151	242,598	256,273	268,551	320,367	309,214	287,161	338,181	409,738	444,067	468,826	13
15,370	15,571	18,957	17,964	22,135	22,111	19,291	20,758	20,191	21,517	21,634	14
74	73	77	75	76	76	75	82	78	75	77	15
6	5	6	6	5	6	5	5	4	4	4	16
8	7	8	7	7	8	7	6	6	6	5	17
1.2	1.0	1.4	1.4	1.2	2.1	1.4	2.4	1.5	1.6	2.1	18
44	45	47	45	49	46	45	41	36	33	31	19
571,147	610,645	673,379	735,178	789,710	849,829	878,408	1,045,929	1,066,423	1,245,139	1,390,883	20
227,621	217,061	251,000	260,958	266,181	296,006	295,360	378,343	361,425	408,637	443,612	21
343,526	393,584	422,379	474,219	523,529	553,823	583,049	667,586	704,997	836,502	947,270	22
36	35	37	35	36	37	35	39	34	33	32	23
40	36	37	35	34	35	34	36	34	33	32	24
362	336	325	367	330	342	336	355	391	434	420	25
496	504	513	560	580	576	577	634	691	753	722	26
276	252	266	285	304	301	301	317	346	391	386	27
214	244	241	268	271	266	275	314	339	357	331	28
6	8	7	7	5	9	2	3	5	6	5	29
129	126	146	167	156	154	143	163	158	169	179	30
44	42	44	50	45	49	40	50	37	43	53	31
2.37	3.19	2.54	2.15	1.86	1.85	1.88	2.02	2.14	2.50	2.07	32
5.72	7.00	7.11	5.72	4.59	4.65	4.43	4.90	6.18	6.97	6.17	33
21	18	17	15	16	13	18	16	9	12	10	34
2.1	3.6	3.5	3.7	3.8	4.0	3.6	2.8	3.0	2.9	2.9	35
41,005	36,438	60,231	50,081	61,086	86,083	81,341	73,210	56,374	68,443	76,005	36
14,786	20,634	26,290	20,692	27,419	26,602	29,753	28,780	31,939	34,050	28,510	37

Financial Summary
Southeast Minnesota Farm Business Management Association
(Farms Sorted By County)

	<u>Avg. Of All Farms</u>	<u>Dakota Le Sueur Nicollet Rice Scott Washington</u>	<u>Dodge Faribault Freeborn Mower Steele Waseca</u>	<u>Fillmore Goodhue Houston Olmsted Wabasha Winona</u>
Number of farms	45	13	5	27
Income Statement				
Gross cash farm income	516,282	664,424	327,537	479,906
Total cash farm expense	395,564	518,043	234,768	366,369
Net cash farm income	120,718	146,382	92,768	113,537
Inventory change	36,679	55,062	2,793	34,103
Depreciation and capital adjust	-40,709	-45,725	-26,539	-40,918
Net farm income	116,688	155,718	69,022	106,723
Profitability (cost)				
Labor and management earnings	63,204	70,212	18,345	68,137
Rate of return on assets	7.5 %	7.3 %	4.0 %	8.6 %
Rate of return on equity	8.5 %	8.1 %	3.2 %	10.1 %
Operating profit margin	20.7 %	22.7 %	15.1 %	20.0 %
Asset turnover rate	36.4 %	32.1 %	26.3 %	43.0 %
Liquidity				
Ending current ratio	3.94	5.51	18.38	3.15
Ending working capital	164,526	259,659	53,863	139,215
End working capital to gross inc	31.9 %	39.1 %	16.4 %	29.0 %
Term debt coverage ratio	330.5 %	302.2 %	135.1 %	394.7 %
Expense as a percent of income	71.1 %	71.7 %	70.9 %	70.7 %
Interest as a percent of income	4.1 %	4.0 %	6.3 %	3.8 %
Solvency (market)				
Number of sole proprietors	31	7	2	22
Ending farm assets	1,605,591	2,770,254	-	1,276,125
Ending farm liabilities	531,005	989,309	-	406,062
Ending total assets	1,893,794	3,097,508	-	1,545,872
Ending total liabilities	570,646	1,014,383	-	451,390
Ending net worth	1,323,148	2,083,125	-	1,094,483
Net worth change	105,875	149,014	-	91,970
Ending farm debt to asset ratio	33 %	36 %	- %	32 %
Beg total debt to asset ratio	31 %	31 %	- %	31 %
End total debt to asset ratio	30 %	33 %	- %	29 %
Nonfarm Information				
Net nonfarm income	25,083	22,245	54,618	20,980
Farms reporting living expenses	11	1	1	9
Total family living expense	58,019	-	-	60,856
Total living, invest, & capital	76,404	-	-	75,850
Crop Acres				
Total acres owned	420	584	469	331
Total crop acres	722	1,065	779	546
Total crop acres owned	386	579	552	263
Total crop acres cash rented	331	484	227	277
Total crop acres share rented	5	2	-	7

Financial Summary
Southeast Minnesota Farm Business Management Association
(Farms Sorted By Gross Farm Income)

	<u>Avg. Of All Farms</u>	<u>50,001 - 100,000</u>	<u>100,001 - 250,000</u>	<u>250,001 - 500,000</u>	<u>500,001 - 1,000,000</u>	<u>Over 1,000,000</u>
Number of farms	45	5	8	16	9	5
Income Statement						
Gross cash farm income	516,282	67,686	193,684	349,003	721,117	1,838,427
Total cash farm expense	395,564	68,342	136,938	281,549	543,221	1,378,510
Net cash farm income	120,718	-655	56,746	67,455	177,896	459,917
Inventory change	36,679	10,921	11,699	35,499	37,128	122,546
Depreciation and capital adjust	-40,709	-5,235	-27,298	-23,268	-58,233	-138,079
Net farm income	116,688	5,031	41,147	79,685	156,790	444,383
Profitability (cost)						
Labor and management earnings	63,204	-17,587	8,716	48,818	90,066	259,335
Rate of return on assets	7.5 %	-3.0 %	3.4 %	7.9 %	7.9 %	9.4 %
Rate of return on equity	8.5 %	-4.4 %	2.1 %	9.1 %	9.1 %	11.2 %
Operating profit margin	20.7 %	-17.6 %	14.9 %	18.6 %	19.9 %	25.7 %
Asset turnover rate	36.4 %	17.1 %	22.8 %	42.8 %	39.7 %	36.7 %
Liquidity						
Ending current ratio	3.94	4.68	11.65	2.95	2.99	6.77
Ending working capital	164,526	45,574	104,423	117,157	214,462	497,621
End working capital to gross inc	31.9 %	67.3 %	53.9 %	33.6 %	29.7 %	27.1 %
Term debt coverage ratio	330.5 %	-1,344.1 %	166.4 %	424.0 %	285.2 %	487.6 %
Expense as a percent of income	71.1 %	87.0 %	66.9 %	73.1 %	70.7 %	69.9 %
Interest as a percent of income	4.1 %	4.2 %	7.8 %	4.1 %	3.6 %	3.7 %
Solvency (market)						
Number of sole proprietors	31	4	6	10	7	2
Ending farm assets	1,605,591	-	1,109,008	1,271,326	2,268,825	-
Ending farm liabilities	531,005	-	321,067	414,355	630,470	-
Ending total assets	1,893,794	-	1,264,054	1,564,939	2,633,828	-
Ending total liabilities	570,646	-	324,955	489,336	651,708	-
Ending net worth	1,323,148	-	939,099	1,075,603	1,982,120	-
Net worth change	105,875	-	64,548	110,879	129,067	-
Ending farm debt to asset ratio	33 %	- %	29 %	33 %	28 %	- %
Beg total debt to asset ratio	31 %	- %	28 %	33 %	26 %	- %
End total debt to asset ratio	30 %	- %	26 %	31 %	25 %	- %
Nonfarm Information						
Net nonfarm income	25,083	60,521	30,206	19,352	13,400	6,709
Farms reporting living expenses	11	1	1	4	3	1
Total family living expense	58,019	-	-	-	-	-
Total living, invest, & capital	76,404	-	-	-	-	-
Crop Acres						
Total acres owned	420	262	331	313	474	1,079
Total crop acres	722	214	393	553	1,040	1,970
Total crop acres owned	386	145	295	243	503	1,153
Total crop acres cash rented	331	63	98	305	526	817
Total crop acres share rented	5	6	-	5	11	-

Financial Summary
Southeast Minnesota Farm Business Management Association
(Farms Sorted By Farm Type)

	<u>Avg. Of All Farms</u>	<u>Crop</u>	<u>Dairy</u>	<u>Other</u>
Number of farms	45	18	12	6
Income Statement				
Gross cash farm income	516,282	431,430	807,349	206,103
Total cash farm expense	395,564	352,634	595,282	141,854
Net cash farm income	120,718	78,796	212,067	64,249
Inventory change	36,679	54,870	28,304	6,380
Depreciation and capital adjust	-40,709	-28,234	-64,259	-31,339
Net farm income	116,688	105,432	176,112	39,290
Profitability (cost)				
Labor and management earnings	63,204	59,419	122,004	-8,539
Rate of return on assets	7.5 %	8.1 %	10.9 %	1.0 %
Rate of return on equity	8.5 %	9.6 %	12.8 %	0.5 %
Operating profit margin	20.7 %	21.2 %	22.0 %	5.7 %
Asset turnover rate	36.4 %	38.0 %	49.7 %	18.0 %
Liquidity				
Ending current ratio	3.94	4.42	5.49	2.45
Ending working capital	164,526	267,664	118,826	55,863
End working capital to gross inc	31.9 %	62.0 %	14.7 %	27.1 %
Term debt coverage ratio	330.5 %	367.3 %	345.2 %	-112.7 %
Expense as a percent of income	71.1 %	72.0 %	70.9 %	65.6 %
Interest as a percent of income	4.1 %	5.3 %	2.8 %	2.7 %
Solvency (market)				
Number of sole proprietors	31	14	8	4
Ending farm assets	1,605,591	1,822,128	1,531,932	-
Ending farm liabilities	531,005	680,061	382,221	-
Ending total assets	1,893,794	2,223,291	1,735,480	-
Ending total liabilities	570,646	751,691	382,221	-
Ending net worth	1,323,148	1,471,600	1,353,259	-
Net worth change	105,875	120,815	111,168	-
Ending farm debt to asset ratio	33 %	37 %	25 %	- %
Beg total debt to asset ratio	31 %	33 %	24 %	- %
End total debt to asset ratio	30 %	34 %	22 %	- %
Nonfarm Information				
Net nonfarm income	25,083	37,940	7,752	28,248
Farms reporting living expenses	11	5	4	1
Total family living expense	58,019	76,496	-	-
Total living, invest, & capital	76,404	106,442	-	-
Crop Acres				
Total acres owned	420	423	259	461
Total crop acres	722	1,018	347	364
Total crop acres owned	386	427	245	292
Total crop acres cash rented	331	585	102	67
Total crop acres share rented	5	6	-	5

Financial Summary
Southeast Minnesota Farm Business Management Association
(Farms Sorted By Debt To Asset Ratio)

	<u>Avg. Of All Farms</u>	<u>Less than 20%</u>	<u>20% - 40%</u>	<u>40% - 60%</u>
Number of farms	45	16	18	10
Income Statement				
Gross cash farm income	516,282	381,593	553,033	672,302
Total cash farm expense	395,564	251,957	432,488	556,003
Net cash farm income	120,718	129,636	120,545	116,299
Inventory change	36,679	23,752	40,440	56,507
Depreciation and capital adjust	-40,709	-41,235	-38,497	-42,888
Net farm income	116,688	112,153	122,487	129,917
Profitability (cost)				
Labor and management earnings	63,204	56,886	56,180	97,020
Rate of return on assets	7.5 %	7.8 %	6.6 %	9.7 %
Rate of return on equity	8.5 %	7.9 %	7.2 %	16.7 %
Operating profit margin	20.7 %	21.6 %	19.9 %	22.8 %
Asset turnover rate	36.4 %	36.0 %	33.3 %	42.4 %
Liquidity				
Ending current ratio	3.94	20.07	2.85	3.21
Ending working capital	164,526	159,488	117,545	273,605
End working capital to gross inc	31.9 %	41.8 %	21.3 %	40.7 %
Term debt coverage ratio	330.5 %	1,809.0 %	257.0 %	216.4 %
Expense as a percent of income	71.1 %	61.7 %	72.7 %	75.6 %
Interest as a percent of income	4.1 %	0.6 %	3.7 %	7.2 %
Solvency (market)				
Number of sole proprietors	31	11	13	7
Ending farm assets	1,605,591	1,347,173	1,671,057	1,890,098
Ending farm liabilities	531,005	185,626	535,301	1,065,764
Ending total assets	1,893,794	1,696,851	1,973,513	2,055,227
Ending total liabilities	570,646	193,367	609,142	1,092,021
Ending net worth	1,323,148	1,503,483	1,364,372	963,206
Net worth change	105,875	77,846	117,428	128,466
Ending farm debt to asset ratio	33 %	14 %	32 %	56 %
Beg total debt to asset ratio	31 %	12 %	33 %	53 %
End total debt to asset ratio	30 %	11 %	31 %	53 %
Nonfarm Information				
Net nonfarm income	25,083	27,937	27,236	19,125
Farms reporting living expenses	11	5	5	1
Total family living expense	58,019	54,304	61,742	-
Total living, invest, & capital	76,404	76,301	78,192	-
Crop Acres				
Total acres owned	420	354	559	278
Total crop acres	722	485	791	986
Total crop acres owned	386	294	508	324
Total crop acres cash rented	331	191	271	662
Total crop acres share rented	5	-	12	-

Financial Summary
Southeast Minnesota Farm Business Management Association
(Farms Sorted By Age Of Operator)

	<u>Avg. Of All Farms</u>	<u>41 - 50</u>	<u>51 - 60</u>	<u>Over 60</u>
Number of farms	45	12	15	14
Income Statement				
Gross cash farm income	516,282	450,431	449,069	543,778
Total cash farm expense	395,564	317,769	342,818	413,468
Net cash farm income	120,718	132,662	106,251	130,310
Inventory change	36,679	15,792	44,015	21,458
Depreciation and capital adjust	-40,709	-45,776	-26,335	-52,925
Net farm income	116,688	102,679	123,931	98,844
Profitability (cost)				
Labor and management earnings	63,204	69,939	63,067	38,277
Rate of return on assets	7.5 %	9.7 %	7.3 %	5.6 %
Rate of return on equity	8.5 %	11.5 %	8.3 %	5.3 %
Operating profit margin	20.7 %	21.5 %	22.7 %	15.6 %
Asset turnover rate	36.4 %	45.4 %	32.2 %	35.8 %
Liquidity				
Ending current ratio	3.94	3.54	3.04	5.25
Ending working capital	164,526	79,085	131,409	117,613
End working capital to gross inc	31.9 %	17.6 %	29.3 %	21.6 %
Term debt coverage ratio	330.5 %	431.2 %	272.6 %	359.0 %
Expense as a percent of income	71.1 %	67.9 %	69.2 %	72.8 %
Interest as a percent of income	4.1 %	3.7 %	3.7 %	3.3 %
Solvency (market)				
Number of sole proprietors	31	8	11	8
Ending farm assets	1,605,591	748,169	1,416,097	2,131,826
Ending farm liabilities	531,005	207,647	460,464	470,810
Ending total assets	1,893,794	909,866	1,829,261	2,433,779
Ending total liabilities	570,646	209,535	549,717	492,309
Ending net worth	1,323,148	700,331	1,279,543	1,941,470
Net worth change	105,875	53,303	120,288	90,631
Ending farm debt to asset ratio	33 %	28 %	33 %	22 %
Beg total debt to asset ratio	31 %	25 %	32 %	22 %
End total debt to asset ratio	30 %	23 %	30 %	20 %
Nonfarm Information				
Net nonfarm income	25,083	15,327	37,176	26,440
Farms reporting living expenses	11	3	5	3
Total family living expense	58,019	-	70,405	-
Total living, invest, & capital	76,404	-	100,447	-
Crop Acres				
Total acres owned	420	224	591	444
Total crop acres	722	476	759	606
Total crop acres owned	386	222	490	384
Total crop acres cash rented	331	254	262	220
Total crop acres share rented	5	-	7	2

Appendix I

Whole Farm Analysis Procedures and Measures

The whole-farm reports (except for the balance sheets) include the same number of farms, which were all of the farms whose records were judged to be of sufficient quality. The Balance Sheets include 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.

Rounding of individual items may have caused minor discrepancies between those items and the printed totals which are calculated before rounding.

Farm Income Statement

The Farm Income Statement is a summary of income, expenses, and resultant profit or loss from farming operations during the calendar year. The first section lists cash farm income from all sources. The second section 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 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 repossessions.

Inventory Changes

This is the detailed statement of inventory changes which is summarized in the Farm Income Statement. It includes beginning and ending inventories and the calculated changes.

Depreciation and Other Capital Adjustments

This is the detailed statement of depreciation and other capital adjustments which is summarized in the Farm Income Statement. It includes beginning and ending inventories (valued at cost), sales, purchases, and depreciation.

The accounting method used for calculating depreciation was changed in 2000. Previously tax depreciation was used. The new method is designed to estimate actual economic depreciation more closely. This method depreciates machinery and equipment at 10 to 12% of beginning cost basis plus boot purchases less basis of sales items. For buildings and other improvements, the percentage was 5 to 8%; for breeding livestock, the percentage varied between 20 to 25%.

Profitability Measures

Profitability is measured using assets valued first at cost and then at market. The reports include six measures of profit followed by the values used to calculate the measures.

Net Farm Income is repeated from the Farm Income Statement report. When assets are valued at market, it includes the change in market valuation of capital for the year.

Labor and Management Earnings equals *Net Farm Income* 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 the Farm Income Statement.

Value of Operator's Labor and Management is its opportunity cost. It is assigned by farm within suggested guidelines.

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 for all farms, not just those included in the Balance Sheet report.

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 and feed purchased and adjusted for inventory changes in crops, market livestock and breeding livestock.

Liquidity Measures

Net Cash Farm Income is from the Farm Income Statement.

Net Nonfarm Income is the average for all farms, not including *Gifts and Inheritances*.

Family Living and Taxes is the apparent total family expenses and income and social security taxes paid averaged for all farms, not just those included in the Household and Personal Expenses report.

Real Estate Principal Payments are taken from the farmer's data.

Cash Available for Intermediate Debt Service (cash basis) is *Total Net Income* minus *Family Living and Taxes* and *Real Estate Principal Payments*. *Available for Intermediate Debt Service* (accrual basis) is *Net Accrual Operating Income* plus *Net Nonfarm Income* and 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 (cash basis) is *Total Cash Expense* divided by *Gross Cash Farm Income*. *Expense as a Percent of Income* (accrual basis) is *Total Accrual Farm Expense* divided by *Total Accrual Farm Income*.

Interest as a Percent of Income (cash basis) is *Interest* divided by *Gross Cash Farm Income*. *Interest as a Percent of Income* (accrual basis) is *Interest* minus beginning accrued interest plus ending accrued interest divided by *Total Accrual Farm Income*.

Balance Sheets at Cost and Market Values

These tables include only sole proprietors; partnerships and corporations are excluded because some assets and debts are held outside of the farm business, causing potential misinterpretations of the average financial condition.

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.

Financial Standards Measures

This table contains the Farm Financial Standards Council's 16 financial measures for evaluating a farm's financial position and performance.

Liquidity

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

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.

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.

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

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: $\text{Rate of Return on Assets} = \text{Return on Farm Assets} \div \text{Average Farm Investment}$, where: $\text{Return on Farm Assets} = \text{Net Farm Income} + \text{Farm Interest} - \text{Value of Operator's Labor \& Management}$, and $\text{Average Farm Investment} = (\text{Beginning Total Farm Assets} + \text{Ending Total Farm Assets}) \div 2$.

Rate of Return on Farm Equity represents the interest rate being earned on 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: $\text{Rate of Return on Equity} = \text{Return on Farm Equity} \div \text{Average Farm Net Worth}$, where: $\text{Return on Farm Equity} = \text{Net Farm}$

Income - Value of Operator's Labor & Management, and Average Farm Net Worth = (Beginning Farm Net Worth + Ending Farm Net Worth) ÷ 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 ÷ Value of Farm Production. If expenses are held in line relative to the value of output produced, the farm will have a healthy operating 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

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.

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. RankEm Central 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 ÷ Total Farm Assets.

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.

Operating Expense Ratio is calculated as (Total Farm Operating Expense - Farm Interest Expense) ÷ 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.

Depreciation Expense Ratio is calculated as $\text{Depreciation} \div \text{Gross Farm Income}$. This ratio indicates the percent of the gross farm income that was used to cover depreciation and other capital adjustments.

Interest Expense Ratio is calculated as $\text{Farm Interest Expense} \div \text{Gross Farm Income}$. 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 table.

Net Farm Income Ratio is calculated as $\text{Net Farm Income} \div \text{Gross Farm Income}$. This ratio indicates the percent of the gross farm income that remained after all expenses.

Crop Production and Marketing Summary

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

Household and Personal Expenses

For those farms that kept records, the household and personal expenses are summarized in this table. 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.

Operator and Labor Information

This table has four sections. The first reports the averages for the number of operators per farm, the operator's age, and the number of years farming. The second section reports various measures and results per operator compared to per farm in other reports.

The third section reports the amount of labor used and the returns to that labor. *Total Unpaid Labor Hours* and *Total Hired Labor Hours* are based on farmers' estimates of labor use. No labor records are kept for unpaid labor. *Value of Farm Production/Hour* is the Value of Farm Production divided by Total Labor Hours per Farm. *Net Farm Income/Unpaid Hour* is Net Farm Income divided by Total Unpaid Labor Hours.

The fourth section reports the number of partnerships and withdrawals in each grouping.

Nonfarm Summary

This table reports the income from nonfarm sources which is included in a farmer's total net income. Not all farms have nonfarm income, but the figure reported is the average over all farms not just those reporting nonfarm income. Also reported are the beginning and ending values for nonfarm assets for all farms (not just sole proprietors).

Appendix II

Crop Enterprise Analysis Procedures and Measures

The Crop Enterprise Analysis tables show the profitability of each crop enterprise produced by five or more farms.

Gross Return is the average Yield multiplied by the Value Per Unit plus any other production or income related to the crop. Value Per Unit for cash crops is the average sales price for crops sold before the end of the year and the average ending inventory value for crops remaining unsold. For feed crops, it is the estimated harvest-time value. LDP payments and other commodity-specific income are added to estimate the total value received for crop production.

Direct Expenses include expenses that are directly related to the production of the specific crop. Most direct expenses are directly assigned to production of the crop and simply divided by acres. Some, such as Fuel and Oil and Repairs, which are difficult to assign directly to specific fields or crops, are determined by allocating the total annual expense across all enterprises using allocation factors entered for each crop.

Overhead Expenses are also determined by allocating the total annual expense across all enterprises using allocation factors entered for each crop.

Net Return per Acre is the Gross Return per Acre minus Total Direct and Overhead Expenses.

Net return with government payments is Net Return per Acre plus Government Payments. Government Payments includes only direct payments and counter-cyclical payments. Payments that are directly attached to production of the crop, such as LDP and disaster payments are included in Gross Return. Because direct government payments have been decoupled from actual production, these payments are generally allocated to all crops excluding vegetables and pasture. This is done for each farm by allocating the direct payments from the whole farm to these crops.

Net Return over Labor and Management is calculated by allocating the farmer's charge for unpaid labor and management across all enterprises and subtracting it from Net Return With Government Payments.

Cost of Production is calculated by dividing the total expense for each category by the yield per acre. *Total Expense Less Government and Other Income* is total expense minus government payments, income from secondary products, and other income, divided by yield per acre. *Total expense with labor and management* is total expense less government and other income plus the labor and management charge, divided by yield per acre.

Machinery Cost Per Acre is the sum of fuel and oil, repairs, custom hire expense, machinery lease payments, machinery depreciation, and interest on intermediate debt divided by acres.

Estimated Labor Hours Per Acre is calculated by allocating the farmer's estimate of total operator and hired labor hours for the year across all enterprises.

Rounding of individual items for the report may have caused minor discrepancies with the calculated totals. If fewer than 5 farms have a certain crop enterprise, that information is not reported. If there are fewer than 25 farms, the high and low groups are not reported.

Appendix III

Livestock Enterprise Analysis Procedures and Measures

The Livestock Enterprise Analysis tables show the profitability of each livestock enterprise produced by five or more farms.

Gross Return includes product and livestock sales, cull sales, the value of offspring transferred out of the enterprise, the value of inventory change from beginning to end of year, and any other income assigned to the enterprise. Livestock purchases and the value of animals transferred in from other enterprises are subtracted.

Direct Expenses include expenses that are directly related to the specific livestock enterprise. Feed and most other direct expenses are directly assigned based on farm records. Some, such as Fuel and Oil and Repairs, which are difficult to assign directly to enterprises, are determined by allocating the total annual expense across all enterprises using allocation factors entered for each farm.

Overhead Expenses are also determined by allocating the total annual expense across all enterprises using allocation factors entered for each farm.

Net Return is the Gross Return minus Total Direct and Overhead Expenses.

Net Return over Labor and Management is calculated by allocating the farmer's charge for unpaid labor and management across all enterprises and subtracting it from Net Return.

Estimated Labor Hours is calculated by allocating the farmer's estimate of total operator and hired labor hours for the year across all enterprises.

Cost of Production is calculated by dividing the total expense for each category by Total Production. For grow/finish enterprises, the Purchases and Transfers In are included in direct expense. Cull sales, other offspring sales, and any other miscellaneous income are subtracted and replacement purchases and transfers in are added to arrive at the cost *With other revenue adjustments*. *With Labor and Management* is the cost with other revenue adjustments plus the producer's charge for operator's labor and management. This is the breakeven price for the primary product to provide a return for operator labor and management.

The last section of each livestock table contains both economic and technical efficiency measures. *Lbs. feed per lb. of gain* is the pounds 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 units are converted to pounds and then adjusted by these factors: alfalfa haylage, 0.5; corn silage, 0.33; oatlage, 0.5; 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. If fewer than 5 farms have a certain livestock enterprise, that information is not reported. If there are fewer than 25 farms, the high and low groups are not reported.

Appendix IV

Prices Used In the Analysis Report

Item	Beginning Inventory Price	Average Feed Price/Year	Crop Enterprise Production	Ending Inventory Price
Corn	\$1.70	\$2.20	Actual	\$1.50
Oats	1.50	1.50	Actual	1.50
Soybeans	5.00	6.00	Actual	5.00
Alfalfa Hay	90.00	90.00	90.00	90.00
Mixed Hay	60.00	50.00	60.00	60.00
Haylage	45.00	45.00	45.00	45.00
Corn Silage	19.00	18.00	18.00	19.00
Oat Silage	12.00	12.00	12.00	12.00
Straw/ton	60.00	--	60.00	60.00
Corn Stalks	10.00	10.00	10.00	10.00
Barley	1.50	1.50	1.50	1.50

Pasture Rates	Tillable Pasture or Green Crop		Nontillable or Permanent Pasture	
	Per Month	Per Day	Per Month	Per Day
Dairy cow, bull, beef cow, feeder cattle & horses	\$10.00	\$.333	\$7.00	\$.233
Young cattle	5.00	.167	3.50	.117

Value of operator's labor is calculated by using this formula: For sole proprietors and partnerships, labor and management should be valued at \$18,000 per operator plus 5% of the value of farm production. The minimum labor and management charge is \$30,000 for a full-time farm operator.

Homegrown seed - soybeans: \$8.00/bu.

Homegrown seed - oats: \$3.00/bu.