

1996

Annual Report

Southwestern Minnesota
Farm Business
Management Association

COOPERATING AGENCIES

University of Minnesota, College of Agricultural, Food, and Environmental Sciences
County Extension Services of the 16 Southwestern Counties
Southwestern Minnesota Farm Business Management Association

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University of Minnesota
St. Paul, MN 55108
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Figure 2. Farm Income Sources
Southwestern Minnesota Association

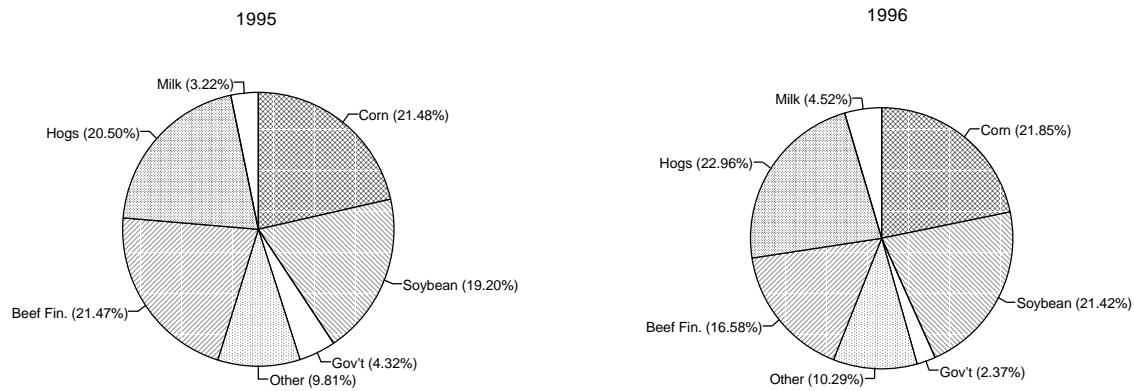
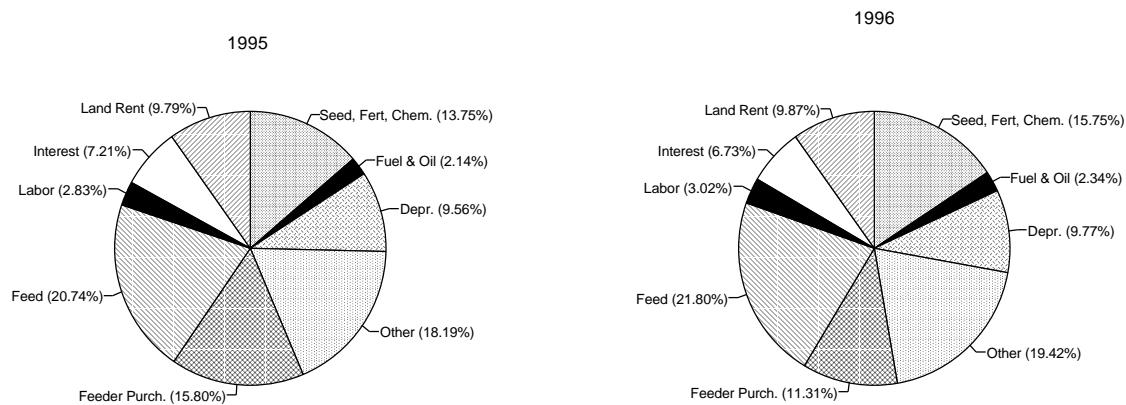


Figure 3. Farm Expense Sources
Southwestern Minnesota Association



EXECUTIVE SUMMARY

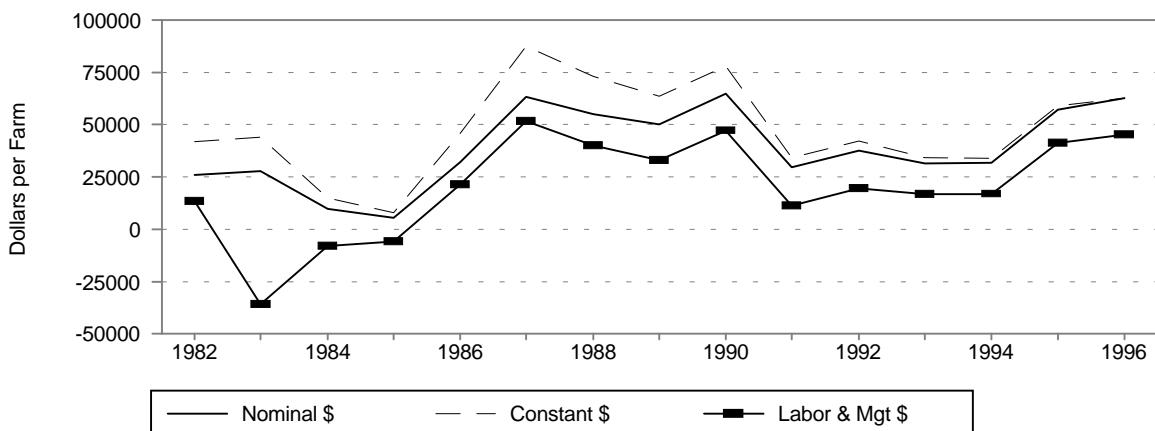
1996 ANNUAL REPORT OF THE SOUTHWESTERN MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION

by

Kent D. Olson, Dary E. Talley, James Christensen, Erlin J. Weness,
Perry A. Fales, and Dale W. Nordquist

For the Southwestern Association, average net farm income was \$62,699 in 1996 for the 203 farms included in this report (Table 1, pages 10-11). This is an increase of 9% from 1995 making 1996 another high income year in a job with large swings in income (Figure 1). This volatility can be seen whether income is measured in nominal terms or constant dollars. (Net farm income is calculated by subtracting total cash farm expense and depreciation from gross cash farm income and adjusting for changes in inventory items.) After subtracting an opportunity cost for equity capital, labor and management, earnings follow a similar but lower pattern (Table 4, p. 14).

Figure 1. Average Net Farm Income



As in previous years, the actual profit levels experienced by individual farms vary greatly from the overall average profit. The high 20% of these farms had an average profit of \$157,052 which is an increase from 1995. The low 20% of the farms had an average loss of -\$6,010 in 1996, which was a smaller loss than in 1995.

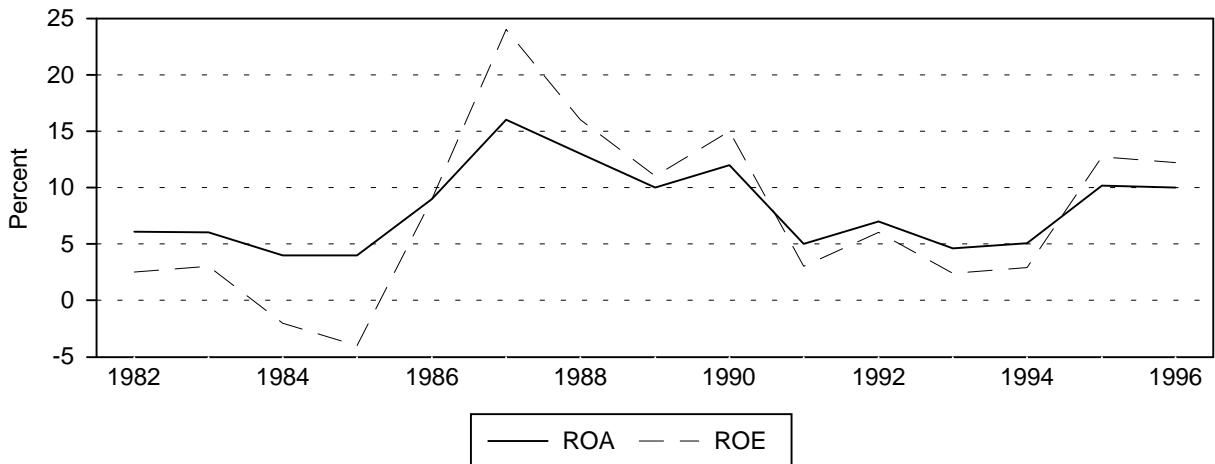
Average gross cash farm income in 1995 was \$382,502. This was a 10% increase from 1995. Four sources of sales made up 83% of total income in 1996: corn, beef finishing, hogs, and soybeans (Figure 2). Corn sales increased 12% between 1995 and 1996; soybean sales, 23%; and hog sales, 24%. Beef finishing decreased by 15%.

Government payments (of all types) continued to decline to \$9,075 in 1996. As a percentage of total income, government payments decreased from 9% in 1993 to 2% in 1996.

Cash expenses increased to an average of \$299,610 in 1996. This was an increase of 8% from 1995. As a percentage of both cash expenses and depreciation in 1996, feed expenses; feeder purchases; seed, fertilizer, and crop chemicals; land rent; and depreciation continued to dominate (Figure 3).

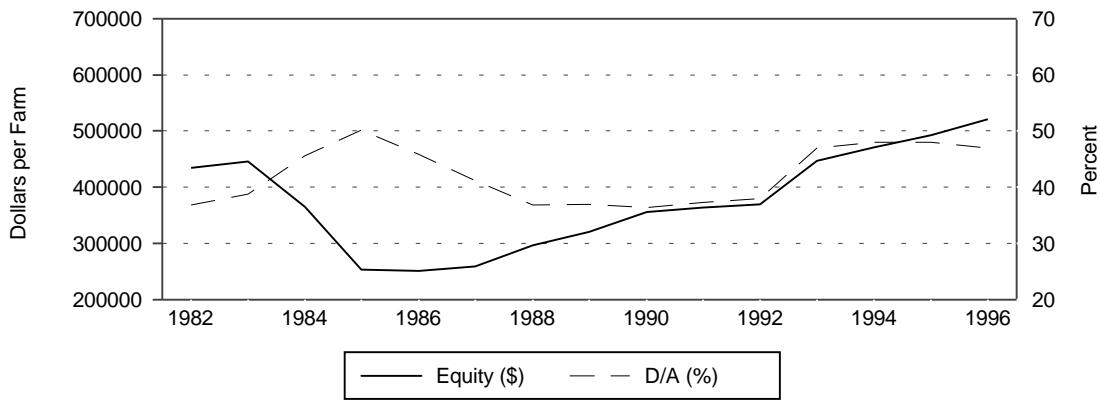
The rate of return on assets (ROA) was steady and the rate of return to equity (ROE) decreased slightly in 1996 compared to 1995 (Figure 4). ROA averaged 10% and ROE was 12% using assets valued on a cost basis (Table 4, page 14). After several years of the opposite relationship, ROE was again larger than ROA indicating that the benefit of using debt capital was more than its expense.

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



Using a market value basis, average total equity (of the sole proprietors) was \$520,245 at the end of 1996. This was an increase of \$28,290 for these 173 farms during the year (Table 5, page 16). Average equity continued to improve since 1987 (Figure 5). The average debt-asset ratio decreased slightly to 47%

Figure 5. Ending Equity and Ending Debt-Asset Ratio



at the end of 1996.

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

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This report summarizes the individual farm records of the members of the Southwestern Minnesota Farm Business Management Association for 1996.

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

Of the 230 farms in the Southwestern Association, the data for 203 farms are included in this report. The rest were omitted because the records were incomplete at the time that this report was prepared. In two separate studies the farmers who belong to a management association were found to be larger than the average farm reported by the agricultural census and were more likely to have livestock.

In addition to this report, members receive an annual farm business analysis; on-farm instructional visits; end-of-year income tax planning and preparation; periodic meetings, tours, and seminars; a monthly newsletter; and other managerial and educational assistance. Each farmer pays an annual fee which covers a large part of the cost, with the balance defrayed by the Minnesota Extension Service and research programs of the University of Minnesota.

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SOUTHWESTERN MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION

DISTRIBUTION OF MEMBERSHIP -- 1996

County	Number of Farm Units	Number of Records Submitted	Association Directors
Cottonwood	43	38	Phil Batalden Larry Falk James Dick
Jackson	30	25	Paul Rentscheer John Hay
Martin	12	12	Kerry Krenz
Murray	26	21	Jim Malone Richard Andert
Nobles	43	43	Jerry Perkins Harold Mellema Myron Grussing
Pipestone	14	14	Alan Vanderlugt Jerlyn Spronk
Redwood	38	28	Brian Hicks Joel Christensen Richard Jacoby
Watonwan	10	8	James Wassman
Others ²	<u>14</u>	<u>14</u>	
TOTAL	230	203	

Jerry Perkins, President
John Hay, Vice President
Tom Keller, Secretary-Treasurer

²In 1996 the Association had records submitted from members in Brown, Faribault, Lincoln, Lyon, Nicollet, Rock, and Yellow Medicine counties, in addition to the counties listed individually.

SOUTHWESTERN MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION

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EXPLANATORY NOTES FOR THE WHOLE-FARM REPORTS

Tables 1 through 4, and 6 through 8 include the same number of farms, which were all of the farms whose records were judged to be of sufficient quality. Table 5, the Balance Sheet, includes only sole proprietors; partnerships and corporations are excluded because some debt is held outside of the business causing potential misinterpretations of the average financial condition. The number of farms included in each of the crop and livestock tables varies because all farms do not have the same enterprises. Some farmers' records were complete enough to be included in the whole-farm tables, but at times, these same farmers' crop or livestock records were not complete enough to include in the respective crop or livestock tables.

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

Table 1. Farm Income Statement

This statement is a summary of income, expenses, and resultant profit or loss from farming operations during the calendar year. The first section of Table 1 lists cash farm income from all sources. The second section of Table 1 lists cash expenses. "Interest" includes only interest actually paid. No opportunity charges on farm equity capital or unpaid labor are included. The difference between "Gross Cash Farm Income" and "Total Cash Expense" is the "Net Cash Farm Income." This is net farm income on a cash basis.

The third and fourth sections of Table 1 deal with noncash changes in the farm business. The "Inventory Changes" and "Depreciation and Other Capital Adjustments" sections are used to convert the cash income statement (Net Cash Farm Income) derived from the first two sections into an accrual income statement. The resulting "Net Farm Income" represents the return to the operator's and family's unpaid labor, management, and equity capital (net worth). In other words, it represents the return to all of the resources which are owned by the farm family and, hence, not purchased or paid a wage. However, it does not include any asset appreciation, debt forgiveness or asset repossession.

Table 2. Inventory Changes

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

Table 3. Depreciation and Other Capital Adjustments

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

Table 4. Profitability and Liquidity Analysis

Various measures of performance are calculated for the farms in this report. These include measures of profitability and liquidity. (Solvency measures are in Table 5.) In Tables 1-3, no opportunity costs are used. In Table 4, opportunity costs for labor, capital, and management are used. Changes in market value of assets are used in calculating the market values of these measures. The measures and their components are described below.

Profitability

Profitability is measured in both cost and market basis in Table 5.

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

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

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

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

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

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

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

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

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

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

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

"Average farm equity" is the average of beginning and ending farm net worth.

"Value of farm production" is gross farm income minus feeder livestock purchased and adjusted for inventory changes in crops, market livestock and breeding livestock.

Liquidity: Cash Basis

"Family Living and Taxes" is the apparent total family expenses and income and social security taxes paid from Table 7.

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

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

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

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

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

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

Liquidity: Accrual Basis

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

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

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

Table 5. Balance Sheets

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

Table 6. Statement of Cash Flows

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

Table 7. Financial Guidelines Measures and Labor Analysis

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

Liquidity

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

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

Solvency (Market)

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

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

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

Profitability

The "rate of return on farm assets" can be thought of as the average interest rate being earned on all investments in the farm or ranch business. If assets are valued at market value, the rate of return on assets can be looked at as the "opportunity cost" of farming versus alternate investments. If assets are valued at cost value, the rate of return on assets more closely represents the actual return on the average dollar invested in the farm. The rate of return on farm assets is calculated as follows: Rate of Return on Assets = Return on Farm Assets ÷ Average Farm Investment, where: Return on Farm Assets = Net Farm Income + Farm Interest - Value of Operator's Labor & Management, and Average Farm Investment = (Beginning Total Farm Assets + Ending Total Farm Assets) ÷ 2.

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

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

Repayment Capacity

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

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

Efficiency

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

The last four ratios reflect the distribution of gross income to cover operating expenses and generate farm income. The sum of the operating expense ratio, the depreciation expense ratio, and the interest expense ratio equals the percent of gross income used to pay business expenses. The amount remaining is net farm income. The gross farm income used to calculate these ratios is the accrual gross farm income.

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

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

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

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

Table 8. Crop Production and Marketing Summary

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

Table 9. Household and Personal Expenses

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

Table 10. Operator Information and Nonfarm Summary

Table 10 reports the averages for the number of operators per farm, the operator's age, and the number of years farming. This table also reports the income from nonfarm sources which is included in a farmer's total net income. Not all farms have nonfarm income, but the figure reported is the average over all farms not just those reporting nonfarm income. Also reported are the beginning and ending values for nonfarm assets for all farms (not just sole proprietors as in Table 5).

Table 1a
FARM INCOME STATEMENT, 1996
Southwest Minnesota Farm Business Management Association
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of Farms	203	41	41
CASH FARM INCOME			
Corn	83595	96347	116806
Alfalfa Hay	536	1112	698
Grass Hay	25	-	2
Mixed Hay	81	370	-
Navy Beans	274	-	119
Oats	203	75	405
Peas	781	-	507
Soybeans	81918	86755	117236
Soybeans Seed	58	-	-
Straw	59	-	37
Sweet Corn	764	-	965
Spring Wheat	228	749	47
Rented Out	272	-	190
Miscellaneous crop income	22	-	-
Beef Calves	394	536	-
Custom Fed Beef	1416	954	-
Background Beef	697	944	2253
Finish Beef Calves	60621	40067	170998
Finish Yrlg Steers	680	-	-
Eggs	3820	3007	-
Milk	17305	-	43657
Dairy Calves	186	-	365
Dairy Heifers (for sale)	2049	7490	6
Dairy Replacement Heifers	635	-	44
Dairy Steers	1468	395	1280
Raised Hogs	61126	35783	124008
Feeder Pigs	899	-	-
Finish Feeder Pigs	15121	1136	30429
Weaning to Feeder Pigs	6175	-	30436
Weaning to Finish Pigs	4512	-	-
Contractee Hogs	1635	1707	1330
Other contract livestock income	1358	3430	1361
Lambs and Lamb Finishing	449	1173	255
Wool	9	32	-
Cull breeding livestock	4998	5289	5678
Misc. livestock income	167	-	354
Deficiency payments	7318	7597	10112
CRP payments	349	228	950
Other government payments	1408	536	2172
Custom work income	3400	2451	6763
Patronage dividends, cash	1304	1149	1968
Insurance income	1115	877	1814
Cash from hedging accts	3063	965	9232
Other farm income	10010	10307	17771
Gross Cash Farm Income	382502	311462	700250

Table 1b
FARM INCOME STATEMENT, 1996 (Continued)
Southwest Minnesota Farm Business Management Association
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of Farms	203	41	41
CASH FARM EXPENSE			
Seed	15437	12792	23358
Fertilizer	18135	16174	28559
Crop chemicals	18724	16552	27576
Crop insurance	4330	4315	4372
Drying fuel	2422	2406	2969
Crop marketing	835	1868	466
Crop miscellaneous	3090	2456	6301
Feeder livestock purchase	37560	4720	114937
Purchased feed	72381	52694	159339
Breeding fees	649	40	1172
Veterinary	3230	1631	5875
Livestock supplies	2547	2609	4078
Livestock leases	454	385	1301
Grazing fees	60	90	-
Livestock marketing	599	18	1412
Interest	22337	24460	30153
Fuel & oil	7776	7822	10939
Repairs	17051	16698	23022
Custom hire	5651	3820	10808
Hired labor	10017	6832	18081
Land rent	32768	34545	43221
Machinery & bldg leases	5816	2509	15482
Real estate taxes	3898	2936	6389
Farm insurance	3125	2990	5003
Utilities	3953	2991	6206
Dues & professional fees	212	155	207
Hedging account deposits	2708	2385	4890
Miscellaneous	3846	3561	4020
Total cash expense	299610	230455	560134
Net cash farm income	82892	81006	140116
INVENTORY CHANGES			
Crops and feed	12241	-20953	35975
Market livestock	-4242	-28842	7976
Accounts receivable	1241	2228	8830
Prepaid expenses and supplies	4104	-460	11455
Accounts payable	-1113	-3083	-1331
Total inventory change	12231	-51110	62905
Net operating profit	95123	29896	203021
DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS			
Breeding livestock	-4776	-4546	-5649
Machinery and equipment	-20268	-24017	-28677
Buildings and improvements	-9013	-8490	-14450
Other farm capital	1633	1147	2806
Total depr. and other capital adj	-32424	-35906	-45969
Net farm income	62699	-6010	157052

Table 2
INVENTORY CHANGES, 1996
Southwest Minnesota Farm Business Management Association
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of Farms	203	41	41
Net cash farm income	82892	81006	140116
CROPS AND FEED			
Ending inventory	139531	92436	238627
Beginning inventory	127290	113389	202652
Inventory change	12241	-20953	35975
MARKET LIVESTOCK			
Ending inventory	56639	22454	131221
Beginning inventory	60881	51296	123245
Inventory change	-4242	-28842	7976
ACCTS RECEIVABLE & OTHER CURRENT ASSETS			
Ending inventory	12285	14948	32843
Beginning inventory	11045	12720	24013
Inventory change	1241	2228	8830
PREPAID EXPENSES AND SUPPLIES			
Ending inventory	17857	11994	35840
Beginning inventory	13753	12454	24384
Inventory change	4104	-460	11455
ACCOUNTS PAYABLE			
Beginning inventory	14283	10967	22227
Ending inventory	15396	14050	23559
Inventory change	-1113	-3083	-1331
Total inventory change	12231	-51110	62905
Net operating profit	95123	29896	203021

Table 3
DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS, 1996
Southwest Minnesota Farm Business Management Association
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of Farms	203	41	41
Net operating profit	95123	29896	203021
BREEDING LIVESTOCK			
Ending inventory	6929	5095	17113
Capital sales	426	692	608
Beginning inventory	6725	5970	15184
Capital purchases	5406	4363	8185
Depreciation, capital adj.	-4776	-4546	-5649
MACHINERY AND EQUIPMENT			
Ending inventory	67895	57721	115932
Capital sales	1084	594	1175
Beginning inventory	58945	54974	98473
Capital purchases	30302	27358	47310
Depreciation, capital adj.	-20268	-24017	-28677
BUILDINGS AND IMPROVEMENTS			
Ending inventory	60672	44564	112139
Capital sales	474	-	1774
Beginning inventory	59359	41395	115052
Capital purchases	10800	11659	13310
Depreciation, capital adj.	-9013	-8490	-14450
OTHER CAPITAL ASSETS			
Ending inventory	37602	14534	53704
Capital sales	1062	1668	1773
Beginning inventory	34043	14286	47836
Capital purchases	2987	770	4836
Depreciation, capital adj.	1633	1147	2806
Total depreciation, capital adj.	-32424	-35906	-45969
Net farm income	62699	-6010	157052

Table 4
PROFITABILITY AND LIQUIDITY ANALYSIS, 1996
Southwest Minnesota Farm Business Management Association
(Farms sorted by Net Farm Income)

	Avg. Of All Farms	Avg. Of Low 20 %	Avg. Of High 20 %	Avg. Of All Farms	Avg. Of Low 20 %	Avg. Of High 20 %
Number of Farms	203	41	41	203	41	41
PROFITABILITY						
Net farm income	62699	-6010	157052	66709	25077	154389
Labor and management earnings	45206	-14757	122378	41999	10381	110055
Rate of return on assets	10.0 %	-0.5 %	15.4 %	7.2 %	4.4 %	10.6 %
Rate of return on equity	12.2 %	-19.8 %	20.7 %	9.5 %	1.6 %	15.8 %
Operating profit margin	21.0 %	-1.0 %	31.6 %	22.4 %	14.4 %	31.0 %
Asset turnover rate	47.9 %	46.7 %	48.7 %	32.0 %	30.2 %	34.0 %
Interest on farm net worth	17494	8747	34674	24710	14696	44334
Farm interest expense	22852	25323	29981	22852	25323	29981
Value of operator lbr and mgmt.	27449	21288	37724	27449	21288	37724
Return on farm assets	58103	-1975	149309	62113	29112	146647
Average farm assets	578701	432751	971158	866730	669126	1389951
Return on farm equity	35251	-27298	119328	39261	3788	116666
Average farm equity	288071	137990	577475	411296	244080	738898
Value of farm production	277026	201935	473106	277026	201935	473106
		Average Of All Farms	Average Of Low 20 %	Average Of High 20 %		
Number of Farms		203	41	41		
LIQUIDITY (Cash)						
Net cash farm income		82892	81006	140116		
Net nonfarm income		13506	23941	12677		
Family living and taxes		40442	36839	54670		
Real estate principal payments		6359	5264	10122		
Cash available for interm. debt		49598	62844	88001		
Average intermediate debt		58321	82470	73768		
Years to turnover interm. debt		1.2	1.3	0.8		
Expense as a % of income		78 %	74 %	80 %		
Interest as a % of income		6 %	8 %	4 %		
LIQUIDITY (Accrual)						
Total accrual farm income		391742	263895	753031		
Total accrual farm expense		296619	233999	550010		
Net accrual operating income		95123	29896	203021		
Net nonfarm income		13506	23941	12677		
Family living and taxes		40442	36839	54670		
Real estate principal payments		6359	5264	10122		
Available for intermediate debt		61829	11734	150906		
Average intermediate debt		58321	82470	73768		
Years to turnover interm. debt		0.9	7.0	0.5		
Expense as a % of income		76 %	89 %	73 %		
Interest as a % of income		6 %	10 %	4 %		

Table 5a
BALANCE SHEET AT COST VALUES, 1996
Southwest Minnesota Farm Business Management Association
(Farms sorted by Net Farm Income)

	Average Of All Farms		Average Of Low 20 %		Average Of High 20 %	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Number of Farms		173		36		31
ASSETS						
Current Farm Assets						
Cash and checking balance	8214	10987	11369	16531	-1737	3284
Prepaid expenses & supplies	14017	18023	9868	11539	30041	39898
Growing crops	9	44	42	-	-	-
Accounts receivable	4599	4319	2354	4192	5539	9565
Hedging accounts	1379	1887	287	527	4141	5624
Crops held for sale or feed	100272	113790	69186	60802	175452	203038
Crops under government loan	18577	14583	25805	18628	16148	4982
Market livestock held for sale	52673	50345	30374	18573	112175	115553
Other current assets	4622	5576	6016	5632	17573	24013
Total current farm assets	204362	219554	155300	136424	359331	405959
Intermediate Farm Assets						
Breeding livestock	3230	4051	4249	5067	4270	5979
Machinery and equipment	51406	61068	44352	50313	85907	100454
Other intermediate assets	3077	3277	1581	2129	450	521
Total intermediate farm assets	57713	68396	50182	57509	90627	106954
Long-Term Farm Assets						
Farm land	189934	201738	129074	140596	292301	310511
Buildings and improvements	49213	51279	39708	39399	79498	81494
Other long-term assets	27848	31346	8991	10263	50095	54404
Total long-term farm assets	266995	284364	177773	190258	421894	446409
Total Farm Assets	529069	572314	383255	384191	871851	959322
Total Nonfarm Assets	89054	94796	98405	96063	105020	112516
Total Assets	618123	667110	481660	480255	976871	1071837
LIABILITIES						
Current Farm Liabilities						
Accrued interest	4986	5607	5572	6369	5756	5464
Accounts payable	7752	7651	3656	3638	10197	10649
Current notes	75551	80609	64380	70820	120926	125289
Government crop loans	9847	9420	12777	10450	8375	2981
Principal due on term debt	12987	14288	11012	11642	20826	21110
Total current farm liabilities	111172	117632	97405	102977	166185	165598
Intermediate Farm Liabilities	37334	39171	50146	49742	37846	35009
Long-term Farm Liabilities	118078	124298	94229	102069	146455	145257
Total Farm Liabilities	266584	281100	241780	254788	350486	345864
Total Nonfarm Liabilities	6415	6519	8554	8697	1950	1874
Total Liabilities	273000	287619	250334	263485	352437	347738
Net Worth (farm and nonfarm)	345124	379491	231326	216770	624435	724100
Net Worth Change		34367		-14556		99665
RATIO ANALYSIS						
Current Farm Liabilities / Assets	54 %	54 %	63 %	75 %	46 %	41 %
Curr. & Interim Farm Liab / Assets	57 %	54 %	72 %	79 %	45 %	39 %
Long Term Farm Liab. / Assets	44 %	44 %	53 %	54 %	35 %	33 %
Total Liabilities / Assets	44 %	43 %	52 %	55 %	36 %	32 %

Table 5b
BALANCE SHEET AT MARKET VALUES, 1996
Southwest Minnesota Farm Business Management Association
(Farms sorted by Net Farm Income)

Number of Farms	Average Of		Average Of		Average Of	
	All Farms		Low 20 %		High 20 %	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Number of Farms	173		36		31	
ASSETS						
Current Farm Assets						
Cash and checking balance	8214	10987	11369	16531	-1737	3284
Prepaid expenses & supplies	14017	18023	9868	11539	30041	39898
Growing crops	9	44	42	-	-	-
Accounts receivable	4599	4319	2354	4192	5539	9565
Hedging accounts	1379	1887	287	527	4141	5624
Crops held for sale or feed	100272	113790	69186	60802	175452	203038
Crops under government loan	18577	14583	25805	18628	16148	4982
Market livestock held for sale	52673	50345	30374	18573	112175	115553
Other current assets	4622	5576	6016	5632	17573	24013
Total current farm assets	204362	219554	155300	136424	359331	405959
Intermediate Farm Assets						
Breeding livestock	11040	12092	14473	15506	14096	15347
Machinery and equipment	162885	183726	134350	151858	247417	277964
Other intermediate assets	5601	5702	1623	4778	450	521
Total intermediate farm assets	179526	201520	150446	172142	261963	293831
Long-Term Farm Assets						
Farm land	307235	320088	201828	218929	542529	561347
Buildings and improvements	69325	76584	68231	73121	88933	96320
Other long-term assets	46486	44632	10868	11329	63829	63508
Total long-term farm assets	423045	441304	280927	303379	695290	721175
Total Farm Assets	806932	862378	586673	611945	1316583	1420965
Total Nonfarm Assets	111770	120372	119258	119188	141750	153332
Total Assets	918702	982750	705931	731133	1458334	1574297
LIABILITIES						
Current Farm Liabilities						
Accrued interest	4986	5607	5572	6369	5756	5464
Accounts payable	7752	7651	3656	3638	10197	10649
Current notes	75551	80609	64380	70820	120926	125289
Government crop loans	9847	9420	12777	10450	8375	2981
Principal due on term debt	12987	14288	11012	11642	20826	21110
Total current farm liabilities	111172	117632	97405	102977	166185	165598
Intermediate Farm Liabilities	37334	39171	50146	49742	37846	35009
Long-term Farm Liabilities	118078	124298	94229	102069	146455	145257
Total Farm Liabilities	266584	281100	241780	254788	350486	345864
Total Nonfarm Liabilities	6415	6519	8554	8697	1950	1874
Total Deferred Liabilities	165266	174886	128200	126414	265979	290562
Total Liabilities	438265	462505	378534	389898	618416	638300
Net Worth (farm and nonfarm)	480437	520245	327397	341235	839918	935997
Net Worth Change		39808		13838		96079
RATIO ANALYSIS						
Current Farm Liabilities / Assets	54 %	54 %	63 %	75 %	46 %	41 %
Curr. & Interm Farm Liab. / Assets	39 %	37 %	48 %	49 %	33 %	29 %
Long Term Farm Liabilities / Assets	28 %	28 %	34 %	34 %	21 %	20 %
Total Liabilities / Assets	48 %	47 %	54 %	53 %	42 %	41 %

Table 6
STATEMENT OF CASH FLOWS, 1996
Southwest Minnesota Farm Business Management Association
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of Farms	203	41	41
(a) Beginning cash balance (farm & nonfarm)	9059	11511	2549
CASH FROM OPERATING ACTIVITIES			
Gross cash farm income	382502	311462	700250
Net nonfarm income (+)	13506	23941	12677
Total cash farm expense (-)	299610	230455	560134
Apparent family living expense (-)	33406	31401	42400
Income and social security tax (-)	6962	5071	12270
(b) Cash from operations (=)	56030	68474	98123
CASH FROM INVESTING ACTIVITIES			
Sale of breeding livestock	426	692	608
Sale of machinery & equipment (+)	1084	594	1175
Sale of farm land (+)	470	-	-
Sale of farm buildings (+)	474	-	1774
Sale of other farm assets (+)	1062	1668	1773
Sale of nonfarm assets (+)	1243	1447	704
Purchase of breeding livestock (-)	5406	4363	8185
Purchase of machinery & equip. (-)	30302	27358	47310
Purchase of farm land (-)	10225	10459	13471
Purchase of farm buildings (-)	10800	11659	13310
Purchase of other farm assets (-)	2987	770	4836
Purchase of nonfarm assets (-)	8445	8114	7423
(c) Cash from investing activities (=)	-63406	-58321	-88502
CASH FROM FINANCING ACTIVITIES			
Money borrowed	186888	193028	261870
Cash gifts and inheritances (+)	3415	2729	1465
Principal payments (-)	179325	202943	263902
Dividends paid (-)	74	366	-
Gifts given (-)	437	-	860
(d) Cash from financing activities (=)	10467	-7552	-1427
(e) Net change in cash balance (b+c+d)	3091	2601	8194
Ending cash balance (farm & nonfarm)	12150	14113	10744

Table 7
FINANCIAL GUIDELINES MEASURES, 1996
Southwest Minnesota Farm Business Management Association
(Farms sorted by Net Farm Income)

	Average For All Farms		Average For Low 20 %		Average For High 20 %	
Number of Farms		203		41		41
LIQUIDITY	Beginning	Ending	Beginning	Ending	Beginning	Ending
Current ratio	1.89	2.00	1.57	1.42	2.22	2.61
Working capital	104045	118955	72622	45179	206951	276928
SOLVENCY (Market)	Beginning	Ending	Beginning	Ending	Beginning	Ending
Farm debt to asset ratio	53 %	51 %	64 %	63 %	48 %	44 %
Farm equity to asset ratio	47 %	49 %	36 %	37 %	52 %	56 %
Farm debt to equity ratio	114 %	103 %	179 %	169 %	93 %	77 %
PROFITABILITY	Cost	Market	Cost	Market	Cost	Market
Rate of return on farm assets	10.0 %	7.2 %	-0.5 %	4.4 %	15.4 %	10.6 %
Rate of return on farm equity	12.2 %	9.5 %	-19.8 %	1.6 %	20.7 %	15.8 %
Operating profit margin	21.0 %	22.4 %	-1.0 %	14.4 %	31.6 %	31.0 %
Net farm income	62699	66709	-6010	25077	157052	154389
REPAYMENT CAPACITY	Cash	Accrual	Cash	Accrual	Cash	Accrual
Term debt coverage ratio	n/a	n/a	n/a	n/a	n/a	n/a
Capital replacement margin	n/a	n/a	n/a	n/a	n/a	n/a
EFFICIENCY						
Asset turnover rate (market)	32.0 %		30.2 %		34.0 %	
Operating expense ratio	69.9 %		79.1 %		69.1 %	
Depreciation expense ratio	8.3 %		13.6 %		6.1 %	
Interest expense ratio	5.8 %		9.6 %		4.0 %	
Net farm income ratio	16.0 %		-2.3 %		20.9 %	

LABOR ANALYSIS

	Average For All Farms		Average For Low 20 %		Average For High 20 %	
Number of Farms	203		41		41	
Total unpaid labor hours	2438		2061		3145	
Total hired labor hours	901		778		1441	
Total labor hours per farm	3338		2839		4585	
Value of farm production / hour	82.98		71.13		103.18	
Net farm income / unpaid hour	25.72		-2.92		49.94	

Table 8
CROP PRODUCTION AND MARKETING SUMMARY, 1996
Southwest Minnesota Farm Business Management Association
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of Farms	203	41	41
ACREAGE SUMMARY			
Total Acres Owned	249	215	390
Total Crop Acres	658	626	929
Crop Acres Owned	204	151	318
Crop Acres Cash Rented	384	423	496
Crop Acres Share Rented	70	52	114
Total Pasture Acres	14	45	13
AVERAGE PRICE RECEIVED (Cash Sales Only)			
Corn per bu.	3.04	2.79	3.26
Soybeans per bu.	6.84	6.83	7.02
Oats per bu.	2.15	-	2.40
Wheat, Spring per bu.	4.38	-	-
Peas per lb.	0.09	-	-
Sweet Corn per ton	47.97	-	-
Hay, Alfalfa per ton	79.09	-	-
Hay, Grass per ton	40.97	-	-
Straw per ton	69.24	-	-
AVERAGE YIELD PER ACRE			
Corn (bu.)	132.72	122.97	138.76
Soybeans (bu.)	41.86	37.87	43.99
Hay, Alfalfa (ton)	2.85	3.22	2.43
Hay, Grass (ton)	2.04	2.31	1.96
Corn Silage (ton)	18.13	16.48	19.69
Peas (lb.)	3277.53	-	-

Table 9
HOUSEHOLD AND PERSONAL EXPENSES, 1996
Southwest Minnesota Farm Business Management Association
(Farms sorted by Net Farm Income)

	Average For All Farms	Average For Low 20%	Average For High 20%
Number of Sole Proprietors	131	24	28
Average family size	3.7	3.8	3.7
FAMILY LIVING EXPENSES			
Food and meals expense	5446	5793	4898
Medical care and health insurance	4955	4219	5270
Cash donations	1490	1261	1986
Household supplies	2906	3604	2253
Clothing	2383	2254	2628
Personal care	2444	3108	2957
Child / Dependent care	370	388	460
Gifts	2271	2025	2715
Education	1231	829	1147
Recreation	2082	1910	2603
Utilities (household share)	1470	1333	1385
Nonfarm vehicle operating expense	2351	2515	2490
Household real estate taxes	129	143	119
Dwelling rent	311	458	177
Household repairs	547	720	633
Nonfarm interest	277	363	-
Life insurance payments	1649	2059	1994
Total cash family living expense	32310	32981	33715
Family living from the farm	199	86	248
Total family living	32509	33067	33963
OTHER NONFARM EXPENDITURES			
Income taxes	7614	4486	13708
Furnishing & appliance purchases	927	457	1314
Nonfarm vehicle purchases	2851	2077	2735
Nonfarm real estate purchases	2377	920	5300
Other nonfarm capital purchases	215	1326	-357
Nonfarm savings & investments	1289	1502	188
Total other nonfarm expenditures	15274	10768	22888
Total cash family living, investment & nonfarm capital purch	47584	43750	56603
PARTNERSHIPS			
Number of partnerships	21		
Number of operators per partnership	2.1		
Average owner withdrawals per farm	62360		
Average withdrawals per operator	29762		

Table 10
OPERATOR INFORMATION & NONFARM SUMMARY, 1996
Southwest Minnesota Farm Business Management Association
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of Farms	203	41	41
OPERATOR INFORMATION			
Average number of operators	1.3	1.7	1.2
Average age of operators	45.5	45.0	46.4
Average number of years farming	22.5	21.0	24.1
NONFARM INCOME			
Nonfarm wages & salary	8019	10982	4229
Nonfarm business income	648	4551	-162
Nonfarm rental income	326	1178	70
Nonfarm interest income	817	1007	1229
Nonfarm cash dividends	148	52	258
Tax refunds	353	541	88
Gifts and inheritances	3415	2729	1465
Other nonfarm income	3227	5791	6966
Total nonfarm income	16954	26831	14142
Average For All Farms			
	Beginning	Ending	
NONFARM ASSETS (Mkt)			
Checking & savings	782	1031	
Stocks & bonds	12551	11637	
Other current assets	482	680	
Furniture & appliances	8842	9140	
Nonfarm vehicles	6930	7657	
Cash value of life ins.	7924	8996	
Retirement accounts	14840	17552	
Other intermediate assets	5899	5983	
Nonfarm real estate	27641	29469	
Other long term assets	10714	12253	
Total nonfarm assets	96606	104397	

EXPLANATORY NOTES FOR CROPS TABLES

The "Crop Enterprise Analysis" tables show the average physical production, gross return, direct costs, overhead costs, and net returns per acre. All costs are actual costs; no opportunity costs are included. The "Net Return per Acre" is the "Gross Return per Acre" minus the direct and overhead costs. The last section of each crop table contains economic efficiency measures and the net return per acre including government payments and a charge for unpaid over labor and management.

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

To estimate the return to crops in the government programs, the return to overhead and the net return including setaside income (and expenses) is estimated and included in the appropriate tables. This is done by allocating the deficiency payments and the expenses reported in the set aside enterprise to the program crop and then dividing by the total of the production and set aside acres.

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

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

Figure 6. Average Corn & Soybean Yield

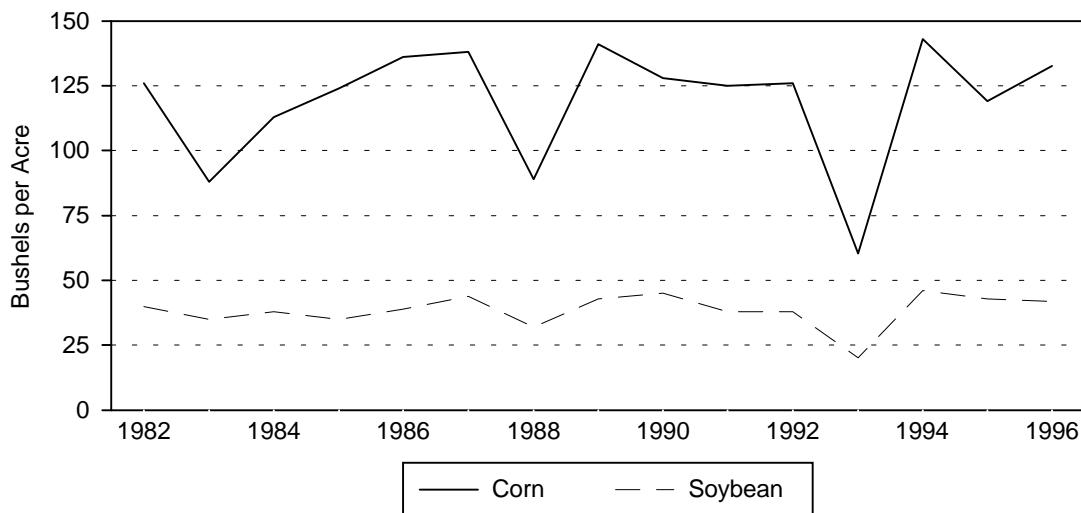


Table 11 - 1
Crop Enterprise Analysis, 1996
Southwest Minnesota Farm Business Management Association
(Farms sorted according to Return to Overhead per Acre)

CORN ON OWNED LAND

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of fields	197	51	35
Number of farms	142	28	28
Acres	97.53	75.92	71.15
Yield per acre (bushel)	135.48	115.87	153.36
Operators share of yield %	100.00	100.00	100.00
Value per bushel	2.40	2.40	2.40
Total product return per acre	325.16	278.08	368.07
Miscellaneous income per acre	1.55	0.56	0.19
Gross return per acre	326.71	278.64	368.25
Direct expenses per acre			
Seed	29.41	29.03	30.84
Fertilizer	45.86	48.71	44.53
Crop chemicals	29.87	30.66	26.58
Crop insurance	5.82	10.30	4.85
Drying fuel	9.53	11.06	7.63
Fuel & oil	9.68	9.68	9.48
Repairs	22.99	28.21	21.74
Custom hire	3.20	8.10	3.16
Hired labor	0.07	0.05	0.00
Machinery & bldg leases	0.53	0.94	0.07
Utilities	0.01	0.07	0.00
Marketing	0.95	0.38	0.62
Operating interest	9.52	15.47	5.41
Miscellaneous	1.12	1.59	1.17
Total direct expenses per acre	168.55	194.25	156.09
Return over direct expenses per acre	158.15	84.39	212.17
Overhead expenses per acre			
Hired labor	6.32	3.24	6.52
Machinery & bldg leases	1.78	1.31	0.69
RE & pers. property taxes	14.97	12.59	15.24
Farm insurance	3.61	4.32	2.80
Utilities	2.86	2.63	2.33
Dues & professional fees	0.23	0.19	0.18
Interest	39.90	42.99	44.43
Mach & bldg depreciation	36.32	31.27	38.12
Miscellaneous	4.01	4.87	2.52
Total overhead expenses per acre	110.02	103.41	112.83
Total listed expenses per acre	278.57	297.66	268.92
Net return per acre	48.14	-19.02	99.33
Total direct expense per bushel	1.24	1.68	1.02
Total listed expense per bushel	2.06	2.57	1.75
Net return per bushel	0.36	-0.16	0.65
Break-even yield per acre	115.43	123.79	111.97
Est. labor hours per acre	3.06	3.03	3.12
Net return including govt. payments	73.56	4.32	124.61
Lbr & mgt charge per acre	34.34	36.21	33.31
Net return over lbr & mgt	39.22	-31.88	91.30

Table 11 - 2
Crop Enterprise Analysis, 1996
Southwest Minnesota Farm Business Management Association
(Farms sorted according to Return to Overhead per Acre)

CORN ON CASH RENTED LAND

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of fields	336	61	77
Number of farms	163	33	33
Acres	112.97	103.38	119.90
Yield per acre (bushel)	131.81	113.26	148.19
Operators share of yield %	100.00	100.00	100.00
Value per bushel	2.40	2.40	2.40
Total product return per acre	316.34	271.83	355.65
Miscellaneous income per acre	1.09	1.32	0.18
Gross return per acre	317.43	273.15	355.83
Direct expenses per acre			
Seed	29.90	30.00	29.86
Fertilizer	46.63	47.33	46.43
Crop chemicals	28.95	29.04	24.63
Crop insurance	6.11	8.07	3.78
Drying fuel	10.07	10.65	9.06
Fuel & oil	9.73	9.32	9.43
Repairs	19.60	19.21	18.86
Custom hire	5.48	12.68	1.53
Hired labor	0.06	0.23	0.04
Land rent	86.82	85.59	85.82
Machinery & bldg leases	0.63	1.05	0.12
Marketing	0.40	0.12	0.31
Operating interest	9.20	13.42	7.89
Miscellaneous	0.81	1.04	0.84
Total direct expenses per acre	254.40	267.76	238.60
Return over direct expenses per acre	63.03	5.39	117.23
Overhead expenses per acre			
Hired labor	6.93	4.49	8.26
Machinery & bldg leases	2.60	3.56	1.12
Farm insurance	2.70	2.41	3.18
Utilities	2.45	1.93	2.82
Dues & professional fees	0.19	0.15	0.14
Interest	6.24	8.35	7.27
Mach & bldg depreciation	29.62	22.17	40.14
Miscellaneous	3.63	3.94	3.55
Total overhead expenses per acre	54.37	47.01	66.48
Total listed expenses per acre	308.76	314.77	305.08
Net return per acre	8.67	-41.62	50.75
Total direct expense per bushel	1.93	2.36	1.61
Total listed expense per bushel	2.34	2.78	2.06
Net return per bushel	0.07	-0.37	0.34
Breakeven yield per acre	128.20	130.60	127.04
Est. labor hours per acre	2.92	2.74	2.82
Net return including govt. payments	33.99	-16.52	76.14
Lbr & mgt charge per acre	27.25	26.00	27.10
Net return over lbr & mgt	6.75	-42.51	49.04

Table 11 - 3
Crop Enterprise Analysis, 1996
Southwest Minnesota Farm Business Management Association
(Farms sorted according to Return to Overhead per Acre)

CORN ON SHARE RENTED LAND

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of fields	76	13	12
Number of farms	57	11	11
Acres	94.28	74.95	81.52
Yield per acre (bushel)	130.13	113.40	145.55
Operators share of yield %	55.77	54.59	54.59
Value per bushel	2.40	2.40	2.40
Total product return per acre	173.59	148.15	189.95
Miscellaneous income per acre	0.08	0.00	0.00
Gross return per acre	173.67	148.15	189.95
Direct expenses per acre (opr. share)			
Seed	23.30	26.46	20.42
Fertilizer	26.62	39.88	25.11
Crop chemicals	16.69	16.27	14.25
Crop insurance	3.25	5.18	2.30
Drying fuel	5.92	7.50	5.32
Fuel & oil	9.18	8.41	7.72
Repairs	20.49	29.41	13.44
Custom hire	6.89	18.78	1.01
Hired labor	0.03	0.00	0.18
Machinery & bldg leases	0.06	0.00	0.00
Utilities	0.03	0.00	0.00
Marketing	0.12	0.51	0.00
Operating interest	7.79	12.36	3.74
Miscellaneous	0.58	0.86	0.57
Total direct expenses per acre	120.94	165.61	94.06
Return over direct expenses per acre	52.73	-17.46	95.90
Overhead expenses per acre			
Hired labor	5.89	1.58	10.84
Machinery & bldg leases	3.07	4.01	0.81
Farm insurance	2.80	2.67	3.25
Utilities	1.84	2.08	2.19
Dues & professional fees	0.21	0.07	0.11
Interest	5.17	5.47	3.57
Mach & bldg depreciation	27.47	18.93	22.48
Miscellaneous	2.54	2.40	2.21
Total overhead expenses per acre	49.01	37.20	45.45
Total listed expenses per acre	169.95	202.82	139.51
Net return per acre	3.73	-54.66	50.44
Total direct expense per bushel	1.67	2.68	1.18
Total listed expense per bushel	2.34	3.28	1.76
Net return per bushel	0.05	-0.88	0.63
Breakeven yield per acre	126.92	154.80	106.49
Est. labor hours per acre	2.57	2.26	2.58
Net return including govt. payments	17.09	-42.06	64.04
Lbr & mgt charge per acre	23.95	22.55	13.65
Net return over lbr & mgt	-6.86	-64.61	50.39

Table 11 - 4
Crop Enterprise Analysis, 1996
Southwest Minnesota Farm Business Management Association
(Farms sorted according to Return to Overhead per Acre)

SOYBEANS ON OWNED LAND

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of fields	185	37	35
Number of farms	143	29	29
Acres	99.83	79.61	96.92
Yield per acre (bushel)	42.85	35.01	48.76
Operators share of yield %	100.00	100.00	100.00
Value per bushel	7.00	7.00	7.00
Total product return per acre	299.93	245.08	341.35
Miscellaneous income per acre	2.50	2.23	6.75
Gross return per acre	302.43	247.31	348.11
Direct expenses per acre			
Seed	15.13	17.28	13.01
Fertilizer	1.97	2.99	0.26
Crop chemicals	30.13	32.84	26.34
Crop insurance	7.86	10.92	7.27
Fuel & oil	7.94	8.58	7.60
Repairs	18.48	22.71	16.76
Custom hire	2.33	6.62	1.21
Hired labor	0.02	0.09	0.05
Machinery & bldg leases	0.62	0.52	1.68
Marketing	0.14	0.28	0.08
Operating interest	7.52	12.68	5.76
Miscellaneous	0.96	1.68	0.48
Total direct expenses per acre	93.10	117.18	80.49
Return over direct expenses per acre	209.33	130.13	267.61
Overhead expenses per acre			
Hired labor	5.32	2.11	4.55
Machinery & bldg leases	1.54	0.22	0.94
RE & pers. property taxes	15.05	12.80	15.91
Farm insurance	3.03	3.06	2.77
Utilities	2.43	2.49	2.18
Dues & professional fees	0.21	0.28	0.17
Interest	38.63	47.44	41.46
Mach & bldg depreciation	29.67	21.69	32.43
Miscellaneous	3.17	3.78	3.29
Total overhead expenses per acre	99.05	93.86	103.70
Total listed expenses per acre	192.14	211.04	184.20
Net return per acre	110.28	36.27	163.91
Total direct expense per bushel	2.17	3.35	1.65
Total listed expense per bushel	4.48	6.03	3.78
Net return per bushel	2.57	1.04	3.36
Breakeven yield per acre	27.09	29.83	25.35
Est. labor hours per acre	2.48	2.65	2.74
Net return including govt. payments	110.33	36.27	163.91
Lbr & mgt charge per acre	27.30	30.15	27.00
Net return over lbr & mgt	83.02	6.12	136.91

Table 11 - 5
Crop Enterprise Analysis, 1996
Southwest Minnesota Farm Business Management Association
(Farms sorted according to Return to Overhead per Acre)

SOYBEANS ON CASH RENTED LAND

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of fields	325	58	68
Number of farms	159	32	32
Acres	109.26	103.86	107.44
Yield per acre (bushel)	41.37	33.45	46.25
Operators share of yield %	100.00	100.00	100.00
Value per bushel	7.00	7.00	7.00
Total product return per acre	289.61	234.16	323.75
Miscellaneous income per acre	2.22	0.80	6.68
Gross return per acre	291.83	234.96	330.43
Direct expenses per acre			
Seed	14.46	14.92	13.47
Fertilizer	1.55	2.68	0.40
Crop chemicals	29.58	32.79	28.20
Crop insurance	8.88	9.87	7.62
Fuel & oil	7.58	7.24	6.36
Repairs	15.43	15.31	11.63
Custom hire	4.47	15.90	1.45
Hired labor	0.08	0.25	0.00
Land rent	86.26	85.63	81.45
Machinery & bldg leases	0.67	0.66	0.86
Marketing	0.33	0.19	0.30
Operating interest	7.46	6.57	4.58
Miscellaneous	0.67	0.78	0.53
Total direct expenses per acre	177.42	192.80	156.86
Return over direct expenses per acre	114.41	42.16	173.57
Overhead expenses per acre			
Hired labor	5.06	2.55	2.52
Machinery & bldg leases	2.00	2.62	0.77
Farm insurance	2.14	1.67	2.26
Utilities	1.86	1.67	2.01
Dues & professional fees	0.14	0.11	0.16
Interest	4.92	5.03	3.26
Mach & bldg depreciation	23.64	17.95	25.72
Miscellaneous	2.98	2.22	2.91
Total overhead expenses per acre	42.74	33.83	39.61
Total listed expenses per acre	220.16	226.63	196.48
Net return per acre	71.67	8.33	133.96
Total direct expense per bushel	4.29	5.76	3.39
Total listed expense per bushel	5.32	6.77	4.25
Net return per bushel	1.73	0.25	2.90
Breakeven yield per acre	31.13	32.26	27.11
Est. labor hours per acre	2.36	2.28	2.61
Net return including govt. payments	71.98	8.33	133.96
Lbr & mgt charge per acre	22.73	23.95	26.56
Net return over lbr & mgt	49.26	-15.61	107.40

Table 11 - 6
Crop Enterprise Analysis, 1996
Southwest Minnesota Farm Business Management Association
(Farms sorted according to Return to Overhead per Acre)

SOYBEANS ON SHARE RENTED LAND

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of fields	77	14	15
Number of farms	58	12	12
Acres	87.28	95.85	64.30
Yield per acre (bushel)	41.74	38.13	49.02
Operators share of yield %	55.82	54.71	57.40
Value per bushel	7.00	7.00	7.00
Total product return per acre	163.04	146.57	197.04
Miscellaneous income per acre	0.21	0.00	1.50
Gross return per acre	163.25	146.57	198.55
Direct expenses per acre (opr. share)			
Seed	11.18	13.53	9.48
Fertilizer	2.11	5.35	0.02
Crop chemicals	18.97	20.21	14.72
Crop insurance	5.24	8.41	4.53
Fuel & oil	7.63	8.53	8.71
Repairs	16.69	22.00	12.54
Custom hire	6.21	9.01	1.81
Hired labor	0.03	0.00	0.21
Machinery & bldg leases	0.21	0.69	0.46
Marketing	0.31	0.42	0.50
Operating interest	6.40	10.95	5.14
Miscellaneous	0.41	0.42	0.61
Total direct expenses per acre	75.38	99.52	58.75
Return over direct expenses per acre	87.87	47.04	139.80
Overhead expenses per acre			
Hired labor	4.70	2.91	6.55
Machinery & bldg leases	2.32	3.84	1.95
Farm insurance	2.24	2.33	2.51
Utilities	1.45	1.73	2.33
Dues & professional fees	0.16	0.12	0.12
Interest	4.65	8.61	7.14
Mach & bldg depreciation	22.22	17.74	27.70
Miscellaneous	2.11	2.44	2.27
Total overhead expenses per acre	39.85	39.72	50.59
Total listed expenses per acre	115.23	139.24	109.34
Net return per acre	48.02	7.33	89.21
Total direct expense per bushel	3.23	4.77	2.09
Total listed expense per bushel	4.94	6.68	3.89
Net return per bushel	2.06	0.35	3.17
Breakeven yield per acre	29.43	36.36	26.84
Est. labor hours per acre	2.06	1.90	2.33
Net return including govt. payments	48.16	7.33	89.21
Lbr & mgt charge per acre	20.25	18.53	17.33
Net return over lbr & mgt	27.91	-11.20	71.88

Table 11 - 7
Crop Enterprise Analysis, 1996
Southwest Minnesota Farm Business Management Association
(Average of all farms reporting)

OATS ON OWNED LAND

	Average For All Farms
Number of fields	12
Number of farms	11
Acres	15.63
Yield per acre (bushel)	73.24
Operators share of yield %	100.00
Value per bushel	2.00
Other product return per acre	4.22
Total product return per acre	150.70
Miscellaneous income per acre	71.12
Gross return per acre	221.82
Direct expenses per acre	
Seed	14.07
Fertilizer	6.53
Crop chemicals	1.03
Crop insurance	0.37
Fuel & oil	5.82
Repairs	12.42
Custom hire	6.24
Operating interest	2.79
Miscellaneous	1.62
Total direct expenses per acre	50.89
Return over direct expenses per acre	170.93
Overhead expenses per acre	
Hired labor	10.30
Machinery & bldg leases	1.37
RE & pers. property taxes	10.01
Farm insurance	3.40
Utilities	1.69
Dues & professional fees	0.01
Interest	11.56
Mach & bldg depreciation	18.17
Miscellaneous	3.06
Total overhead expenses per acre	59.58
Total listed expenses per acre	110.48
Net return per acre	111.35
Total direct expense per bushel	0.69
Total listed expense per bushel	1.51
Net return per bushel	1.52
Breakeven yield per acre	17.57
Est. labor hours per acre	2.53
Net return including govt. payments	111.72
Lbr & mgt charge per acre	13.11
Net return over lbr & mgt	98.61

Table 11 - 8
Crop Enterprise Analysis, 1996
Southwest Minnesota Farm Business Management Association
(Average of all farms reporting)

OATS ON CASH RENTED LAND

	Average For All Farms
Number of fields	10
Number of farms	10
Acres	13.73
Yield per acre (bushel)	82.60
Operators share of yield %	100.00
Value per bushel	2.00
Total product return per acre	165.20
Miscellaneous income per acre	102.11
Gross return per acre	267.31
Direct expenses per acre	
Seed	13.97
Fertilizer	5.25
Crop chemicals	3.61
Crop insurance	0.63
Fuel & oil	5.77
Repairs	7.69
Custom hire	12.09
Land rent	77.02
Machinery & bldg leases	0.80
Operating interest	2.31
Miscellaneous	0.51
Total direct expenses per acre	129.65
Return over direct expenses per acre	137.66
Overhead expenses per acre	
Hired labor	3.44
Machinery & bldg leases	3.64
Farm insurance	1.39
Utilities	1.26
Dues & professional fees	0.22
Interest	0.91
Mach & bldg depreciation	10.65
Miscellaneous	1.24
Total overhead expenses per acre	22.75
Total listed expenses per acre	152.40
Net return per acre	114.91
Total direct expense per bushel	1.57
Total listed expense per bushel	1.85
Net return per bushel	1.39
Breakeven yield per acre	25.15
Est. labor hours per acre	1.59
Lbr & mgt charge per acre	19.79
Net return over lbr & mgt	95.11

Table 11 - 9
Crop Enterprise Analysis, 1996
Southwest Minnesota Farm Business Management Association
(Average of all farms reporting)

SPRING WHEAT ON OWNED LAND

	Average For All Farms
Number of fields	6
Number of farms	6
Acres	23.62
Yield per acre (bushel)	55.11
Operators share of yield %	100.00
Value per bushel	4.00
Total product return per acre	220.45
Miscellaneous income per acre	50.50
Gross return per acre	270.96
Direct expenses per acre	
Seed	16.49
Fertilizer	25.46
Crop chemicals	3.39
Crop insurance	7.12
Fuel & oil	7.09
Repairs	18.49
Custom hire	2.05
Operating interest	2.54
Total direct expenses per acre	82.64
Return over direct expenses per acre	188.31
Overhead expenses per acre	
Hired labor	4.80
Machinery & bldg leases	1.61
RE & pers. property taxes	11.16
Farm insurance	3.60
Utilities	3.74
Interest	13.90
Mach & bldg depreciation	20.57
Miscellaneous	4.68
Total overhead expenses per acre	64.05
Total listed expenses per acre	146.70
Net return per acre	124.26
Total direct expense per bushel	1.50
Total listed expense per bushel	2.66
Net return per bushel	2.25
Breakeven yield per acre	24.05
Est. labor hours per acre	2.60
Net return including govt. payments	140.00
Lbr & mgt charge per acre	25.00
Net return over lbr & mgt	115.00

Table 11 - 10
Crop Enterprise Analysis, 1996
Southwest Minnesota Farm Business Management Association
(Average of all farms reporting)

CORN SILAGE ON OWNED LAND

	Average For All Farms
Number of fields	23
Number of farms	20
Acres	35.01
Yield per acre (ton)	18.16
Operators share of yield %	100.00
Value per ton	20.00
Total product return per acre	363.22
Miscellaneous income per acre	0.84
Gross return per acre	364.07
Direct expenses per acre	
Seed	27.97
Fertilizer	41.86
Crop chemicals	29.47
Crop insurance	4.36
Fuel & oil	12.61
Repairs	27.00
Custom hire	2.69
Operating interest	11.08
Miscellaneous	1.59
Total direct expenses per acre	158.64
Return over direct expenses per acre	205.43
Overhead expenses per acre	
Hired labor	15.95
Machinery & bldg leases	1.95
RE & pers. property taxes	12.99
Farm insurance	6.07
Utilities	2.49
Dues & professional fees	0.10
Interest	34.92
Mach & bldg depreciation	51.88
Miscellaneous	4.08
Total overhead expenses per acre	130.43
Total listed expenses per acre	289.07
Net return per acre	75.00
Total direct expense per ton	8.73
Total listed expense per ton	15.92
Net return per ton	4.13
Breakeven yield per acre	14.41
Est. labor hours per acre	3.87
Net return including govt. payments	101.36
Lbr & mgt charge per acre	30.85
Net return over lbr & mgt	70.50

Table 11 - 11
Crop Enterprise Analysis, 1996
Southwest Minnesota Farm Business Management Association
(Farms sorted according to Return to Overhead per Acre)

CORN SILAGE ON CASH RENTED LAND

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of fields	28	5	5
Number of farms	27	5	5
Acres	37.06	38.70	73.96
Yield per acre (ton)	18.09	15.15	20.48
Operators share of yield %	100.00	100.00	100.00
Value per ton	20.00	20.00	20.00
Total product return per acre	361.85	303.02	409.63
Miscellaneous income per acre	0.00	0.00	0.00
Gross return per acre	361.85	303.02	409.63
Direct expenses per acre			
Seed	26.95	29.83	24.61
Fertilizer	35.47	45.31	23.55
Crop chemicals	24.58	35.26	16.57
Crop insurance	3.82	6.00	0.90
Fuel & oil	12.77	13.97	11.96
Repairs	22.33	30.43	16.58
Custom hire	9.48	30.31	2.84
Land rent	72.57	85.26	63.49
Machinery & bldg leases	0.74	0.00	0.00
Operating interest	10.58	20.95	3.81
Miscellaneous	1.09	0.00	2.45
Total direct expenses per acre	220.38	297.32	166.75
Return over direct expenses per acre	141.47	5.70	242.88
Overhead expenses per acre			
Hired labor	7.61	6.34	10.97
Machinery & bldg leases	2.52	2.36	2.40
Farm insurance	2.30	2.02	2.50
Utilities	1.72	3.11	0.96
Bedding	0.03	0.00	0.07
Dues & professional fees	0.10	0.32	0.00
Interest	4.99	9.68	2.51
Mach & bldg depreciation	33.22	24.85	33.56
Miscellaneous	3.45	1.01	3.88
Total overhead expenses per acre	55.95	49.68	56.85
Total listed expenses per acre	276.33	346.99	223.60
Net return per acre	85.52	-43.97	186.03
Total direct expense per ton	12.18	19.62	8.14
Total listed expense per ton	15.27	22.90	10.92
Net return per ton	4.73	-2.90	9.08
Breakeven yield per acre	13.82	17.35	11.18
Est. labor hours per acre	3.54	2.69	3.29
Net return including govt. payments	109.76	-20.14	209.40
Lbr & mgt charge per acre	27.31	26.21	16.47
Net return over lbr & mgt	82.45	-46.35	192.92

Table 11 - 12
Crop Enterprise Analysis, 1996
Southwest Minnesota Farm Business Management Association
(Average of all farms reporting)

ALFALFA HAY ON OWNED LAND

	Average For All Farms
Number of fields	22
Number of farms	19
Acres	24.20
Yield per acre (ton)	2.77
Operators share of yield %	100.00
Value per ton	80.00
Total product return per acre	221.39
Miscellaneous income per acre	0.00
Gross return per acre	221.39
Direct expenses per acre	
Seed	15.39
Fertilizer	19.61
Crop chemicals	1.44
Crop insurance	0.20
Fuel & oil	12.56
Repairs	29.90
Custom hire	3.09
Operating interest	7.20
Miscellaneous	1.26
Total direct expenses per acre	90.65
Return over direct expenses per acre	130.74
Overhead expenses per acre	
Hired labor	8.91
Machinery & bldg leases	0.20
RE & pers. property taxes	10.60
Farm insurance	3.50
Utilities	2.47
Dues & professional fees	0.04
Interest	29.00
Mach & bldg depreciation	49.50
Miscellaneous	4.20
Total overhead expenses per acre	108.41
Total listed expenses per acre	199.06
Net return per acre	22.33
Total direct expense per ton	32.76
Total listed expense per ton	71.93
Net return per ton	8.07
Breakeven yield per acre	2.49
Est. labor hours per acre	4.57
Lbr & mgt charge per acre	24.66
Net return over lbr & mgt	-2.33

Table 11 - 13
Crop Enterprise Analysis, 1996
Southwest Minnesota Farm Business Management Association
(Farms sorted according to Return to Overhead per Acre)

ALFALFA HAY ON CASH RENTED LAND

	Average Of All Farms	Average Of Low 20%	Average Of High 20%
Number of fields	32	5	6
Number of farms	24	5	5
Acres	43.58	98.67	23.56
Yield per acre (ton)	2.88	2.41	4.73
Operators share of yield %	100.00	100.00	100.00
Value per ton	80.00	80.00	80.00
Total product return per acre	230.46	192.96	378.34
Miscellaneous income per acre	0.00	0.00	0.00
Gross return per acre	230.46	192.96	378.34
Direct expenses per acre			
Seed	20.07	29.55	1.77
Fertilizer	32.06	54.02	27.73
Crop chemicals	5.40	8.88	0.00
Crop insurance	0.01	0.00	0.07
Fuel & oil	9.24	9.01	11.81
Repairs	18.56	13.78	21.02
Custom hire	12.37	16.10	2.13
Land rent	70.58	80.08	72.77
Machinery & bldg leases	0.49	0.00	5.77
Operating interest	3.31	0.67	4.34
Miscellaneous	2.37	5.32	0.00
Total direct expenses per acre	174.44	217.42	147.42
Return over direct expenses per acre	56.02	-24.46	230.92
Overhead expenses per acre			
Hired labor	6.06	8.80	2.04
Machinery & bldg leases	3.90	5.44	1.98
Farm insurance	1.85	2.04	2.81
Utilities	1.14	0.80	2.10
Bedding	0.01	0.00	0.16
Dues & professional fees	0.13	0.01	0.05
Interest	2.34	1.71	4.35
Mach & bldg depreciation	27.70	27.33	34.80
Miscellaneous	2.09	2.88	2.29
Total overhead expenses per acre	45.23	49.02	50.57
Total listed expenses per acre	219.67	266.44	197.98
Net return per acre	10.79	-73.48	180.35
Total direct expense per ton	60.55	90.14	31.17
Total listed expense per ton	76.25	110.46	41.86
Net return per ton	3.75	-30.46	38.14
Breakeven yield per acre	2.75	3.33	2.47
Est. labor hours per acre	3.10	3.16	4.70
Lbr & mgt charge per acre	25.18	24.70	30.67
Net return over lbr & mgt	-14.39	-98.18	149.69

Table 11 - 14
Crop Enterprise Analysis, 1996
Southwest Minnesota Farm Business Management Association
(Average of all farms reporting)

GRASS HAY ON OWNED LAND

	Average For All Farms
Number of fields	15
Number of farms	15
Acres	19.99
Yield per acre (ton)	2.26
Operators share of yield %	100.00
Value per ton	69.67
Total product return per acre	157.31
Miscellaneous income per acre	0.00
Gross return per acre	157.31
Direct expenses per acre	
Fertilizer	0.04
Fuel & oil	4.13
Repairs	9.89
Custom hire	1.23
Operating interest	2.46
Miscellaneous	0.01
Total direct expenses per acre	17.76
Return over direct expenses per acre	139.54
Overhead expenses per acre	
Hired labor	4.15
Machinery & bldg leases	0.51
RE & pers. property taxes	10.16
Farm insurance	1.30
Utilities	0.75
Dues & professional fees	0.03
Interest	24.39
Mach & bldg depreciation	17.62
Miscellaneous	3.07
Total overhead expenses per acre	61.98
Total listed expenses per acre	79.74
Net return per acre	77.57
Total direct expense per ton	7.87
Total listed expense per ton	35.32
Net return per ton	34.35
Breakeven yield per acre	1.14
Est. labor hours per acre	1.52
Lbr & mgt charge per acre	9.32
Net return over lbr & mgt	68.24

Table 11 - 15
Crop Enterprise Analysis, 1996
Southwest Minnesota Farm Business Management Association
(Average of all farms reporting)

GRASS HAY ON CASH RENTED LAND

	Average For All Farms
Number of fields	14
Number of farms	14
Acres	28.36
Yield per acre (ton)	1.87
Operators share of yield %	100.00
Value per ton	70.00
Total product return per acre	130.76
Miscellaneous income per acre	0.00
Gross return per acre	130.76
Direct expenses per acre	
Fertilizer	1.22
Fuel & oil	6.17
Repairs	13.13
Custom hire	0.55
Land rent	6.11
Machinery & bldg leases	0.44
Operating interest	5.73
Miscellaneous	1.01
Total direct expenses per acre	34.38
Return over direct expenses per acre	96.38
Overhead expenses per acre	
Hired labor	1.96
Machinery & bldg leases	0.81
Farm insurance	1.46
Utilities	0.81
Bedding	0.01
Dues & professional fees	0.07
Interest	2.47
Mach & bldg depreciation	9.39
Miscellaneous	0.71
Total overhead expenses per acre	17.69
Total listed expenses per acre	52.07
Net return per acre	78.69
Total direct expense per ton	18.41
Total listed expense per ton	27.87
Net return per ton	42.13
Breakeven yield per acre	0.74
Est. labor hours per acre	1.51
Lbr & mgt charge per acre	8.56
Net return over lbr & mgt	70.13

Table 11 - 16
Crop Enterprise Analysis, 1996
Southwest Minnesota Farm Business Management Association
(Average of all farms reporting)

PASTURE ON OWNED LAND

	Average For All Farms
Number of fields	10
Number of farms	10
Acres	131.31
Gross return per acre	18.79
Direct expenses per acre	
Seed	0.05
Fertilizer	0.16
Crop chemicals	2.23
Fuel & oil	1.00
Repairs	3.13
Custom hire	0.01
Operating interest	0.25
Total direct expenses per acre	6.83
Return over direct expenses per acre	11.96
Overhead expenses per acre	
Hired labor	0.49
RE & pers. property taxes	7.15
Farm insurance	0.25
Utilities	0.09
Interest	10.72
Mach & bldg depreciation	4.93
Miscellaneous	0.65
Total overhead expenses per acre	24.29
Total listed expenses per acre	31.12
Net return per acre	-12.33
Total direct expense per unit	1.15
Total listed expense per unit	5.22
Net return per unit	-2.07
Breakeven yield per acre	9.88
Est. labor hours per acre	0.44
Lbr & mgt charge per acre	2.38
Net return over lbr & mgt	-14.72

Table 11 - 17
Crop Enterprise Analysis, 1996
Southwest Minnesota Farm Business Management Association
(Average of all farms reporting)

PASTURE ON CASH RENTED LAND

	Average For All Farms
Number of fields	12
Number of farms	12
Acres	82.87
Gross return per acre	23.84
Direct expenses per acre	
Seed	0.00
Fertilizer	0.50
Crop chemicals	2.16
Fuel & oil	1.09
Repairs	2.71
Land rent	13.94
Operating interest	0.74
Miscellaneous	0.05
Total direct expenses per acre	21.17
Return over direct expenses per acre	2.67
Overhead expenses per acre	
Hired labor	0.37
Machinery & bldg leases	0.10
Farm insurance	0.16
Utilities	0.12
Interest	0.68
Mach & bldg depreciation	3.43
Miscellaneous	0.29
Total overhead expenses per acre	5.15
Total listed expenses per acre	26.32
Net return per acre	-2.48
Total direct expense per unit	2.28
Total listed expense per unit	2.84
Net return per unit	-0.27
Breakeven yield per acre	10.23
Est. labor hours per acre	0.39
Lbr & mgt charge per acre	2.14
Net return over lbr & mgt	-4.62

Table 11 - 18
Crop Enterprise Analysis, 1996
Southwest Minnesota Farm Business Management Association
(Average of all farms reporting)

PEAS ON OWNED LAND

	Average For All Farms
Number of fields	6
Number of farms	6
Acres	46.02
Yield per acre (lb)	2972.98
Operators share of yield %	100.00
Value per lb	0.08
Total product return per acre	242.77
Miscellaneous income per acre	27.88
Gross return per acre	270.65
Direct expenses per acre	
Seed	0.35
Fertilizer	17.32
Crop chemicals	7.85
Crop insurance	9.27
Fuel & oil	4.29
Repairs	12.40
Custom hire	0.27
Operating interest	7.21
Miscellaneous	0.79
Total direct expenses per acre	59.76
Return over direct expenses per acre	210.90
Overhead expenses per acre	
Hired labor	4.10
Machinery & bldg leases	2.85
RE & pers. property taxes	18.04
Farm insurance	1.77
Utilities	1.94
Dues & professional fees	0.29
Interest	51.02
Mach & bldg depreciation	15.16
Miscellaneous	1.12
Total overhead expenses per acre	96.30
Total listed expenses per acre	156.05
Net return per acre	114.60
Total direct expense per lb	0.02
Total listed expense per lb	0.05
Net return per lb	0.04
Breakeven yield per acre	1569.56
Est. labor hours per acre	1.28
Lbr & mgt charge per acre	14.47
Net return over lbr & mgt	100.13

Table 11 - 19
Crop Enterprise Analysis, 1996
Southwest Minnesota Farm Business Management Association
(Average of all farms reporting)

PEAS ON CASH RENTED LAND

	Average For All Farms
Number of fields	6
Number of farms	6
Acres	32.75
Yield per acre (lb)	3764.31
Operators share of yield %	100.00
Value per lb	0.09
Total product return per acre	355.92
Miscellaneous income per acre	0.00
Gross return per acre	355.92
Direct expenses per acre	
Seed	8.33
Fertilizer	15.63
Crop chemicals	15.40
Crop insurance	9.17
Fuel & oil	4.75
Repairs	9.58
Land rent	89.28
Marketing	0.38
Operating interest	6.56
Miscellaneous	1.08
Total direct expenses per acre	160.15
Return over direct expenses per acre	195.77
Overhead expenses per acre	
Hired labor	4.96
Machinery & bldg leases	0.77
Farm insurance	0.72
Utilities	0.91
Dues & professional fees	0.10
Interest	3.01
Mach & bldg depreciation	10.09
Miscellaneous	1.28
Total overhead expenses per acre	21.84
Total listed expenses per acre	181.99
Net return per acre	173.93
Total direct expense per lb	0.04
Total listed expense per lb	0.05
Net return per lb	0.05
Breakeven yield per acre	1924.76
Est. labor hours per acre	1.23
Lbr & mgt charge per acre	12.05
Net return over lbr & mgt	161.88

Table 11 - 20
Crop Enterprise Analysis, 1996
Southwest Minnesota Farm Business Management Association
(Average of all farms reporting)

SWEET CORN ON OWNED LAND

	Average For All Farms
Number of fields	5
Number of farms	5
Acres	41.50
Yield per acre (ton)	6.76
Operators share of yield %	100.00
Value per ton	47.28
Total product return per acre	319.65
Miscellaneous income per acre	0.00
Gross return per acre	319.65
Direct expenses per acre	
Fertilizer	43.13
Crop chemicals	20.11
Crop insurance	10.15
Fuel & oil	6.26
Repairs	15.28
Operating interest	8.79
Miscellaneous	0.59
Total direct expenses per acre	104.30
Return over direct expenses per acre	215.34
Overhead expenses per acre	
Hired labor	1.11
RE & pers. property taxes	16.59
Farm insurance	0.89
Utilities	1.15
Dues & professional fees	0.41
Interest	32.19
Mach & bldg depreciation	13.00
Miscellaneous	0.92
Total overhead expenses per acre	66.27
Total listed expenses per acre	170.57
Net return per acre	149.08
Total direct expense per ton	15.43
Total listed expense per ton	25.23
Net return per ton	22.05
Breakeven yield per acre	3.61
Est. labor hours per acre	1.83
Lbr & mgt charge per acre	22.24
Net return over lbr & mgt	126.84

Table 11 - 21
Crop Enterprise Analysis, 1996
Southwest Minnesota Farm Business Management Association
(Average of all farms reporting)

CRP ON OWNED LAND

	Average For All Farms
Number of fields	20
Number of farms	19
Acres	42.15
Yield per acre	85.73
Operators share of yield %	100.00
Value per unit	1.00
Total product return per acre	85.73
Miscellaneous income per acre	1.66
Gross return per acre	87.40
Direct expenses per acre	
Seed	0.54
Crop chemicals	0.91
Fuel & oil	0.79
Repairs	2.39
Operating interest	1.11
Miscellaneous	0.43
Total direct expenses per acre	6.17
Return over direct expenses per acre	81.22
Overhead expenses per acre	
Hired labor	0.65
Machinery & bldg leases	0.19
RE & pers. property taxes	15.11
Farm insurance	0.31
Utilities	0.24
Dues & professional fees	0.02
Interest	24.79
Mach & bldg depreciation	3.89
Miscellaneous	0.37
Total overhead expenses per acre	45.55
Total listed expenses per acre	51.72
Net return per acre	35.67
Total direct expense per unit	0.07
Total listed expense per unit	0.60
Net return per unit	0.42
Breakeven yield per acre	50.06
Est. labor hours per acre	0.28
Lbr & mgt charge per acre	3.27
Net return over lbr & mgt	32.40

Table 11 - 22
Crop Enterprise Analysis, 1996
Southwest Minnesota Farm Business Management Association
(Average of all farms reporting)

CRP ON CASH RENTED LAND

	Average For All Farms
Number of fields	9
Number of farms	8
Acres	32.82
Yield per acre	82.87
Operators share of yield %	100.00
Value per unit	1.00
Total product return per acre	82.87
Miscellaneous income per acre	0.00
Gross return per acre	82.87
Direct expenses per acre	
Crop chemicals	1.41
Fuel & oil	0.83
Repairs	2.34
Land rent	72.37
Operating interest	0.68
Miscellaneous	0.57
Total direct expenses per acre	78.21
Return over direct expenses per acre	4.66
Overhead expenses per acre	
Hired labor	0.95
Machinery & bldg leases	0.02
Farm insurance	0.32
Utilities	0.35
Dues & professional fees	0.07
Interest	0.31
Mach & bldg depreciation	3.51
Miscellaneous	0.29
Total overhead expenses per acre	5.82
Total listed expenses per acre	84.03
Net return per acre	-1.16
Total direct expense per unit	0.94
Total listed expense per unit	1.01
Net return per unit	-0.01
Breakeven yield per acre	84.03
Est. labor hours per acre	0.27
Lbr & mgt charge per acre	1.91
Net return over lbr & mgt	-3.07

EXPLANATORY NOTES FOR LIVESTOCK TABLES

The "Livestock Enterprise Analysis" tables show the average physical production, gross returns, direct costs, overhead costs, and net returns per budget unit. All costs are actual costs; no opportunity costs are included. The "Net Return" to the enterprise is the "Gross Return" minus the direct and overhead costs. The last section of each livestock table contains both economic and technical efficiency measures.

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

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

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

"Lbs. feed per lb. of gain" is the lbs. of total feed divided by "Total production." For grains, these pounds per bushel are used: corn, 56; oats, 32; barley, 48; grain sorghum, 56; wheat, 60; and millet, 48. For these forages, the pounds are calculated by these factors: alfalfa haylage, 0.5; corn silage, 0.33; oatlage, 0.5; and sorghum silage, 0.33; and small grain silage, 0.33.

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

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

Table 12 - 1
Livestock Enterprise Analysis, 1996
Southwest Minnesota Farm Business Management Association
(Farms sorted according to Return to Overhead per unit produced)

Hogs, Farrow To Finish -- Average per Litter

Number of farms	Average For All Farms		Average For Low 20%		Average For High 20%	
	40	8	8	8	8	8
Raised Hogs sold (lb)	1814.33	1001.24	1812.19	986.02	1687.87	955.68
Cull sales (lb)	166.12	67.92	172.73	68.66	146.88	62.13
Butchered (lb)	2.20	2.57	4.95	9.19	3.36	1.68
Less purchased (lb)	-61.77	-64.38	-102.60	-94.88	-66.31	-65.01
Inventory change (lb)	22.13	65.19	-18.14	65.48	95.58	129.06
Total production (lb)	1943.02	1072.54	1869.13	1034.47	1867.38	1083.55
Other income		0.54		0.00		0.00
Gross return		1073.08		1034.47		1083.55
Direct expenses						
Corn (bu.)	93.48	330.00	101.93	363.06	82.22	288.94
Hay, Alfalfa (lb.)	0.91	0.04	0.00	0.00	0.00	0.00
Oats (bu.)	0.52	1.12	0.26	0.53	0.43	0.86
Pasture (aum)	0.00	0.03	0.00	0.15	0.00	0.00
Stover (lb.)	9.12	0.14	0.00	0.00	0.00	0.00
Complete Ration (lb.)	32.64	9.59	37.03	16.06	0.00	0.00
Protein Vit Minerals (lb.)	1758.16	331.37	1583.01	353.72	1605.55	293.44
Breeding fees		4.53		10.68		3.53
Veterinary		33.64		30.60		29.13
Livestock supplies		12.36		14.27		17.47
Fuel & oil		12.08		11.24		9.36
Repairs		32.43		26.07		28.98
Custom hire		13.82		26.91		4.39
Hired labor		1.80		6.86		0.21
Machinery & bldg leases		12.86		28.61		0.00
Livestock leases		0.83		3.69		0.00
Utilities		2.29		8.23		0.00
Marketing		1.59		0.00		0.00
Bedding		0.54		1.52		0.00
Operating interest		12.62		16.91		13.88
Total direct expenses		813.68		919.11		690.18
Return over direct expense		259.40		115.36		393.36
Overhead expenses						
Hired labor		50.86		11.99		24.08
Machinery & bldg leases		10.74		18.68		12.37
RE & pers. property taxes		2.99		1.33		2.47
Farm insurance		9.41		11.44		7.63
Utilities		19.62		12.84		18.82
Dues & professional fees		0.59		0.16		0.48
Interest		18.60		8.81		34.07
Mach & bldg depreciation		54.03		31.58		71.22
Miscellaneous		7.60		6.78		6.92
Total overhead expenses		174.43		103.60		178.06
Total listed expenses		988.11		1022.71		868.24
Net return		84.97		11.76		215.31
Est. labor hours per unit		11.65		8.72		13.43
Labor & management charge		75.75		50.69		175.57
Net return over lbr & mgt		9.22		-38.93		39.73
Other Information						
Average number of sows		120.3		138.5		86.5
Litters farrowed		219		246		161
Litters per sow		1.82		1.78		1.86
Litters per crate		8.70		9.61		8.36
Pigs born per litter		9.91		9.77		10.00
Pigs weaned per litter		8.84		8.50		8.55
Pigs weaned per sow		15.99		15.41		15.65
Number sold per litter		7.88		7.62		7.28
Lbs of feed / lb of gain		3.61		3.93		3.22
Feed cost / cwt. of gain		34.60		39.24		31.23
Feed cost per litter		672.28		733.51		583.23
Avg wgt/Raised Hog sold		230		238		232
Avg price / cwt		55.18		54.41		56.62

Table 12 - 2
Livestock Enterprise Analysis, 1996
Southwest Minnesota Farm Business Management Association
(Farms sorted according to Return to Overhead per unit produced)

Hogs, Farrow To Finish -- Average per Cwt Produced

Number of farms	Average For All Farms		Average For Low 20%		Average For High 20%	
	40	8	8	8	8	8
	Quantity	Value	Quantity	Value	Quantity	Value
Raised Hogs sold (lb)	93.38	51.53	96.95	52.75	90.39	51.18
Cull sales (lb)	8.55	3.50	9.24	3.67	7.87	3.33
Butchered (lb)	0.11	0.13	0.26	0.49	0.18	0.09
Less purchased (lb)	-3.18	-3.31	-5.49	-5.08	-3.55	-3.48
Inventory change (lb)	1.14	3.36	-0.97	3.50	5.12	6.91
Total production (lb)	100.00	55.20	100.00	55.34	100.00	58.03
Other income		0.03		0.00		0.00
Gross return		55.23		55.34		58.03
Direct expenses						
Corn (bu.)	4.81	16.98	5.45	19.42	4.40	15.47
Oats (bu.)	0.03	0.06	0.01	0.03	0.02	0.05
Complete Ration (lb.)	1.68	0.49	1.98	0.86	0.00	0.00
Protein Vit Minerals (lb.)	90.49	17.05	84.69	18.92	85.98	15.71
Breeding fees	0.23			0.57		0.19
Veterinary	1.73			1.64		1.56
Livestock supplies	0.64			0.76		0.94
Fuel & oil	0.62			0.60		0.50
Repairs	1.67			1.39		1.55
Custom hire	0.71			1.44		0.24
Hired labor	0.09			0.37		0.01
Machinery & bldg leases	0.66			1.53		0.00
Livestock leases	0.04			0.20		0.00
Utilities	0.12			0.44		0.00
Marketing	0.08			0.00		0.00
Bedding	0.03			0.08		0.00
Operating interest	0.65			0.90		0.74
Total direct expenses	41.88			49.17		36.96
Return over direct expense	13.35			6.17		21.07
Overhead expenses						
Hired labor	2.62			0.64		1.29
Machinery & bldg leases	0.55			1.00		0.66
RE & pers. property taxes	0.15			0.07		0.13
Farm insurance	0.48			0.61		0.41
Utilities	1.01			0.69		1.01
Dues & professional fees	0.03			0.01		0.03
Interest	0.96			0.47		1.82
Mach & bldg depreciation	2.78			1.69		3.81
Miscellaneous	0.39			0.36		0.37
Total overhead expenses	8.98			5.54		9.54
Total listed expenses	50.85			54.72		46.50
Net return	4.37			0.63		11.53
Est. labor hours per unit	0.60			0.47		0.72
Labor & management charge	3.90			2.71		9.40
Net return over lbr & mgt	0.47			-2.08		2.13
Other Information						
Average number of sows	120.3			138.5		86.5
Litters farrowed	219			246		161
Litters per sow	1.82			1.78		1.86
Litters per crate	8.70			9.61		8.36
Pigs born per litter	9.91			9.77		10.00
Pigs weaned per litter	8.84			8.50		8.55
Pigs weaned per sow	15.99			15.41		15.65
Number sold per litter	7.88			7.62		7.28
Lbs of feed / lb of gain	3.61			3.93		3.22
Feed cost / cwt. of gain	34.60			39.24		31.23
Feed cost per litter	672.28			733.51		583.23
Avg wgt/Raised Hog sold	230			238		232
Avg price / cwt	55.18			54.41		56.62

Table 12 - 3
Livestock Enterprise Analysis, 1996
Southwest Minnesota Farm Business Management Association

Hogs, Feeder Pig Production -- Average per Litter

	Average For All Farms	
	Quantity	Value
Number of farms	8	
Feeder Pigs sold (hd)	4.37	204.92
Transferred out (hd)	3.88	177.55
Cull sales (hd)	0.22	44.89
Butchered (hd)	0.00	0.06
Less purchased (hd)	-0.11	-26.05
Less transferred in (hd)	-0.03	-3.71
Inventory change (hd)	-0.07	18.69
Total production (hd)	0.00	416.35
Other income		0.00
Gross return		416.35
Direct expenses		
Corn (bu.)	20.98	72.29
Complete Ration (lb.)	190.19	40.96
Protein Vit Minerals (lb.)	768.96	116.32
Other feed stuffs		3.52
Breeding fees		5.19
Veterinary		25.06
Livestock supplies		5.85
Fuel & oil		8.40
Repairs		12.95
Custom hire		2.41
Machinery & bldg leases		17.22
Utilities		3.05
Marketing		1.03
Operating interest		8.64
Total direct expenses		322.89
Return over direct expense		93.46
Overhead expenses		
Hired labor		20.89
Machinery & bldg leases		13.25
RE & pers. property taxes		1.30
Farm insurance		3.69
Utilities		11.71
Dues & professional fees		0.45
Interest		5.22
Mach & bldg depreciation		25.66
Miscellaneous		3.52
Total overhead expenses		85.69
Total listed expenses		408.58
Net return		7.77
Est. labor hours per unit		6.92
Labor & management charge		51.32
Net return over lbr & mgt		-43.55
Other Information		
Average number of sows		108.1
Litters farrowed		214
Litters per sow		1.98
Litters per crate		10.11
Pigs born per litter		9.98
Pigs weaned per litter		8.54
Pigs weaned per sow		16.84
Number sold per litter		4.37
Feed cost per litter		233.09
Avg wgt/Feeder Pig sold		51
Avg price / head		46.89

Table 12 - 4
Livestock Enterprise Analysis, 1996
Southwest Minnesota Farm Business Management Association

Hogs, Finish Feeder Pigs -- Average per Head

	Average For All Farms	
Number of farms	18	
	Quantity	Value
Finish Hogs sold (lb)	255.03	136.91
Transferred out (lb)	0.38	0.19
Butchered (lb)	0.17	0.12
Less purchased (lb)	-15.97	-31.23
Less transferred in (lb)	-11.61	-9.25
Inventory change (lb)	-9.47	-0.52
Total production (lb)	218.52	96.21
Other income		0.00
Gross return		96.21
Direct expenses		
Corn (bu.)	7.09	24.88
Complete Ration (lb.)	126.43	13.18
Protein Vit Minerals (lb.)	135.79	21.67
Other feed stuffs		0.41
Veterinary		0.60
Livestock supplies		0.48
Fuel & oil		0.81
Repairs		1.15
Custom hire		0.97
Machinery & bldg leases		0.51
Livestock leases		1.63
Utilities		0.01
Marketing		0.03
Operating interest		0.99
Total direct expenses		67.32
Return over direct expense		28.89
Overhead expenses		
Hired labor		0.70
Machinery & bldg leases		5.80
RE & pers. property taxes		0.21
Farm insurance		0.40
Utilities		0.81
Dues & professional fees		0.06
Interest		2.04
Mach & bldg depreciation		3.15
Miscellaneous		0.47
Total overhead expenses		13.61
Total listed expenses		80.93
Net return		15.28
Est. labor hours per unit		0.42
Labor & management charge		3.37
Net return over lbr & mgt		11.91
Other Information		
No. purchased or trans in		1968
Number sold or trans out		1941
Percentage death loss		1.9
Avg. daily gain (lbs)		1.35
Lbs of conc / lb of gain		3.02
Lbs of feed / lb of gain		3.03
Feed cost per cwt of gain		27.52
Feed cost per head		60.14
Average purchase weight		18
Average sales weight		240
Avg purch price / head		35.59
Avg sales price / cwt		53.68

Table 12 - 5
Livestock Enterprise Analysis, 1996
Southwest Minnesota Farm Business Management Association

Hogs, Finish Feeder Pigs -- Average per Cwt Produced

	Average For All Farms	
	Quantity	Value
Number of farms	18	
Finish Hogs sold (lb)	116.71	62.65
Transferred out (lb)	0.17	0.09
Butchered (lb)	0.08	0.05
Less purchased (lb)	-7.31	-14.29
Less transferred in (lb)	-5.32	-4.23
Inventory change (lb)	-4.33	-0.24
Total production (lb)	100.00	44.03
Other income		0.00
Gross return		44.03
Direct expenses		
Corn (bu.)	3.24	11.39
Complete Ration (lb.)	57.86	6.03
Protein Vit Minerals (lb.)	62.14	9.92
Other feed stuffs		0.19
Veterinary		0.27
Livestock supplies		0.22
Fuel & oil		0.37
Repairs		0.53
Custom hire		0.44
Machinery & bldg leases		0.23
Livestock leases		0.74
Marketing		0.01
Operating interest		0.46
Total direct expenses		30.81
Return over direct expense		13.22
Overhead expenses		
Hired labor		0.32
Machinery & bldg leases		2.65
RE & pers. property taxes		0.09
Farm insurance		0.18
Utilities		0.37
Dues & professional fees		0.03
Interest		0.93
Mach & bldg depreciation		1.44
Miscellaneous		0.21
Total overhead expenses		6.23
Total listed expenses		37.04
Net return		6.99
Est. labor hours per unit		0.19
Labor & management charge		1.54
Net return over lbr & mgt		5.45
Other Information		
No. purchased or trans in		1968
Number sold or trans out		1941
Percentage death loss		1.9
Avg. daily gain (lbs)		1.35
Lbs of conc / lb of gain		3.02
Lbs of feed / lb of gain		3.03
Feed cost per cwt of gain		27.52
Feed cost per head		60.14
Average purchase weight		18
Average sales weight		240
Avg purch price / head		35.59
Avg sales price / cwt		53.68

Table 12 - 6
Livestock Enterprise Analysis, 1996
Southwest Minnesota Farm Business Management Association

Hogs, Contractee -- Average per Pig Space

	Average For All Farms
Number of farms	6
	Value
Gross return	36.17
Direct expenses	
Veterinary	0.12
Livestock supplies	2.70
Fuel & oil	1.19
Repairs	1.22
Custom hire	0.67
Hired labor	0.02
Operating interest	0.37
Total direct expenses	6.29
Return over direct expense	29.88
Overhead expenses	
Hired labor	2.08
RE & pers. property taxes	0.24
Farm insurance	0.55
Utilities	1.31
Dues & professional fees	0.07
Interest	11.25
Mach & bldg depreciation	15.50
Miscellaneous	0.37
Total overhead expenses	31.37
Total listed expenses	37.66
Net return	-1.49
Est. labor hours per unit	0.57
Labor & management charge	6.95
Net return over lbr & mgt	-8.44
Other Information	
Number of pigs	3250
Pigs per pig space (per year)	2.26
Pigs per 100 sq. ft. (per yr)	26.95
Net return per 100 sq. ft.	-17.73
Net return per labor hour	-2.60
Square feet per pig space	8.40

Table 12 - 7
Livestock Enterprise Analysis, 1996
Southwest Minnesota Farm Business Management Association

Beef Cow-Calf -- Average per Cow

	Average For All Farms
Number of farms	17
Beef Calves sold (lb)	65.53
Transferred out (lb)	411.51
Cull sales (lb)	169.59
Butchered (lb)	12.83
Less purchased (lb)	-106.31
Less transferred in (lb)	-76.74
Inventory change (lb)	-39.39
Total production (lb)	505.27
Other income	248.80
Gross return	249.89
Direct expenses	
Corn (bu.)	5.93
Corn Silage (lb.)	4350.81
Hay, Alfalfa (lb.)	2547.11
Hay, Grass & Other (lb.)	1594.64
Haylage, Grass & Other (lb.)	56.50
Oats (bu.)	50.40
Pasture (aum)	3.40
Stover (lb.)	403.55
Complete Ration (lb.)	134.74
Protein Vit Minerals (lb.)	81.58
Breeding fees	1.60
Veterinary	17.27
Livestock supplies	3.25
Fuel & oil	8.52
Repairs	14.04
Custom hire	0.01
Machinery & bldg leases	0.00
Marketing	0.76
Bedding	0.60
Operating interest	0.60
Total direct expenses	350.00
Return over direct expense	-105.73
Overhead expenses	
Hired labor	7.23
Machinery & bldg leases	3.08
RE & pers. property taxes	1.65
Farm insurance	1.47
Utilities	1.58
Dues & professional fees	0.33
Interest	11.75
Mach & bldg depreciation	22.69
Miscellaneous	4.00
Total overhead expenses	60.67
Total listed expenses	415.67
Net return	-165.78
Est. labor hours per unit	6.74
Labor & management charge	41.71
Net return over lbr & mgt	-207.56
Other Information	
Number of cows	77.0
Pregnancy percentage	95.6
Pregnancy loss percentage	1.00
Culling percentage	13.3
Calving percentage	93.7
Weaning percentage	87.6
Calves sold per cow	0.89
Calf death loss percent	7.4
Average weaning weight	510
Lbs weaned/exposed female	447
Feed cost per cow	295.09
Avg wgt/Beef Calf sold	7.73
Avg price / cwt	53.93

Table 12 - 8
Livestock Enterprise Analysis, 1996
Southwest Minnesota Farm Business Management Association
(Farms sorted according to Return to Overhead per unit produced)

Beef, Finish Beef Calves -- Average per Head

Number of farms	Average For All Farms		Average For Low 20%		Average For High 20%	
	34	7	7	7	7	7
Finish Beef sold (lb)	1151.55	722.97	1435.92	841.52	1170.57	748.37
Transferred out (lb)	5.72	3.44	0.66	0.41	6.95	4.17
Butchered (lb)	2.51	1.52	4.42	2.60	0.78	0.53
Less purchased (lb)	-462.05	-286.34	-506.43	-326.01	-609.35	-354.71
Less transferred in (lb)	-32.07	-21.10	-7.29	-5.10	-25.58	-16.59
Inventory change (lb)	-194.76	-118.06	-559.06	-345.97	-14.26	16.98
Total production (lb)	470.90	302.43	368.23	167.44	529.11	398.76
Other income		1.20		0.00		2.42
Gross return		303.63		167.44		401.18
Direct expenses						
Corn (bu.)	48.34	160.74	61.45	210.12	51.48	151.54
Corn Silage (lb.)	2034.39	24.67	2338.25	31.02	1893.20	19.80
Corn, Ear (lb.)	20.40	0.98	108.43	3.52	25.63	1.83
Hay, Alfalfa (lb.)	186.17	7.80	30.32	1.24	7.77	0.32
Hay, Grass & Other (lb.)	132.19	3.40	282.56	6.34	133.47	3.31
Haylage, Alfalfa (lb.)	29.79	0.62	0.00	0.00	67.00	1.34
Haylage, Grass & Other (lb.)	8.52	0.26	30.94	1.08	0.00	0.00
Oatlage (lb.)	4.68	0.05	0.00	0.00	0.00	0.00
Sorghum Silage (lb.)	57.15	0.43	0.00	0.00	67.26	0.23
Stover (lb.)	34.87	0.40	0.00	0.00	27.38	0.41
Complete Ration (lb.)	251.41	11.35	0.00	0.00	0.00	0.00
Protein Vit Minerals (lb.)	234.00	30.71	228.30	32.62	231.19	36.85
Other feed stuffs	8.38		0.00			23.07
Breeding fees	0.01		0.00			0.03
Veterinary	5.50		10.22			3.70
Livestock supplies	2.64		3.71			4.09
Fuel & oil	5.21		3.11			8.35
Repairs	8.27		9.12			10.98
Custom hire	7.90		0.04			2.23
Hired labor	0.04		0.00			0.02
Machinery & bldg leases	0.03		0.00			0.00
Marketing	1.54		2.16			0.62
Bedding	0.13		0.00			0.41
Operating interest	16.05		28.65			14.40
Total direct expenses	297.12		342.95			283.52
Return over direct expense	6.51		-175.51			117.66
Overhead expenses						
Hired labor	5.17		0.92			8.01
Machinery & bldg leases	0.55		3.67			0.00
RE & pers. property taxes	1.46		1.89			1.95
Farm insurance	2.32		2.26			3.82
Utilities	3.79		4.68			5.37
Bedding	0.03		0.23			0.00
Dues & professional fees	0.24		0.12			0.29
Interest	5.43		3.79			5.06
Mach & bldg depreciation	18.43		21.16			23.74
Miscellaneous	1.86		2.96			1.54
Total overhead expenses	39.27		41.66			49.78
Total listed expenses	336.39		384.61			333.30
Net return	-32.76		-217.17			67.87
Est. labor hours per unit	2.60		4.41			2.75
Labor & management charge	23.15		33.75			24.65
Net return over lbr & mgt	-55.91		-250.92			43.22
Other Information						
No. purchased or trans in	283		162			522
Number sold or trans out	336		228			511
Percentage death loss	0.9		0.9			1.1
Avg. daily gain (lbs)	2.35		1.67			2.69
Lbs of conc / lb of gain	7.37		10.26			7.38
Lbs of feed / lb of gain	9.63		13.27			8.98
Feed cost per cwt of gain	53.05		77.66			45.11
Feed cost per head	249.79		285.95			238.69
Average purchase weight	626		617			669
Average sales weight	1217		1224			1253
Avg purch price / cwt	61.97		64.38			58.21
Avg sales price / cwt	62.78		58.60			63.93

Table 12 - 9
Livestock Enterprise Analysis, 1996
Southwest Minnesota Farm Business Management Association
(Farms sorted according to Return to Overhead per unit produced)

Beef, Finish Beef Calves -- Average per Cwt Produced

Number of farms	Average For All Farms		Average For Low 20%		Average For High 20%	
	34		7		7	
Finish Beef sold (lb)	244.54	153.53	389.96	228.53	221.23	141.44
Transferred out (lb)	1.21	0.73	0.18	0.11	1.31	0.79
Butchered (lb)	0.53	0.32	1.20	0.71	0.15	0.10
Less purchased (lb)	-98.12	-60.81	-137.53	-88.54	-115.16	-67.04
Less transferred in (lb)	-6.81	-4.48	-1.98	-1.39	-4.83	-3.13
Inventory change (lb)	-41.36	-25.07	-151.82	-93.96	-2.70	3.21
Total production (lb)	100.00	64.22	100.00	45.47	100.00	75.36
Other income		0.25		0.00		0.46
Gross return		64.48		45.47		75.82
Direct expenses						
Corn (bu.)	10.27	34.14	16.69	57.06	9.73	28.64
Corn Silage (lb.)	432.02	5.24	635.00	8.42	357.81	3.74
Corn, Ear (lb.)	4.33	0.21	29.45	0.96	4.84	0.35
Hay, Alfalfa (lb.)	39.54	1.66	8.23	0.34	1.47	0.06
Hay, Grass & Other (lb.)	28.07	0.72	76.74	1.72	25.23	0.63
Haylage, Alfalfa (lb.)	6.33	0.13	0.00	0.00	12.66	0.25
Haylage, Grass & Other (lb.)	1.81	0.06	8.40	0.29	0.00	0.00
Sorghum Silage (lb.)	12.14	0.09	0.00	0.00	12.71	0.04
Stover (lb.)	7.40	0.08	0.00	0.00	5.17	0.08
Complete Ration (lb.)	53.39	2.41	0.00	0.00	0.00	0.00
Protein Vit Minerals (lb.)	49.69	6.52	62.00	8.86	43.69	6.96
Other feed stuffs		1.77		0.00		4.36
Veterinary		1.17		2.78		0.70
Livestock supplies		0.56		1.01		0.77
Fuel & oil		1.11		0.84		1.58
Repairs		1.76		2.48		2.07
Custom hire		1.68		0.01		0.42
Marketing		0.33		0.59		0.12
Bedding		0.03		0.00		0.08
Operating interest		3.41		7.78		2.72
Total direct expenses	63.10		93.14		53.58	
Return over direct expense	1.38		-47.66		22.24	
Overhead expenses						
Hired labor		1.10		0.25		1.51
Machinery & bldg leases		0.12		1.00		0.00
RE & pers. property taxes		0.31		0.51		0.37
Farm insurance		0.49		0.61		0.72
Utilities		0.80		1.27		1.01
Dues & professional fees		0.05		0.03		0.06
Interest		1.15		1.03		0.96
Mach & bldg depreciation		3.91		5.75		4.49
Miscellaneous		0.39		0.80		0.29
Total overhead expenses	8.34		11.31		9.41	
Total listed expenses	71.44		104.45		62.99	
Net return	-6.96		-58.98		12.83	
Est. labor hours per unit	0.55		1.20		0.52	
Labor & management charge	4.92		9.17		4.66	
Net return over lbr & mgt	-11.87		-68.14		8.17	
Other Information						
No. purchased or trans in	283		162		522	
Number sold or trans out	336		228		511	
Percentage death loss	0.9		0.9		1.1	
Avg. daily gain (lbs)	2.35		1.67		2.69	
Lbs of conc / lb of gain	7.37		10.26		7.38	
Lbs of feed / lb of gain	9.63		13.27		8.98	
Feed cost per cwt of gain	53.05		77.66		45.11	
Feed cost per head	249.79		285.95		238.69	
Average purchase weight	626		617		669	
Average sales weight	1217		1224		1253	
Avg purch price / cwt	61.97		64.38		58.21	
Avg sales price / cwt	62.78		58.60		63.93	

Table 12 - 10
Livestock Enterprise Analysis, 1996
Southwest Minnesota Farm Business Management Association

Dairy -- Average per Cow

	Average For All Farms	
Number of farms	11	
	Quantity	Value
Milk sold (lb)	18447.93	2800.77
Milk used in home (lb)	44.51	6.94
Milk fed to animals (lb)	82.03	9.65
Dairy Calves sold (hd)	0.03	12.99
Transferred out (hd)	0.12	15.31
Cull sales (hd)	0.22	79.32
Butchered (hd)	0.01	1.27
Less purchased (hd)	-0.01	-5.61
Less transferred in (hd)	-0.37	-358.06
Inventory change (hd)	0.12	165.86
Total production		2728.44
Other income		9.44
Gross return		2737.88
Direct expenses		
Corn (bu.)	81.23	280.92
Corn Silage (lb.)	14276.11	159.80
Hay Alfalfa (lb.)	3361.48	153.65
Haylage, Alfalfa (lb.)	1410.03	52.10
Haylage, Grass & Other (lb.)	586.71	14.67
Oats (bu.)	1.68	3.02
Pasture (aum)	0.34	3.45
Complete Ration (lb.)	829.97	69.25
Protein Vit Minerals (lb.)	3187.14	434.84
Other feed stuffs		6.59
Breeding fees		18.94
Veterinary		64.98
Livestock supplies		119.09
Fuel & oil		20.04
Repairs		75.73
Custom hire		48.60
Hired labor		8.41
Marketing		7.33
Operating interest		11.84
Total direct expenses		1553.25
Return over direct expense		1184.63
Overhead expenses		
Hired labor		248.63
Machinery & bldg leases		14.23
RE & pers. property taxes		6.97
Farm insurance		32.40
Utilities		41.78
Interest		98.93
Mach & bldg depreciation		194.33
Miscellaneous		38.05
Total overhead expenses		675.31
Total listed expenses		2228.56
Net return		509.32
Est. labor hours per unit		39.07
Labor & management charge		178.71
Net return over lbr & mgt		330.62
Other Information		
Avg. number of Cows		108.2
Milk produced per Cow		18574
Percent butterfat in milk		3.8
Culling percentage		23.1
Percent of barn capacity		106.6
Lbs. milk/lb grain & conc.		2.2
Feed cost per cwt of milk		6.34
Feed cost per Cow		1178.28
Avg. milk price per cwt.		15.18

Table 12 - 11
Livestock Enterprise Analysis, 1996
Southwest Minnesota Farm Business Management Association
Dairy Replacement Heifers -- Average per Head Sold/Trans

Number of farms	Average For All Farms	
	Quantity	Value
Replacements sold (hd)	0.53	145.96
Transferred out (hd)	0.47	409.25
Cull sales (hd)	0.01	2.83
Butchered (hd)	0.00	0.85
Less purchased (hd)	-0.23	-180.20
Less transferred in (hd)	-0.12	-14.65
Inventory change (hd)	0.07	5.07
Total production (hd)	0.00	369.12
Other income		0.00
Gross return		369.12
Direct expenses		
Corn (bu.)	13.14	50.02
Corn Silage (lb.)	5085.04	66.31
Hay, Alfalfa (lb.)	888.97	37.67
Hay, Grass & Other (lb.)	528.62	10.67
Haylage, Alfalfa (lb.)	382.75	15.01
Haylage, Grass & Other (lb.)	49.19	1.23
Oatlage (lb.)	273.17	2.34
Oats (bu.)	2.31	4.54
Pasture (aum)	0.28	3.15
Stover (lb.)	154.74	5.91
Milk (lb.)	56.19	7.50
Protein Vit Minerals (lb.)	282.33	55.07
Breeding fees		2.55
Veterinary		12.03
Livestock supplies		16.72
Fuel & oil		4.94
Repairs		20.67
Custom hire		60.63
Bedding		1.24
Operating interest		3.88
Total direct expenses		382.10
Return over direct expense		-12.98
Overhead expenses		
Hired labor	30.04	
Machinery & bldg leases	4.21	
RE & pers. property taxes	1.63	
Farm insurance	5.22	
Utilities	7.91	
Dues & professional fees	0.37	
Interest	8.18	
Mach & bldg depreciation	30.17	
Miscellaneous	4.67	
Total overhead expenses		92.39
Total listed expenses		474.49
Net return		-105.38
Est. labor hours per unit		6.37
Labor & management charge		34.27
Net return over lbr & mgt		-139.64
Other Information		
No. purchased or trans in		39
Number sold or trans out		112
Average number of head		109
Percentage death loss		5.4
Feed cost per average head		266.16
Feed cost/head sold+trans		259.42
Avg. purchase weight		853
Avg. sales weight		340
Avg. purch price / head		777.83
Avg. sales price / head		277.05

Table 12 - 12
Livestock Enterprise Analysis, 1996
Southwest Minnesota Farm Business Management Association

Dairy and Replacement Heifers -- Average per Cow

	Average For All Farms
Number of farms	9
Quantity	Value
Milk sold (lb)	18426.71
Milk used in home (lb)	46.58
Milk fed to animals (lb)	71.48
Dairy Calves sold (hd)	0.43
Transferred out (hd)	0.61
Cull sales (hd)	0.23
Butchered (hd)	0.01
Less purchased (hd)	-0.11
Less transferred in (hd)	-0.53
Inventory change (hd)	0.18
Total production	3014.32
Other income	10.34
Gross return	3024.66
Direct expenses	
Corn (bu.)	91.40
Corn Silage (lb.)	17209.49
Hay, Alfalfa (lb.)	4151.27
Hay, Grass & Other (lb.)	272.09
Haylage, Alfalfa (lb.)	1339.62
Haylage, Grass & Other (lb.)	693.57
Oats (bu.)	3.53
Stover (lb.)	208.16
Complete Ration (lb.)	862.13
Milk (lb.)	57.86
Protein Vit Minerals (lb.)	3394.58
Other feed stuffs	7.83
Breeding fees	20.88
Veterinary	69.54
Livestock supplies	134.41
Fuel & oil	23.27
Repairs	92.91
Custom hire	111.93
Operating interest	12.01
Total direct expenses	1832.88
Return over direct expense	1191.78
Overhead expenses	
Hired labor	298.40
Machinery & bldg leases	15.24
RE & pers. property taxes	7.47
Farm insurance	39.98
Utilities	47.20
Interest	101.58
Mach & bldg depreciation	212.98
Miscellaneous	42.25
Total overhead expenses	765.11
Total listed expenses	2598.00
Net return	426.67
Est. labor hours per unit	44.03
Labor & management charge	195.63
Net return over lbr & mgt	231.03
Other Information	
Avg. number of Cows	120.6
Milk produced per Cow	18545
Percent butterfat in milk	3.8
Culling percentage	22.9
Percent of barn capacity	106.4
Lbs. milk/lb grain & conc.	2.0
Feed cost per cwt of milk	7.38
Feed cost per Cow	1367.93
Avg. milk price per cwt.	15.22

Table 12 - 13
Livestock Enterprise Analysis, 1996
Southwest Minnesota Farm Business Management Association

Dairy Steers -- Average per Head

	Average For All Farms	
Number of farms	9	
	Quantity	Value
Dairy Steers sold (lb)	869.07	492.75
Less purchased (lb)	-406.51	-197.76
Less transferred in (lb)	-62.98	-38.79
Inventory change (lb)	302.24	126.67
Total production (lb)	701.82	382.87
Other income		0.00
Gross return		382.87
Direct expenses		
Corn (bu.)	76.05	267.39
Corn Silage (lb.)	622.41	8.15
Hay, Alfalfa (lb.)	106.51	4.42
Hay, Grass & Other (lb.)	116.27	3.04
Oats (bu.)	0.11	0.19
Pasture (aum)	0.00	0.24
Stover (lb.)	19.38	0.58
Complete Ration (lb.)	23.54	5.70
Protein Vit Minerals (lb.)	454.10	69.91
Veterinary		0.01
Livestock supplies		4.34
Fuel & oil		4.83
Repairs		4.28
Custom hire		3.80
Hired labor		0.47
Marketing		8.13
Operating interest		18.95
Total direct expenses		451.13
Return over direct expense		-68.25
Overhead expenses		
Hired labor		17.16
Machinery & bldg leases		5.63
RE & pers. property taxes		1.17
Farm insurance		6.60
Utilities		7.53
Dues & professional fees		0.73
Interest		16.03
Mach & bldg depreciation		28.41
Miscellaneous		5.86
Total overhead expenses		89.12
Total listed expenses		540.25
Net return		-157.37
Est. labor hours per unit		6.99
Labor & management charge		59.42
Net return over lbr & mgt		-216.79
Other Information		
No. purchased or trans in		51
Number sold or trans out		38
Percentage death loss		3.4
Avg. daily gain (lbs)		2.04
Lbs of conc / lb of gain		6.75
Lbs of feed / lb of gain		7.39
Feed cost per cwt of gain		51.24
Feed cost per head		359.63
Average purchase weight		515
Average sales weight		1308
Avg purch price / head		250.75
Avg sales price / cwt		56.70

Table 12 - 14
Livestock Enterprise Analysis, 1996
Southwest Minnesota Farm Business Management Association

Dairy Steers -- Average per Cwt Produced

	Average For All Farms	
Number of farms	9	
	Quantity	Value
Dairy Steers sold (lb)	123.83	70.21
Less purchased (lb)	-57.92	-28.18
Less transferred in (lb)	-8.97	-5.53
Inventory change (lb)	43.07	18.05
Total production (lb)	100.00	54.55
Other income		0.00
Gross return		54.55
Direct expenses		
Corn (bu.)	10.84	38.10
Corn Silage (lb.)	88.68	1.16
Hay, Alfalfa (lb.)	15.46	0.63
Hay, Grass & Other (lb.)	16.57	0.43
Oats (bu.)	0.02	0.03
Pasture (aum)	0.00	0.03
Stover (lb.)	2.76	0.08
Complete Ration (lb.)	3.35	0.81
Protein Vit Minerals (lb.)	64.70	9.96
Veterinary		1.13
Livestock supplies		0.62
Fuel & oil		0.69
Repairs		1.18
Custom hire		5.50
Hired labor		0.07
Marketing		1.16
Operating interest		2.70
Total direct expenses		64.28
Return over direct expense		-9.73
Overhead expenses		
Hired labor		2.44
Machinery & bldg leases		0.80
RE & pers. property taxes		0.17
Farm insurance		0.94
Utilities		1.07
Dues & professional fees		0.10
Interest		2.28
Mach & bldg depreciation		4.05
Miscellaneous		0.84
Total overhead expenses		12.70
Total listed expenses		76.98
Net return		-22.42
Est. labor hours per unit		1.00
Labor & management charge		8.47
Net return over lbr & mgt		-30.89
Other Information		
No. purchased or trans in		51
Number sold or trans out		38
Percentage death loss		3.4
Avg. daily gain (lbs)		2.04
Lbs of conc / lb of gain		6.75
Lbs of feed / lb of gain		7.39
Feed cost per cwt of gain		51.24
Feed cost per head		359.63
Average purchase weight		515
Average sales weight		1308
Avg purch price / head		250.75
Avg sales price / cwt		56.70

Table 13
PRICES USED IN ANALYSIS REPORT, 1996
Southwestern Minnesota Farm Business Management Association

Item	Beginning Inventory	Feed	Harvest	Ending Inventory
Corn/bu.	2.75	3.60	2.40	2.30
Oats/bu.	2.00	2.00	2.00	2.00
Wheat/bu.	5.00	4.25	4.00	3.75
Soybeans/bu.	6.50	7.15	7.00	6.75
Alfalfa hay/t.	80.00	90.00	80.00	120.00
Haylage/t.	40.00	45.00	45.00	60.00
Other hay/t.	60.00	70.00	70.00	100.00
Corn silage/t.	22.00	29.00	20.00	20.00
Grass silage/t.	13.00	13.00	13.00	13.00
Oats silage/t.	14.00	14.00	14.00	14.00
Oats straw/bale	1.75	1.75	2.00	2.20
Green chop/t.		14.00		
Cornstalks/t.		10.00		
CCC Corn Loan Equity	1.00 (Cash basis only)			.55
CCC Soybean Loan Equity	1.70 (Cash basis only)			1.80

All commodities are valued on an as-fed moisture basis.

To correct for low test weights on corn use: Bu. x test weight/56 lbs.

Pasture Costs	\$/Head/Mo.
Cows	7.00
Calves	3.50

Sheep	1.00
Lambs	.60

Board for hired labor \$ 6.00/day or \$1.50/meal

Value of milk used in hom~~s~~ .40/qt or \$1.60/gallon

Value of milk fed calves \$ 1.50/gallon

Value of operator's labor Total living expenses less nonfarm income equals value of operator's labor with a minimum of \$15,000 per operator.

Suggested land market value by county: \$/acre

Cottonwood	1500
Jackson	1500
Faribault	1800
Martin	1600
Murray	800
Nobles	1200
Pipestone	700
Redwood	1400
Watowwan	1600
Yellow Medicine	1000

Land prices may be modified according to each farm situation. Building and dwelling valuations should be based on fair market value.

EXPLANATORY NOTES FOR SUMMARY TABLES

A better picture of the current profitability, liquidity and solvency conditions can be seen by comparing this year to previous years (Table 14). All items are taken from the annual report for that year. Monetary values are left in nominal terms unadjusted for inflation. The one exception is the "Net Farm Income (Constant 1996 \$)" using the Consumer Price Index (CPI-U) from the U.S. Department of Commerce. This shows the changes in "buying power" for the farmers.

The debt-to-asset percentage measures the degree to which assets are financed by external sources. The year-end total assets is divided by year-end total liabilities to obtain this measure. The Southwestern Association used a "conservative market value" for land from 1979 to 1992, but switched to a (full) market value in 1993.

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

To evaluate current financial performance in other ways, the whole-farm analysis is summarized on a county basis (Table 15), on a gross income category basis (Table 16), by type of farm (Table 17), and by age of operator (Table 18). Farms are classified as a certain type (e.g., dairy) on the basis of having 70 percent or more of their gross sales from that category.

<u>Year</u>	CPI-U <u>1982-84=100</u>	Adjusted CPI-U <u>1996=100</u>
1982	96.5	61.5
1983	99.6	63.5
1984	103.9	66.2
1985	107.6	68.6
1986	109.6	69.9
1987	113.6	72.4
1988	118.3	75.4
1989	124.0	79.0
1990	130.7	83.3
1991	136.2	86.8
1992	140.3	89.4
1993	144.5	92.1
1994	148.2	94.5
1995	152.4	97.1
1996	156.9	100.0

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

Items	1982	** 1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Number of Farms	180	182	168	180	182	178	202	203	200	207	201	202	202	216	203
Farm Income Statement															
Gross Cash Farm Income	247,413	251,287	259,338	237,875	246,048	254,004	262,229	265,019	291,839	288,031	301,907	296,705	346,838	382,502	
Total Cash Farm Expense	205,451	191,634	217,464	185,864	189,097	196,046	206,433	204,939	222,201	221,385	236,768	242,616	256,246	277,214	
Inventory Change	-1,304	1,234	-15,056	1,798	31,353	20,577	11,788	22,242	-10,822	-10,474	9,254	16,939	12,231	299,610	
Depr. & Cap. Adj.	-30,286	-33,093	-31,469	-26,656	-25,906	-21,370	-21,709	-26,876	-26,122	-27,051	-26,997	-27,268	-29,288	-32,424	
Net Farm Income	25,838	27,844	5,487	32,093	63,404	55,004	50,159	65,004	29,702	37,659	31,567	31,915	57,276	62,699	
Net Farm Income (Constant 1995 \$)	42,010	43,863	14,908	8,001	45,943	87,571	72,951	63,467	78,035	34,216	42,115	34,276	33,789	58,967	
Profitability and Liquidity Analysis															
Labor and Management Earnings	13,491	-35,799	-8,161	-5,860	21,241	51,592	39,866	33,078	47,215	11,281	19,467	16,681	16,949	41,326	
Average Equity (%)	6	6	4	4	9	16	13	10	12	5	7	5	5	10	10
Average Assets (%)	3	3	-2	-4	9	24	16	11	15	3	6	2	3	13	12
Operating Profit Margin (%)	28	19	11	10	18	26	22	19	23	12	14	12	12	22	21
Asset Turnover Rate (%)	22	31	35	40	52	63	58	49	53	43	46	40	41	46	48
Value of Farm Production	147,570	201,051	206,568	185,740	211,530	246,235	246,893	233,867	264,282	225,829	244,243	191,194	207,729	247,690	277,026
Farm Interest Paid	30,317	27,769	29,498	26,700	21,446	15,993	14,546	15,489	17,126	17,061	17,943	15,667	17,837	22,084	22,337
Cash Expense as a % of Income	83	76	84	78	77	77	79	77	76	77	78	82	84	80	80
Interest Paid as a % of Income	12	11	11	14	14	9	6	6	6	6	6	6	6	6	6
Gross Cash Income	15	14	14	7	2	2	2	1	2	2	2	3	2	3	1
Total Cash Expenses	*	3	7	2	2	2	2	1	2	2	2	3	2	3	1
Yrs. to T/O Non R.E. Debt															
Comparative Financial Statement (Market Basis)															
No. of Sole Proprietors	143	162	147	160	164	182	179	180	187	180	187	178	179	184	173
Total Ending Assets	686,198	728,302	669,773	508,552	462,043	439,918	468,616	506,988	557,912	579,629	596,525	844,030	901,807	944,208	982,750
Total Ending Liabilities	252,574	281,999	304,940	255,031	211,411	180,785	172,714	186,556	202,626	216,189	227,131	396,899	431,390	452,253	462,505
Ending Net Worth	433,624	446,303	364,833	253,521	250,632	259,133	295,902	320,032	355,286	363,440	369,394	447,132	470,418	491,955	520,245
Ending Farm C+I Debt to Asset %	45	51	55	51	43	37	37	35	36	41	44	38	39	38	37
Ending Total Debt to Asset %	37	39	46	50	46	41	37	37	36	37	38	47	48	48	47
Acreage Information															
Total Acres Owned	244	*	250	249	231	222	222	222	237	241	241	252	267	256	249
Total Crop Acres Farmed	480	*	519	552	540	520	568	561	570	570	570	600	612	625	658
Crop Acres Owned	206	*	206	212	191	180	186	191	200	200	200	204	204	211	204
Crop Acres Cash Rented	*	*	208	237	236	231	238	269	275	274	274	286	323	340	384
Crop Acres Share Rented	*	*	104	103	113	108	101	100	95	96	96	97	86	74	70
Crop Yields															
Corn per acre	126	88	113	124	136	138	89	141	128	125	126	61	143	119	133
Soybean per acre	40	35	38	35	39	44	32	43	45	38	38	20	46	43	42
Crop Prices Received (cash sales)															
Corn per Bushel	2.23	*	7.12	2.88	2.35	2.03	1.53	2.08	2.20	2.30	2.26	2.20	2.11	2.24	2.30
Soybeans per Bushel	5.63	*	5.38	5.01	4.89	6.80	6.57	5.69	5.41	5.39	5.84	5.94	5.56	6.84	3.04
Household Information															
No. Farms Reporting HseHld Info	96	96	89	96	101	102	120	129	126	145	131	134	151	131	131
Average Family Size	4.0	*	3.7	3.9	3.6	3.7	3.8	3.9	4.0	4.1	4.0	3.9	3.8	3.7	3.7
Total Family Use of Cash	29,981	35,660	28,701	28,027	30,729	37,556	44,214	46,587	48,911	45,638	45,897	42,179	43,315	47,584	47,584
Average Net Nonfarm Income	9,385	*	11,262	8,445	8,580	7,787	6,890	11,973	12,135	10,803	12,329	13,515	16,014	16,954	16,954

* Not available.

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

*** Starting with 1993, profitability is analyzed using assets valued on the cost basis and the financial statement uses fair market value.

From 1979 through 1992, profitability and solvency are analyzed using and valued with a conservative market value and all other assets valued on a cost basis.

Table 15
County Report, 1996
Southwest Minnesota Farm Business Management Association

Number of farms	Average For All Farms		Lincoln			Brown			Faribault		Lyon	
	202	38	Cottonwood	Jackson	Pipestone Rock	Yellow Med	Nobles	Redwood	Martin	Watsonian	24	26
Income Statement												
Gross cash farm income	383053	568186	302044	463682	275011	343107	411708	337055	337055	296003	27106	27106
Total cash farm expense	300154	458619	234253	388475	207431	265618	7488	64949	64949	115704	117028	117028
Net cash farm income	82899	109567	67791	75207	67580	7488	10606	-37656	-37656	12239	-37055	-37055
Inventory change	12346	17644	37999	11846	4672	10606	-27834	49532	49532	173	173	173
Depreciation and capital adjustment	-32586	-36960	-23855	-38700	-28996	-28996	-28996	61622	61622	361	361	361
Net farm income	626660	90252	81935	48353	43256	60260	60260	51	51	51	51	51
Profitability (cost)												
Labor and management earnings	45114	67394	65133	29445	28872	42480	45480	33536	33536	10 %	10 %	10 %
Rate of return on assets	10 %	11 %	15 %	9 %	6 %	10 %	6 %	8 %	8 %	12 %	14 %	14 %
Rate of return on equity	12 %	15 %	22 %	10 %	6 %	20 %	12 %	8 %	8 %	22 %	21 %	21 %
Operating profit margin	21 %	27 %	28 %	20 %	12 %	43 %	52 %	6 %	6 %	44 %	51 %	51 %
Asset turnover rate	48 %	43 %	54 %	43 %	52 %	51 %	51 %	52 %	52 %	51 %	51 %	51 %
Liquidity												
Expense as a percent of income	76 %	78 %	68 %	82 %	74 %	75 %	75 %	75 %	75 %	7 %	7 %	7 %
Interest as a percent of income	6 %	6 %	5 %	4 %	6 %	6 %	6 %	6 %	6 %	7 %	7 %	7 %
Solvency (market)												
Number of sole proprietors	173	34	23	13	37	25	25	21	21	879165	879165	879165
Ending farm assets	862378	1167608	689542	771239	768172	918579	918579	697001	697001	401345	452560	406728
Ending farm liabilities	436142	590676	331334	325892	401345	452560	452560	792682	792682	1102785	984687	984687
Ending total assets	982750	1254976	800588	924728	891942	442079	483413	459906	459906	426272	524781	524781
Ending total liabilities	462505	606653	355660	354989	569740	449863	619372	366410	366410	442079	483413	483413
Ending net worth	520245	648322	444928	20475	26122	46768	46768	22515	22515	488882	488882	488882
Net worth change	39808	57487	46953	42 %	52 %	49 %	49 %	58 %	58 %	50 %	49 %	49 %
Ending farm debt to asset ratio	51 %	51 %	48 %	44 %	39 %	50 %	43 %	55 %	55 %	47 %	47 %	47 %
Beg total debt to asset ratio	48 %	49 %	44 %	44 %	38 %	50 %	44 %	54 %	54 %	54 %	54 %	54 %
End total debt to asset ratio	47 %	48 %	44 %	44 %	38 %	50 %	44 %	47 %	47 %	47 %	47 %	47 %
Nonfarm Information												
Farms reporting living expenses	168	32	22	13	37	25	25	18	18	33959	33959	33959
Total family living expense	31220	31651	28677	25184	33080	29447	29447	772	772	56803	56803	56803
Total living, invest., & capital purch	47262	45628	36569	33062	49872	57396	57396	10817	10817	13266	13266	13266
Net nonfarm income	13573	5464	12559	25452	17461	17461	17461	94	94	94	94	94
Crop Acres												
Total acres owned	250	371	170	253	201	249	249	218	218	675	641	641
Total crop acres	660	767	580	493	613	675	675	772	772	173	199	199
Total crop acres owned	205	311	125	140	140	231	231	201	201	361	423	423
Total crop acres cash rented	385	403	361	291	373	347	347	469	469	94	94	94
Total crop acres share rented	70	53	61	61	61	97	97	19	19	19	19	19

Table 16

Size Of Farm Report, 1996
Southwest Minnesota Farm Business Management Association
(Farms Sorted By Gross Cash Farm Income)

	Average For All Farms	40,001 – 100,000	100,001 – 200,000	200,001 – 500,000	500,001 + 500,000
Number of farms	203	11	43	113	33
Income Statement					
Gross cash farm income	382502	76729	146988	304792	1089830
Total cash farm expense	299610	59268	104258	232594	889545
Net cash farm income	82892	17461	42729	72197	200284
Inventory change	12231	8044	10839	17467	-7374
Depreciation and capital adjustment	-32424	-7130	-16811	-29643	-73158
Net farm income	62699	18375	36757	60021	119752
Profitability (cost)					
Labor and management earnings	45206	12580	23409	44402	86298
Rate of return on assets	10 %	5 %	8 %	10 %	12 %
Rate of return on equity	12 %	4 %	7 %	12 %	16 %
Operating profit margin	21 %	13 %	19 %	19 %	24 %
Asset turnover rate	48 %	40 %	41 %	50 %	49 %
Liquidity					
Expense as a percent of income	76 %	69 %	66 %	72 %	82 %
Interest as a percent of income	6 %	7 %	7 %	7 %	5 %
Solvency (market)					
Number of sole proprietors	173	11	43	97	19
Ending farm assets	862378	318987	627156	886889	1661037
Ending farm liabilities	436142	159847	269051	461072	907347
Ending total assets	982750	410546	750620	1013648	1775139
Ending total liabilities	462505	169633	292222	492424	925193
Ending net worth	520245	240912	458399	521225	849946
Net worth change	39808	18423	22083	43823	63431
Ending farm debt to asset ratio	51 %	50 %	43 %	52 %	55 %
Beg total debt to asset ratio	48 %	41 %	38 %	49 %	54 %
End total debt to asset ratio	47 %	41 %	39 %	49 %	52 %
Nonfarm Information					
Farms reporting living expenses	168	11	43	93	19
Total family living expense	31220	26439	26069	33222	36605
Total living, invest, & capital purch	47262	33777	43602	48990	57410
Net nonfarm income	13506	31291	22850	8579	12065
Crop Acres					
Total acres owned	249	109	212	233	413
Total crop acres owned	658	212	391	677	1147
Total crop acres cash rented	204	71	154	198	349
Total crop acres share rented	384	117	201	399	696
	70	24	36	79	103

Table 17
Type Of Farm Report, 1996
Southwest Minnesota Farm Business Management Association

Table 18
Age Of Operator Report, 1996
Southwest Minnesota Farm Business Management Association

Number of farms	Average For All Farms 203	Under 31 20		31 - 40 51		41 - 50 65		51 - 60 46		Over 60 21	
		31	40	31	40	51	60	51	60	46	21
Income Statement											
Gross cash farm income	382502	368948	371878	396857	425492	282608	337908	181988	181988	527	338
Total cash farm expense	299610	300116	297742	311818	337908	100620	85039	87584	206	318	318
Net cash farm income	82892	68831	74136	15379	24126	-35969	15901	-40732	328	438	288
Inventory change	12231	15897	15901	15379	24126	-35969	-2734	-33354	70	94	70
Depreciation and capital adjustment	-32424	-23822	-2734	-40732	-33354	-24250	62303	78356	40401	40401	33
Net farm income	62699	60906	59686	59686	59686	40401					
Profitability (cost)											
Labor and management earnings	45206	51515	50598	41635	52398	21401					
Rate of return on assets	10 %	15 %	13 %	8 %	10 %	7 %					
Rate of return on equity	12 %	25 %	21 %	9 %	11 %	6 %					
Operating profit margin	21 %	24 %	23 %	18 %	23 %	18 %					
Asset turnover rate	48 %	60 %	57 %	48 %	41 %	39 %					
Liquidity											
Expense as a percent of income	76 %	78 %	77 %	76 %	75 %	74 %					
Interest as a percent of income	6 %	5 %	5 %	6 %	5 %	9 %					
Solvency (market)											
Number of sole proprietors	173	17	42	57	40	17					
Ending farm assets	862378	590017	584711	859944	1236395	948861					
Ending farm liabilities	436142	355872	347532	868951	540365	380091					
Ending total assets	982750	620799	658622	993027	1410340	1104765					
Ending total liabilities	462505	376668	367958	498912	574121	397227					
Ending net worth	520245	244131	290664	494164	836219	707539					
Net worth change	39808	50682	31008	34787	53580	35107					
Ending farm debt to asset ratio	51 %	60 %	59 %	55 %	44 %	40 %					
Beg total debt to asset ratio	48 %	60 %	57 %	51 %	41 %	38 %					
End total debt to asset ratio	47 %	61 %	56 %	50 %	41 %	36 %					
Nonfarm Information											
Farms reporting living expenses	168	17	39	56	40	16					
Total family living expense	31220	23636	28993	35645	33094	24536					
Total living, invest, & capital purch	47262	34478	39769	53530	52803	43324					
Net nonfarm income	13506	10011	9918	12643	11882	31776					
Crop Acres											
Total acres owned	249	68	136	276	374	338					
Total crop acres owned	658	447	605	766	716	527					
Total crop acres cash rented	204	64	116	234	318	206					
Total crop acres share rented	384	354	418	438	328	288					
	70	29	70	94	70	33					