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1998

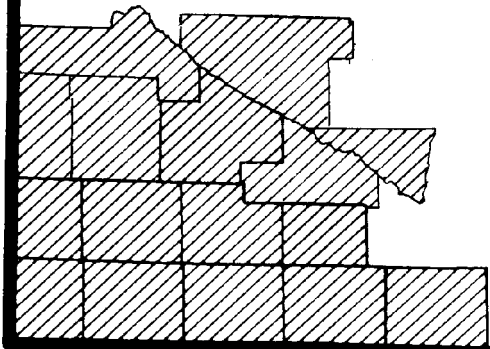
Annual Report

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

Staff Paper P99-2
Department of Applied Economics
University of Minnesota
St. Paul, MN 55108
March 1999



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EXECUTIVE SUMMARY

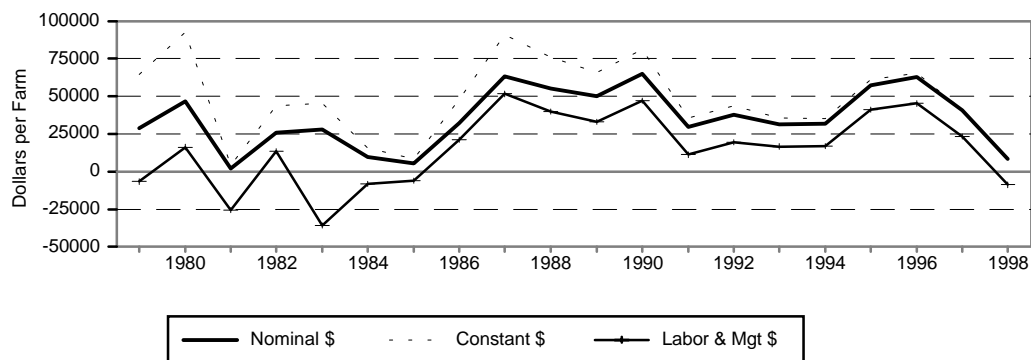
1998 ANNUAL REPORT OF THE SOUTHWESTERN MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION

by

Kent D. Olson, James L. Christensen, Erlin J. Weness, Robert D. Anderson,
Perry A. Fales, and Dale W. Nordquist

Average net farm income was \$8,616 in 1998 for the 210 farms included in this annual report of the Southwestern Minnesota Farm Business Management Association (Table 1, pages 10-11). This is a decrease of 79% from 1997 continuing the pattern of large swings in income (Figure 1). During the last 20 years, net farm income has been lower than the 1998 level only in 1981 and 1985. Since costs changed very little, almost all of the decrease can be attributed to decreases in hog sales, especially, to decreases in corn and soybean sales and substantial decreases in the value of inventories. (Net farm income is an accrual measure 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 \$92,684 which is a decrease from 1997. The low 20% of the farms had an average loss of -\$85,560 in 1997, which is a decrease of more than \$60,000 compared to 1997.

Average gross cash farm income in 1998 was \$369,573. This was a 3% increase from 1997. Four sources of sales made up 70% of total income in 1998: corn, beef finishing, hogs, and soybeans (Figure 2). In 1997, these four sources had contributed over 80%. Hog sales decreased 19% between 1997 and 1998. Soybean sales decreased by 6%; corn sales by 6%, and beef finishing by 3%.

Government payments (of all types) increased to \$30,021 in 1998--an increase from \$12,257 in 1997. As a percentage of total income, government payments increased from 3% in 1997 to 8% in 1998. The average total government payments in 1998 include \$11,971 from FAIR transition payments for the 1998 year; \$2,095 for FAIR transition payments for the 1999 year but received in 1998; \$5,187 for (emergency) market loss payments; \$10,247 for loan deficiency payments (LDPs) for all crops; \$340 for the conservation reserve program (CRP); and \$180 for other payments.

Entire report available at: <http://www.apecon.agri.umn.edu/faculty/kolson/currentres.html>

Fig. 2 SW -- 1997 Income

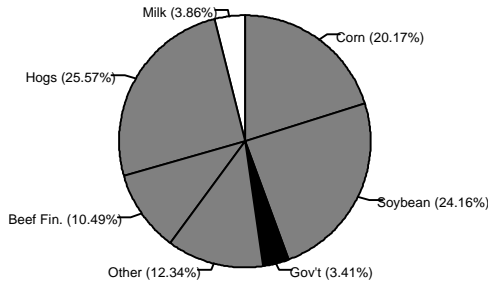
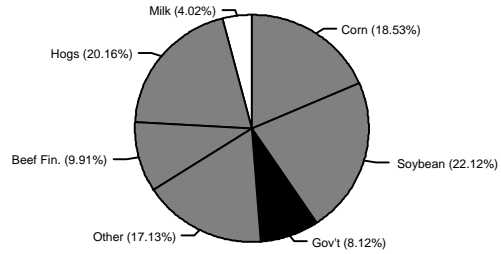


Fig. 2 SW -- 1998 Income



Cash expenses increased slightly to an average of \$305,344 in 1998. This was an increase of less than 1% from 1997. As a percentage of both cash expenses and depreciation in 1998, feed expenses; feeder purchases; seed, fertilizer, and crop chemicals; land rent; and depreciation continue to dominate (Figure 3).

Fig. 3 SW --1997 Expenses

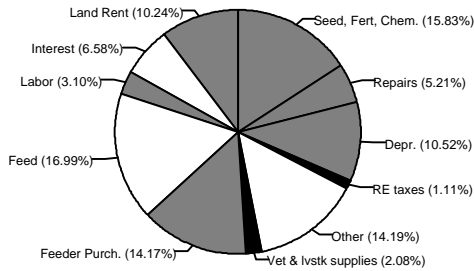
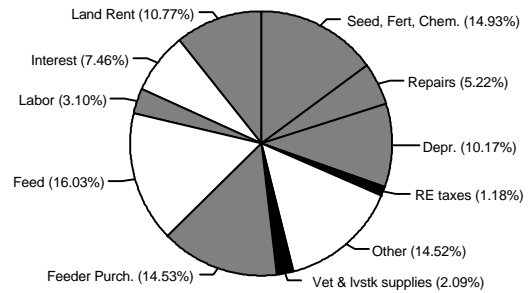
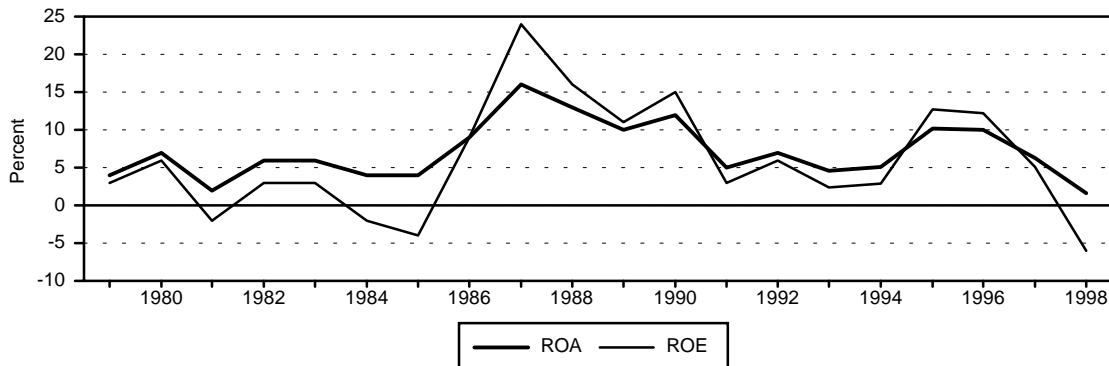


Fig. 3 SW -- 1998 Expenses



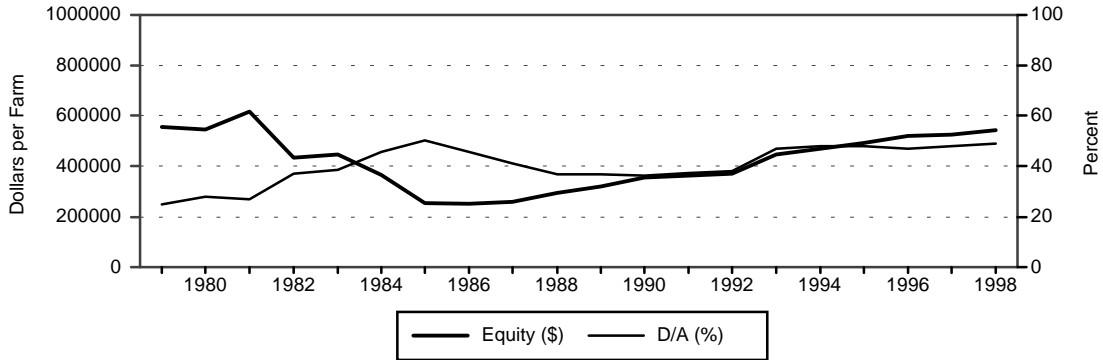
Both the average rate of return on assets (ROA) and the rate of return to equity (ROE) decreased substantially in 1998 compared to 1997; and the rates in 1997 were substantially lower than in 1996 (Figure 4). In 1998 ROA averaged 2% and ROE was -6% using assets valued on a cost basis (Table 4, page 14). Since ROE was lower than ROA, the cost of using debt capital was more than its benefit.

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



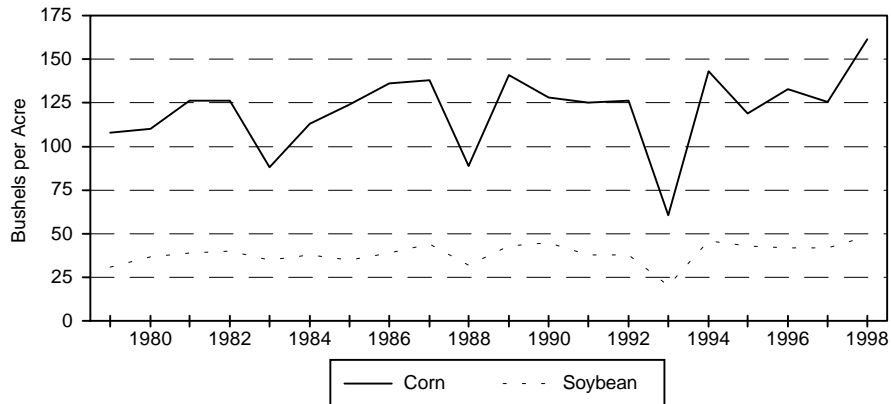
Using a market value basis, average total equity (of the 183 sole proprietors) was \$543,571 at the end of 1998. This was an increase of \$11,859 during the year (Table 5, page 16). Average equity has continued to improve since 1986 ; however, the average debt-asset ratio increased slightly to 49% at the end of 1998 (Figure 5).

Figure 5. Ending Equity and Ending Debt-Asset Ratio



Crop yields were at record levels in 1998 for the Association. The average corn yield was 161 bushels per acre; soybeans were at 49 bushels per acre (Figure 6).

Figure 6. Average Corn & Soybean Yield



Results by Type of Farm

The 210 farms in the report are classified as a certain type of farm (e.g., hog) on the basis of having 70 percent or more of their gross sales from that category. Using this 70 percent rule, there are 71 crop farms, 10 hog farms, 37 crop and hog farms, 5 beef farms, and 24 crop and beef farms. (There are 54 farms which do not have a single source (or pair of sources) of income over 70%.)

As one might expect from the price news in 1998, farms with either hogs or beef suffered large negative net farm incomes (Figure 7). Crop farms had positive incomes, but they were down from recent years. A similar story can be seen in the rate of return to assets (ROA) except that the average hog farm has a more negative ROA than the average beef farm (Figure 8). (Assets are valued on a cost-basis for ROA).

Figure 7. Net Farm Income by Type

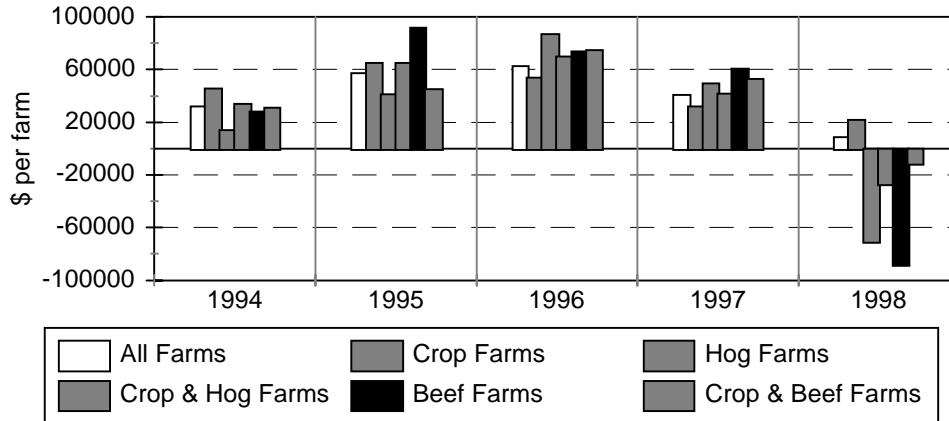
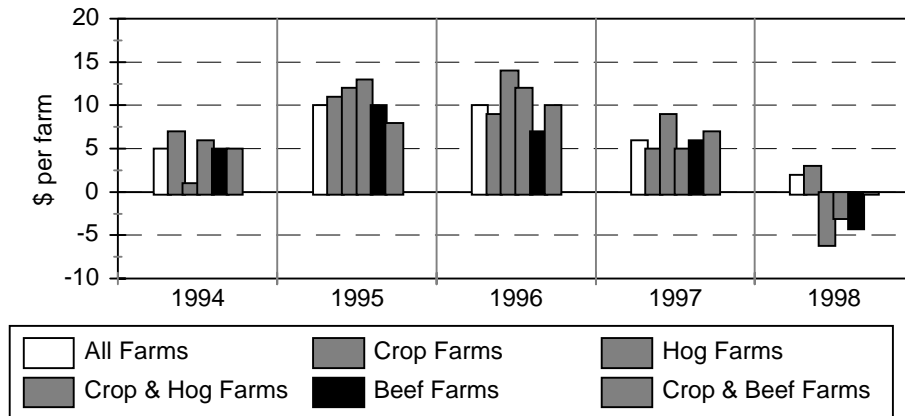
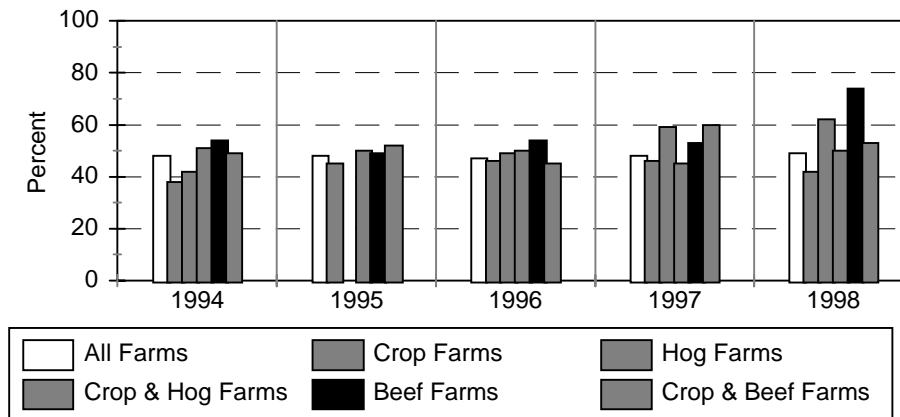


Figure 8. ROA by Type



Using assets valued on a market basis, the average crop farm has a debt-to-asset ratio of 42% (Figure 9). Farms with either hogs or beef average 50% or higher.

Figure 9. Debt-Asset Ratio by Type



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.

1998 ANNUAL REPORT OF THE SOUTHWESTERN MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION

by

Kent D. Olson, James L. Christensen, Erlin J. Weness, Robert D. Anderson,
Perry A. Fales, and Dale W. Nordquist¹

This report summarizes the individual farm records of the members of the Southwestern Minnesota Farm Business Management Association for 1998.

Whole-farm information and enterprise costs and returns are reported. The year-end analysis of the individual farms was performed by the fieldmen 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 246 farms in the Southwestern Association, the data for 210 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.

¹Olson is an Associate Professor, University of Minnesota-Twin Cities; Christensen, Weness, Anderson, and Fales are Extension Educators--Farm Management and Fieldmen for the Association; Nordquist is Assistant Extension Economist--Farm Management, University of Minnesota, Twin Cities. Rann Loppnow, Assistant Extension Economist--Farm Management, was the programmer for FINANSUM (the analysis package used to prepare this report).

SOUTHWESTERN MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION

DISTRIBUTION OF MEMBERSHIP -- 1998

County	Number of Farm Units	Number of Records Submitted	Association Directors
Cottonwood	46	37	Steve Iverson Larry Falk Kip Rasmussen
Jackson	27	24	Paul Rentscheer Mark Fest
Martin	13	12	Kerry Krenz
Murray	34	31	Jim Malone John Hanson
Nobles	46	44	Ryan Gravenhof Harold Mellema Richard Fellows
Pipestone	13	11	Alan Vanderlugt Jerlyn Spronk
Redwood	40	32	Brian Hicks Michael Landuyt Richard Jacoby
Watonwan	10	8	James Wassman
Others ²	<u>17</u>	<u>11</u>	
TOTAL	246	210	

John Hay, President
 Alan Vanderlugt, Vice President
 Tom Keller, Secretary-Treasurer

²In 1998 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.

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 repossessions.

Table 2. Inventory Changes

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

Table 3. Depreciation and Other Capital Adjustments

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

Table 4. Profitability and Liquidity Analysis

Various measures of performance are calculated for the farms in this report. Measures of profitability and liquidity are included in Table 4. Solvency measures are in Table 5. In Tables 1-3, no opportunity costs are used. In Table 4, opportunity costs for labor, capital, and management *are* used. The measures and their components are described below.

Profitability

Profitability is measured using assets valued in cost basis terms.

"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 calculated by multiplying the suggested value per operator (listed in Table 13) by the number of operators per farm (see Table 10).

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

"Average farm assets" is the average of beginning and ending total farm assets for all farms, not just those included in Table 5.

"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

“Net cash farm income” is from Table 1.

“Net nonfarm income” is the average for all farms, not including “gifts and inheritances” (Table 10).

"Family living and taxes" is the apparent total family expenses and income and social security taxes paid averaged for all farms, not just those in Table 9.

"Real estate principal payments" are 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." "Available for intermediate debt service" on the *accrual* basis is "Net accrual operating income" plus "Net nonfarm income" and minus "Family living and taxes" and "Real estate principal payments."

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

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

"Expense as a percent of income" (*cash* basis) is "Total cash expense" divided by "Gross cash farm income." "Expense as a percent of income" (*accrual* basis) is "Total accrual farm expense" divided by "Total accrual farm income."

"Interest as a percent of income" (*cash* basis) is "Interest" divided by "Gross cash farm income." "Interest as a percent of income" (*accrual* basis) is "Interest" minus beginning accrued interest plus ending accrued interest divided by "Total accrual farm income."

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 assets and debts are held outside of the farm business causing potential misinterpretations of the average financial condition.

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

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: $\text{Rate of Return on Equity} = \text{Return on Farm Equity} \div$

Average Farm Net Worth, where: $\text{Return on Farm Equity} = \frac{\text{Net Farm Income} - \text{Value of Operator's Labor \& Management}}{\text{Average Farm Net Worth}}$, and $\text{Average Farm Net Worth} = \frac{(\text{Beginning Farm Net Worth} + \text{Ending Farm Net Worth})}{2}$.

"Operating profit margin" is a measure of the operating efficiency of the business. It is calculated as follows: $\text{Operating Profit Margin} = \frac{\text{Return to Farm Assets}}{\text{Value of Farm Production}}$. 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: $\text{Asset Turnover Rate} = \frac{\text{Value of Farm Production}}{\text{Total Farm Assets}}$. 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 $\frac{(\text{Total Farm Operating Expense} - \text{Farm Interest Expense})}{\text{Gross Farm Income}}$. 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 $\text{Depreciation} \div \text{Gross Farm Income}$. This ratio indicates the percent of the gross farm income that was used to cover depreciation and other capital adjustments.

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

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

Labor Analysis

“Total unpaid labor hours” and “Total hired labor hours” are based on farmers’ estimates of labor use. No labor records are kept for unpaid labor.

“Value of farm production/hour” is the “Value of farm production” (Table 4) divided by “Total labor hours per farm.”

“Net farm income/unpaid hours” is “Net Farm Income” (Table 1) divided by “Total unpaid labor hours.”

Table 8. Crop Production and Marketing Summary

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

Table 9. Household and Personal Expenses

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

Table 10. Nonfarm Income and Operator Information

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

TABLE 1a
FARM INCOME STATEMENT, 1998
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	210	42	42
CASH FARM INCOME			
Beans, navy	241	-	820
Corn	68484	75114	77745
Hay, alfalfa	760	-	2369
Oats	266	95	589
Peas	735	737	923
Soybeans	81757	107451	96238
Soybean seed	66	-	-
Straw	44	-	40
Sweet corn	538	704	826
Wheat, spring	214	217	20
Miscellaneous crop income	125	-	23
Beef, backgrounding	911	2922	-
Beef, cow-calf	13814	65447	1579
Beef, custom fed	1433	4159	-
Beef, finish calves	27268	43157	5699
Beef, finish yrlg steers	8440	36798	-
Dairy, milk	14866	-	69687
Dairy, calves	436	-	1528
Dairy, heifers	3333	4112	7506
Dairy, steers	1484	1535	755
Chickens, contract broilers	409	-	2045
Chickens, eggs	2702	-	13511
Hogs, contractee	906	-	1265
Hogs, contractor	119	-	-
Hogs, farrow to finish	35977	112531	3509
Hogs, feeder pigs	134	-	127
Hogs, finish feeder pigs	7179	15823	5250
Hogs, weaned pigs	592	-	-
Hogs, weaning to feeder	371	-	-
Hogs, weaning to finish	30271	56187	27515
Sheep, feeder lambs	235	-	-
Sheep, market lambs	613	-	1140
Sheep, wool	31	-	52
Turkeys	3432	-	-
Turkeys, contract	103	-	517
Contract livestock income	1043	35	-
Cull breeding livestock	2895	3725	4608
Misc. livestock income	2547	89	2472
Govt. transition payments	14098	19328	16393
CRP payments	340	134	524
Other government payments	15583	14341	24450
Custom work income	8987	3035	16285
Patronage dividends, cash	1776	1736	2795
Insurance income	2389	1752	2646
Cash from hedging accts	1728	2743	2287
Other farm income	9900	8145	17302
Gross Cash Farm Income	369573	582052	411042

TABLE 1b
FARM INCOME STATEMENT, 1998 (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	210	42	42
CASH FARM EXPENSE			
Seed	17397	21307	22335
Fertilizer	16473	20976	20281
Crop chemicals	16867	19925	18844
Crop insurance	4965	5108	5292
Drying fuel	1057	1434	999
Irrigation energy	33	7	-
Crop marketing	898	1147	715
Crop miscellaneous	2230	3885	2794
Feeder livestock purchase	49379	124699	21835
Purchased feed	54500	123948	45791
Breeding fees	631	1535	1026
Veterinary	3716	7556	2844
Livestock supplies	3388	2820	6694
Livestock leases	807	4034	-
Grazing fees	7	-	-
Livestock marketing	1166	1259	497
Interest	25358	39830	26571
Fuel & oil	6655	10016	7558
Repairs	17756	24125	19769
Custom hire	6018	11146	9199
Hired labor	10524	19151	13349
Land rent	36604	49831	33830
Machinery & bldg leases	7330	9731	7229
Real estate taxes	4027	4387	6556
Personal property taxes	87	-	380
Farm insurance	3786	4865	4621
Utilities	4310	7042	4676
Dues & professional fees	179	105	111
Hedging account deposits	4445	8325	5612
Miscellaneous	4751	4818	6509
Total cash expense	305344	533011	295916
Net cash farm income	64230	49041	115126
INVENTORY CHANGES			
Crops and feed	-3967	-31208	22867
Market livestock	-8521	-27077	-187
Accounts receivable	245	-1986	6465
Prepaid expenses and supplies	-2924	-6989	-1737
Accounts payable	-5891	-18728	-4570
Total inventory change	-21057	-85988	22838
Net operating profit	43173	-36947	137964
DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS			
Breeding livestock	-2735	-4851	-3226
Machinery and equipment	-23872	-29576	-30981
Buildings and improvements	-11163	-17003	-15309
Other farm capital	3213	2817	4237
Total depr. and other capital adj	-34557	-48613	-45280
Net farm income	8616	-85560	92684

TABLE 2
INVENTORY CHANGES, 1998
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	210	42	42
Net cash farm income	64230	49041	115126
CROPS AND FEED			
Ending inventory	138727	138632	209780
Beginning inventory	142694	169840	186913
Inventory change	-3967	-31208	22867
MARKET LIVESTOCK			
Ending inventory	55837	139007	32578
Beginning inventory	64358	166084	32765
Inventory change	-8521	-27077	-187
ACCTS RECEIVABLE & OTHER CURRENT ASSETS			
Ending inventory	9620	9773	20131
Beginning inventory	9375	11758	13666
Inventory change	245	-1986	6465
PREPAID EXPENSES AND SUPPLIES			
Ending inventory	21587	16274	37641
Beginning inventory	24511	23263	39377
Inventory change	-2924	-6989	-1737
ACCOUNTS PAYABLE			
Beginning inventory	15102	17257	18219
Ending inventory	20993	35985	22789
Inventory change	-5891	-18728	-4570
Total inventory change	-21057	-85988	22838
Net operating profit	43173	-36947	137964

TABLE 3
DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS, 1998
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	210	42	42
Net operating profit	43173	-36947	137964
BREEDING LIVESTOCK			
Ending inventory	5295	10903	4880
Capital sales	553	2265	244
Beginning inventory	6410	13233	6663
Capital purchases	2173	4787	1687
Depreciation, capital adj.	-2735	-4851	-3226
MACHINERY AND EQUIPMENT			
Ending inventory	71607	100294	93971
Capital sales	1074	2833	225
Beginning inventory	71667	107587	88371
Capital purchases	24887	25116	36806
Depreciation, capital adj.	-23872	-29576	-30981
BUILDINGS AND IMPROVEMENTS			
Ending inventory	72967	98043	106573
Capital sales	336	251	1414
Beginning inventory	62599	89291	86267
Capital purchases	21867	26006	37029
Depreciation, capital adj.	-11163	-17003	-15309
OTHER CAPITAL ASSETS			
Ending inventory	49709	48969	85455
Capital sales	662	2535	494
Beginning inventory	42920	46922	79421
Capital purchases	4238	1765	2291
Depreciation, capital adj.	3213	2817	4237
Total depreciation, capital adj.	-34557	-48613	-45280
Net farm income	8616	-85560	92684

TABLE 4
PROFITABILITY AND LIQUIDITY ANALYSIS, 1998
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	210	42	42	210	42	42
PROFITABILITY	----- Cost -----			----- Market -----		
Net farm income	8616	-85560	92684	32504	-30570	108760
Labor and management earnings	-8757	-103065	62431	5563	-58088	62314
Rate of return on assets	1.6 %	-8.3 %	9.9 %	3.5 %	-1.1 %	7.4 %
Rate of return on equity	-6.0 %	-41.1 %	12.0 %	1.6 %	-12.3 %	9.9 %
Operating profit margin	4.0 %	-25.3 %	23.6 %	13.6 %	-4.8 %	27.9 %
Asset turnover rate	39.3 %	33.0 %	41.8 %	25.8 %	22.6 %	26.7 %
Interest on farm net worth	17372	17505	30253	26942	27517	46447
Farm interest expense	26659	42814	26828	26659	42814	26828
Value of operator lbr and mgmt.	25155	25069	32466	25155	25069	32466
Return on farm assets	10119	-67814	87046	34008	-12824	103123
Average farm assets	637839	813044	883364	970026	1186609	1384523
Return on farm equity	-16540	-110629	60218	7349	-55639	76294
Average farm equity	276739	268846	500469	447134	453025	773339
Value of farm production	250717	268282	369334	250717	268282	369334
		Average Of All Farms	Average Of Low 20 %	Average Of High 20 %		
Number of Farms		210	42	42		
LIQUIDITY (Cash)						
Net cash farm income		64230	49041	115126		
Net nonfarm income		15580	13251	13432		
Family living and taxes		41084	40413	54724		
Real estate principal payments		9107	10273	9018		
Cash available for interm. debt		29619	11607	64816		
Average intermediate debt		73538	113719	62350		
Years to turnover interm. debt		2.5	9.8	1.0		
Expense as a % of income		83 %	92 %	72 %		
Interest as a % of income		7 %	7 %	6 %		
LIQUIDITY (Accrual)						
Total accrual farm income		357331	521781	440187		
Total accrual farm expense		314158	558728	302223		
Net accrual operating income		43173	-36947	137964		
Net nonfarm income		15580	13251	13432		
Family living and taxes		41084	40413	54724		
Real estate principal payments		9107	10273	9018		
Available for intermediate debt		8562	-74381	87655		
Average intermediate debt		73538	113719	62350		
Years to turnover interm. debt		8.6	**	0.7		
Expense as a % of income		88 %	107 %	69 %		
Interest as a % of income		7 %	8 %	6 %		

** Income insufficient to meet debt servicing requirements

TABLE 5a
BALANCE SHEET AT COST VALUES, 1998
Southwest Minnesota Farm Business Management Association
(Farms sorted by Net Farm Income)

Number of Farms	Average Of All Farms		Average Of Low 20 %		Average Of High 20 %	
	183		31		34	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
ASSETS						
Current Farm Assets						
Cash and checking balance	8172	12845	10441	24126	1159	3943
Prepaid expenses & supplies	23031	20496	17198	11158	42636	38960
Growing crops	-	289	-	-	-	-
Accounts receivable	6432	6738	5565	1492	14464	22313
Hedging accounts	946	963	2805	2023	930	1367
Crops held for sale or feed	116221	120163	136175	112592	157811	189143
Crops under government loan	13480	7328	14322	10990	14746	5852
Market livestock held for sale	52327	41116	151210	120301	23953	22446
Other current assets	313	434	37	-	53	29
Total current farm assets	220923	210372	337751	282681	255753	284053
Intermediate Farm Assets						
Breeding livestock	4936	4370	10625	9585	2996	3352
Machinery and equipment	62695	62642	85161	77619	83420	84672
Other intermediate assets	3853	4310	2274	2274	4378	4853
Total intermediate farm assets	71485	71322	98060	89478	90794	92877
Long-Term Farm Assets						
Farm land	208490	218839	236486	247597	330596	351353
Buildings and improvements	50223	58638	69531	76649	58450	69369
Other long-term assets	36464	39598	38206	41389	78630	83922
Total long-term farm assets	295177	317075	344223	365634	467676	504644
Total Farm Assets	587584	598769	780034	737793	814223	881574
Total Nonfarm Assets	99604	105166	81350	90337	125158	131513
Total Assets	687188	703935	861384	828130	939381	1013087
LIABILITIES						
Current Farm Liabilities						
Accrued interest	7181	8306	9474	12440	7867	8012
Accounts payable	6327	10810	4597	20165	8367	12641
Current notes	106101	101965	209191	206676	93339	78737
Government crop loans	8285	6954	8325	10242	8652	5649
Principal due on term debt	17863	20045	18867	18997	21253	27924
Total current farm liabilities	145854	148248	250454	268519	139768	133251
Intermediate Farm Liabilities	46952	49698	59746	61947	48732	48839
Long-term Farm Liabilities	129615	151622	158133	194850	166533	206091
Total Farm Liabilities	322421	349568	468333	525316	355032	388181
Total Nonfarm Liabilities	8782	10402	2476	3493	3246	5928
Total Liabilities	331203	359970	470809	528809	358278	394109
Net Worth (farm and nonfarm)	355985	343965	390574	299321	581103	618978
Net Worth Change		-12019		-91253		37875
RATIO ANALYSIS						
Current Farm Liabilities / Assets	66 %	70 %	74 %	95 %	55 %	47 %
Curr. & Interm Farm Liab / Assets	66 %	70 %	71 %	89 %	54 %	48 %
Long Term Farm Liab. / Assets	44 %	48 %	46 %	53 %	36 %	41 %
Total Liabilities / Assets	48 %	51 %	55 %	64 %	38 %	39 %

TABLE 5b
BALANCE SHEET AT MARKET VALUES, 1998
Southwest Minnesota Farm Business Management Association
(Farms sorted by Net Farm Income)

Number of Farms	Average Of All Farms		Average Of Low 20 %		Average Of High 20 %	
	183		31		34	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
ASSETS						
Current Farm Assets						
Cash and checking balance	8172	12845	10441	24126	1159	3943
Prepaid expenses & supplies	23031	20496	17198	11158	42636	38960
Growing crops	-	289	-	-	-	-
Accounts receivable	6432	6738	5565	1492	14464	22313
Hedging accounts	946	963	2805	2023	930	1367
Crops held for sale or feed	116221	120163	136175	112592	157811	189143
Crops under government loan	13480	7328	14322	10990	14746	5852
Market livestock held for sale	52327	41116	151210	120301	23953	22446
Other current assets	313	434	37	-	53	29
Total current farm assets	220923	210372	337751	282681	255753	284053
Intermediate Farm Assets						
Breeding livestock	11085	9820	14820	12426	17659	19493
Machinery and equipment	202941	210139	249274	250556	277414	286010
Other intermediate assets	6384	6809	4774	3919	4707	5579
Total intermediate farm assets	220410	226768	268868	266902	299780	311082
Long-Term Farm Assets						
Farm land	331705	348007	376908	398935	551955	581212
Buildings and improvements	83312	97385	105361	122763	97110	107401
Other long-term assets	42842	44778	38603	41808	93810	92338
Total long-term farm assets	457859	490170	520872	563506	742875	780951
Total Farm Assets	899192	927310	1127491	1113089	1298409	1376086
Total Nonfarm Assets	129093	139255	107608	115245	183732	193776
Total Assets	1028285	1066565	1235100	1228334	1482141	1569862
LIABILITIES						
Current Farm Liabilities						
Accrued interest	7181	8306	9474	12440	7867	8012
Accounts payable	6327	10810	4597	20165	8367	12641
Current notes	106101	101965	209191	206676	93339	78737
Government crop loans	8285	6954	8325	10242	8652	5649
Principal due on term debt	17863	20045	18867	18997	21253	27924
Total current farm liabilities	145854	148248	250454	268519	139768	133251
Intermediate Farm Liabilities	46952	49698	59746	61947	48732	48839
Long-term Farm Liabilities	129615	151622	158133	194850	166533	206091
Total Farm Liabilities	322421	349568	468333	525316	355032	388181
Total Nonfarm Liabilities	8782	10402	2476	3493	3246	5928
Total Deferred Liabilities	165370	163024	203671	178257	235206	236598
Total Liabilities	496573	522994	674481	707066	593484	630707
Net Worth (farm and nonfarm)	531712	543571	560619	521268	888657	939155
Net Worth Change		11859		-39350		50497
RATIO ANALYSIS						
Current Farm Liabilities / Assets	66 %	70 %	74 %	95 %	55 %	47 %
Curr. & Interm Farm Liab. / Assets	44 %	45 %	51 %	60 %	34 %	31 %
Long Term Farm Liabilities / Assets	28 %	31 %	30 %	35 %	22 %	26 %
Total Liabilities / Assets	48 %	49 %	55 %	58 %	40 %	40 %

TABLE 6
STATEMENT OF CASH FLOWS, 1998
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	210	42	42
(a) Beginning cash balance (farm & nonfarm)	6934	344	5816
CASH FROM OPERATING ACTIVITIES			
Gross cash farm income	369573	582052	411042
Net nonfarm income (+)	15580	13251	13432
Total cash farm expense (-)	305344	533011	295916
Apparent family living expense (-)	32835	34062	40700
Income and social security tax (-)	8248	6350	14024
(b) Cash from operations (=)	38726	21879	73834
CASH FROM INVESTING ACTIVITIES			
Sale of breeding livestock	553	2265	244
Sale of machinery & equipment (+)	1074	2833	225
Sale of farm land (+)	919	-	1008
Sale of farm buildings (+)	336	251	1414
Sale of other farm assets (+)	662	2535	494
Sale of nonfarm assets (+)	1328	2259	629
Purchase of breeding livestock (-)	2173	4787	1687
Purchase of machinery & equip. (-)	24887	25116	36806
Purchase of farm land (-)	12183	14461	23680
Purchase of farm buildings (-)	21867	26006	37029
Purchase of other farm assets (-)	4238	1765	2291
Purchase of nonfarm assets (-)	6693	5889	8850
(c) Cash from investing activities (=)	-67168	-67881	-106330
CASH FROM FINANCING ACTIVITIES			
Money borrowed	245647	428891	236728
Cash gifts and inheritances (+)	1809	168	2231
Principal payments (-)	213999	367508	205029
Dividends paid (-)	-	-	-
Gifts given (-)	84	-	-
(d) Cash from financing activities (=)	33373	61551	33929
(e) Net change in cash balance (b+c+d)	4931	15550	1434
Ending cash balance (farm & nonfarm)	11865	15894	7250

TABLE 7
FINANCIAL GUIDELINES MEASURES, 1998
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	210		42		42	
LIQUIDITY	Beginning	Ending	Beginning	Ending	Beginning	Ending
Current ratio	1.60	1.47	1.46	1.10	1.94	2.24
Working capital	92332	76325	116191	28504	133897	169673
SOLVENCY (Market)	Beginning	Ending	Beginning	Ending	Beginning	Ending
Farm debt to asset ratio	53 %	55 %	59 %	66 %	44 %	43 %
Farm equity to asset ratio	47 %	45 %	41 %	34 %	56 %	57 %
Farm debt to equity ratio	114 %	121 %	146 %	198 %	79 %	76 %
PROFITABILITY	Cost	Market	Cost	Market	Cost	Market
Rate of return on farm assets	1.6 %	3.5 %	-8.3 %	-1.1 %	9.9 %	7.4 %
Rate of return on farm equity	-6.0 %	1.6 %	-41.1 %	-12.3 %	12.0 %	9.9 %
Operating profit margin	4.0 %	13.6 %	-25.3 %	-4.8 %	23.6 %	27.9 %
Net farm income	8616	32504	-85560	-30570	92684	108760
REPAYMENT CAPACITY	Cash	Accrual	Cash	Accrual	Cash	Accrual
Term debt coverage ratio	155 %	92 %	89 %	-105 %	253 %	318 %
Capital replacement margin	18408	-2650	-5026	-91014	53611	76450
EFFICIENCY						
Asset turnover rate (market)	25.8 %		22.6 %		26.7 %	
Operating expense ratio	80.5 %		98.9 %		62.6 %	
Depreciation expense ratio	9.7 %		9.3 %		10.3 %	
Interest expense ratio	7.5 %		8.2 %		6.1 %	
Net farm income ratio	2.4 %		-16.4 %		21.1 %	

LABOR ANALYSIS

	Average For All Farms	Average For Low 20 %	Average For High 20 %
Number of Farms	210	42	42
Total unpaid labor hours	2325	2643	2550
Total hired labor hours	833	1524	1168
Total labor hours per farm	3158	4167	3718
Value of farm production / hour	79.39	64.38	99.34
Net farm income / unpaid hour	3.71	-32.37	36.34

TABLE 8
CROP PRODUCTION AND MARKETING SUMMARY, 1998
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	210	42	42
ACREAGE SUMMARY			
Total Acres Owned	250	240	401
Total Crop Acres	697	854	864
Crop Acres Owned	219	220	358
Crop Acres Cash Rented	402	513	426
Crop Acres Share Rented	76	121	79
Total Pasture Acres	8	14	11
AVERAGE PRICE RECEIVED (Cash Sales Only)			
Corn per bu.	1.97	1.82	2.03
Soybeans per bu.	5.72	5.49	6.03
Peas per lb.	0.07	-	-
Oats per bu.	1.65	-	-
Wheat, Spring per bu.	3.43	-	-
Hay, Alfalfa per ton	64.68	-	-
Straw per ton	58.23	-	-
AVERAGE YIELD PER ACRE			
Corn (bu.)	161.35	161.69	161.47
Soybeans (bu.)	48.62	48.27	49.62
Hay, Alfalfa (ton)	4.18	4.26	4.47
Corn Silage (ton)	20.60	20.92	21.74
Oats (bu.)	82.05	-	82.36
Peas (lb.)	5437.57	-	-

TABLE 9
HOUSEHOLD AND PERSONAL EXPENSES, 1998
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	122	19	27
Average family size	3.6	3.8	3.7
FAMILY LIVING EXPENSES			
Food and meals expense	5296	5919	5200
Medical care and health insurance	5177	4782	5914
Cash donations	1669	1556	2470
Household supplies	3208	2920	4276
Clothing	2353	3358	2230
Personal care	2097	4041	1445
Child / Dependent care	286	261	62
Gifts	2298	2427	2244
Education	2148	2202	2158
Recreation	2461	2272	3160
Utilities (household share)	1338	1376	1378
Nonfarm vehicle operating expense	2449	2475	2303
Household real estate taxes	222	98	126
Dwelling rent	159	98	122
Household repairs	662	323	1199
Nonfarm interest	299	55	321
Life insurance payments	1853	3256	1610
Total cash family living expense	33973	37420	36216
Family living from the farm	124	187	36
Total family living	34097	37607	36251
OTHER NONFARM EXPENDITURES			
Income taxes	9869	9641	13869
Furnishing & appliance purchases	526	526	313
Nonfarm vehicle purchases	1313	1250	1878
Nonfarm real estate purchases	959	1468	1754
Other nonfarm capital purchases	493	105	22
Nonfarm savings & investments	1063	-1625	1944
Total other nonfarm expenditures	14224	11366	19780
Total cash family living, investment & nonfarm capital purch	48197	48786	55996
PARTNERSHIPS			
Number of partnerships	18		
Number of operators per partnership	2.0		
Average owner withdrawals per farm	49878		
Average withdrawals per operator	24939		

TABLE 10
OPERATOR INFORMATION & NONFARM SUMMARY, 1998
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	210	42	42
OPERATOR INFORMATION			
Average number of operators	1.3	1.3	1.2
Average age of operators	46.4	47.5	49.6
Average number of years farming	23.4	24.8	26.4
NONFARM INCOME			
Nonfarm wages & salary	8767	6643	5410
Nonfarm business income	1719	1861	345
Nonfarm rental income	1017	379	824
Nonfarm interest income	934	849	938
Nonfarm cash dividends	149	13	539
Tax refunds	606	861	860
Gifts and inheritances	1809	168	2231
Other nonfarm income	2474	2645	4945
Total nonfarm income	17475	13419	16092

	Average For All Farms	
	Beginning	Ending
NONFARM ASSETS (Mkt)		
Checking & savings	692	429
Stocks & bonds	12527	15488
Other current assets	1945	793
Furniture & appliances	8935	9174
Nonfarm vehicles	8508	8393
Cash value of life ins.	9248	9984
Retirement accounts	19616	22893
Other intermediate assets	8044	8235
Nonfarm real estate	33727	36524
Other long term assets	10383	10604
Total nonfarm assets	113627	122517

EXPLANATORY NOTES FOR CROPS TABLES

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

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

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

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

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

TABLE 11 - 1
Crop Enterprise Analysis, 1998
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	199	36	40
Number of farms	145	29	29
Acres	110.61	97.99	118.61
Yield per acre (bushel)	162.92	144.93	174.11
Operator's share of yield %	100.00	100.00	100.00
Value per bushel	1.75	1.75	1.75
Total product return per acre	285.10	253.63	304.70
Miscellaneous income per acre	2.11	2.48	6.64
Gross return per acre	287.22	256.11	311.34
Direct expenses per acre			
Seed	35.06	36.32	33.77
Fertilizer	39.72	41.49	33.97
Crop chemicals	26.12	23.03	24.42
Crop insurance	6.00	8.64	4.47
Drying fuel	4.84	5.90	4.69
Irrigation energy	0.00	0.00	0.00
Fuel & oil	8.31	10.06	7.36
Repairs	21.54	29.96	17.50
Custom hire	2.46	3.20	0.52
Hired labor	0.02	0.12	0.00
Machinery & bldg leases	1.13	4.24	0.00
Utilities	0.02	0.00	0.00
Marketing	0.29	0.70	0.12
Operating interest	9.27	13.13	5.69
Miscellaneous	1.03	1.83	0.78
Total direct expenses per acre	155.80	178.60	133.28
Return over direct expenses per acre	131.42	77.51	178.06
Overhead expenses per acre			
Hired labor	5.56	2.16	6.94
Machinery & bldg leases	1.69	0.47	2.45
RE & pers. property taxes	15.43	14.73	16.02
Farm insurance	4.22	4.26	4.99
Utilities	3.00	3.20	3.41
Dues & professional fees	0.20	0.30	0.09
Interest	40.98	40.87	37.00
Mach & bldg depreciation	40.54	38.57	45.31
Miscellaneous	4.71	4.10	4.10
Total overhead expenses per acre	116.33	108.65	120.29
Total listed expenses per acre	272.13	287.25	253.57
Net return per acre	15.09	-31.14	57.77
Total direct expense per bushel	0.96	1.23	0.77
Total listed expense per bushel	1.67	1.98	1.46
Net return per bushel	0.09	-0.21	0.33
Breakeven yield per acre	154.30	162.72	141.10
Est. labor hours per acre	2.89	3.03	3.26
Net return including govt. payments	67.20	20.57	109.07
Lbr & mgt charge per acre	32.54	34.62	40.62
Net return over lbr & mgt	34.67	-14.04	68.45

TABLE 11 - 2
Crop Enterprise Analysis, 1998
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	343	52	79
Number of farms	164	33	33
Acres	111.49	95.77	113.38
Yield per acre (bushel)	160.90	151.94	168.32
Operators share of yield %	100.00	100.00	100.00
Value per bushel	1.75	1.75	1.75
Total product return per acre	281.58	265.90	294.55
Miscellaneous income per acre	1.34	0.33	1.98
Gross return per acre	282.91	266.23	296.53
Direct expenses per acre			
Seed	34.59	34.85	32.91
Fertilizer	39.02	47.60	36.90
Crop chemicals	26.88	27.54	24.65
Crop insurance	7.14	8.01	4.67
Drying fuel	4.99	6.50	4.36
Irrigation energy	0.09	0.00	0.00
Fuel & oil	8.27	9.95	7.25
Repairs	19.96	22.29	15.97
Custom hire	2.70	1.63	1.33
Hired labor	0.11	0.01	0.00
Land rent	91.79	99.20	81.62
Machinery & bldg leases	1.09	2.36	0.00
Utilities	0.02	0.00	0.00
Marketing	0.32	0.65	0.00
Operating interest	10.88	14.33	6.92
Miscellaneous	1.05	1.80	0.80
Total direct expenses per acre	248.89	276.70	217.37
Return over direct expenses per acre	34.02	-10.47	79.16
Overhead expenses per acre			
Hired labor	6.67	13.57	6.38
Machinery & bldg leases	3.42	2.61	5.48
RE & pers. property taxes	0.13	0.00	0.80
Farm insurance	3.43	3.50	3.35
Utilities	2.65	3.45	2.42
Dues & professional fees	0.18	0.17	0.16
Interest	6.37	5.18	3.90
Mach & bldg depreciation	31.75	28.98	34.22
Miscellaneous	4.17	4.68	3.66
Total overhead expenses per acre	58.76	62.13	60.37
Total listed expenses per acre	307.65	338.83	277.74
Net return per acre	-24.74	-72.61	18.79
Total direct expense per bushel	1.55	1.82	1.29
Total listed expense per bushel	1.91	2.23	1.65
Net return per bushel	-0.15	-0.48	0.11
Breakeven yield per acre	175.04	193.43	157.58
Est. labor hours per acre	2.81	3.27	3.14
Net return including govt. payments	26.44	-24.54	70.78
Lbr & mgt charge per acre	24.31	23.66	28.45
Net return over lbr & mgt	2.13	-48.20	42.33

TABLE 11 - 3
Crop Enterprise Analysis, 1998
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	81	19	14
Number of farms	61	12	12
Acres	93.11	110.06	91.71
Yield per acre (bushel)	162.52	158.86	170.44
Operators share of yield %	55.30	53.85	56.19
Value per bushel	1.75	1.75	1.75
Total product return per acre	157.36	149.82	167.48
Miscellaneous income per acre	0.56	0.00	0.00
Gross return per acre	157.92	149.82	167.48
Direct expenses per acre			
Seed	27.35	29.90	26.52
Fertilizer	22.26	26.42	17.75
Crop chemicals	16.23	19.05	18.24
Crop insurance	4.38	5.53	3.98
Drying fuel	3.68	2.46	5.00
Fuel & oil	8.05	7.81	6.90
Repairs	18.51	20.14	11.03
Custom hire	4.03	11.43	2.27
Hired labor	0.02	0.00	0.00
Machinery & bldg leases	0.94	1.89	0.00
Utilities	0.01	0.07	0.00
Marketing	0.29	0.11	0.93
Operating interest	9.92	14.53	5.06
Miscellaneous	0.56	0.63	0.40
Total direct expenses per acre	116.23	139.97	98.08
Return over direct expenses per acre	41.69	9.85	69.41
Overhead expenses per acre			
Hired labor	4.01	3.58	4.37
Machinery & bldg leases	3.33	3.10	6.30
Farm insurance	3.87	4.77	3.18
Utilities	2.57	2.54	1.74
Dues & professional fees	0.15	0.27	0.08
Interest	5.46	6.56	3.12
Mach & bldg depreciation	29.37	26.31	30.27
Miscellaneous	3.71	2.71	2.92
Total overhead expenses per acre	52.48	49.84	51.98
Total listed expenses per acre	168.71	189.81	150.05
Net return per acre	-10.79	-39.99	17.43
Total direct expense per bushel	1.29	1.64	1.02
Total listed expense per bushel	1.88	2.22	1.57
Net return per bushel	-0.12	-0.47	0.18
Breakeven yield per acre	173.75	201.41	152.60
Est. labor hours per acre	2.47	2.29	2.45
Net return including govt. payments	18.79	-8.46	45.29
Lbr & mgt charge per acre	22.64	18.45	21.81
Net return over lbr & mgt	-3.86	-26.91	23.48

TABLE 11 - 4
Crop Enterprise Analysis, 1998
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	189	39	41
Number of farms	143	29	29
Acres	106.00	85.59	129.19
Yield per acre (bushel)	49.47	43.35	53.87
Operators share of yield %	100.00	100.00	100.00
Value per bushel	5.15	5.15	5.15
Total product return per acre	254.76	223.24	277.45
Miscellaneous income per acre	1.70	1.79	2.55
Gross return per acre	256.46	225.03	280.00
Direct expenses per acre			
Seed	17.52	21.59	14.87
Fertilizer	10.99	12.46	8.11
Crop chemicals	26.16	29.87	23.72
Crop insurance	8.05	9.50	5.29
Irrigation energy	0.00	0.00	0.00
Fuel & oil	6.81	7.78	5.99
Repairs	17.91	20.74	15.56
Custom hire	2.06	2.10	0.80
Hired labor	0.05	0.00	0.12
Machinery & bldg leases	0.75	1.26	0.39
Marketing	0.20	0.43	0.13
Operating interest	7.46	10.62	5.40
Miscellaneous	0.53	0.75	0.19
Total direct expenses per acre	98.51	117.11	80.56
Return over direct expenses per acre	157.95	107.91	199.43
Overhead expenses per acre			
Hired labor	4.50	3.46	5.87
Machinery & bldg leases	1.35	0.27	1.68
RE & pers. property taxes	14.36	12.66	15.53
Farm insurance	3.39	2.67	3.52
Utilities	2.49	2.52	2.21
Dues & professional fees	0.16	0.03	0.15
Interest	37.38	40.57	33.75
Mach & bldg depreciation	33.16	30.40	36.33
Miscellaneous	3.87	3.76	3.36
Total overhead expenses per acre	100.66	96.35	102.39
Total listed expenses per acre	199.17	213.46	182.95
Net return per acre	57.29	11.57	97.04
Total direct expense per bushel	1.99	2.70	1.50
Total listed expense per bushel	4.03	4.92	3.40
Net return per bushel	1.16	0.27	1.80
Breakeven yield per acre	38.34	41.10	35.03
Est. labor hours per acre	2.41	1.98	2.44
Net return including govt. payments	58.26	11.65	100.87
Lbr & mgt charge per acre	25.94	23.74	25.58
Net return over lbr & mgt	32.33	-12.09	75.29

TABLE 11 - 5
Crop Enterprise Analysis, 1998
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	351	54	80
Number of farms	168	34	34
Acres	107.52	102.57	92.06
Yield per acre (bushel)	48.44	42.73	51.90
Operators share of yield %	100.00	100.00	100.00
Value per bushel	5.15	5.15	5.15
Total product return per acre	249.48	220.04	267.29
Miscellaneous income per acre	2.95	7.60	0.94
Gross return per acre	252.43	227.63	268.22
Direct expenses per acre			
Seed	17.91	19.71	13.87
Fertilizer	11.78	15.18	9.25
Crop chemicals	27.40	30.08	24.86
Crop insurance	9.85	12.43	4.91
Irrigation energy	0.08	0.00	0.00
Fuel & oil	6.46	7.06	6.48
Repairs	15.46	16.24	14.32
Custom hire	3.00	4.05	1.06
Hired labor	0.15	0.00	0.00
Land rent	89.85	92.77	79.59
Machinery & bldg leases	1.02	1.55	0.57
Marketing	0.17	0.28	0.00
Operating interest	8.86	10.73	4.72
Miscellaneous	0.67	0.35	0.61
Total direct expenses per acre	192.67	210.41	160.24
Return over direct expenses per acre	59.76	17.22	107.98
Overhead expenses per acre			
Hired labor	5.15	3.96	2.27
Machinery & bldg leases	2.73	3.18	0.81
RE & pers. property taxes	0.10	0.01	0.78
Farm insurance	2.68	2.83	2.51
Utilities	2.09	2.57	1.97
Dues & professional fees	0.13	0.11	0.07
Interest	5.00	5.41	2.64
Mach & bldg depreciation	25.31	23.55	31.21
Miscellaneous	3.18	2.51	4.08
Total overhead expenses per acre	46.38	44.14	46.35
Total listed expenses per acre	239.05	254.55	206.59
Net return per acre	13.38	-26.91	61.64
Total direct expense per bushel	3.98	4.92	3.09
Total listed expense per bushel	4.93	5.96	3.98
Net return per bushel	0.28	-0.63	1.19
Breakeven yield per acre	45.84	47.95	39.93
Est. labor hours per acre	2.23	2.00	2.50
Net return including govt. payments	13.65	-26.91	62.72
Lbr & mgt charge per acre	19.67	17.49	24.12
Net return over lbr & mgt	-6.01	-44.41	38.60

TABLE 11 - 6
Crop Enterprise Analysis, 1998
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	84	14	17
Number of farms	64	13	13
Acres	91.98	78.61	97.85
Yield per acre (bushel)	49.27	44.63	53.80
Operators share of yield %	56.06	55.07	59.15
Value per bushel	5.15	5.15	5.15
Total product return per acre	142.11	125.90	163.67
Miscellaneous income per acre	0.47	0.57	0.00
Gross return per acre	142.59	126.47	163.67
Direct expenses per acre			
Seed	13.43	16.79	12.46
Fertilizer	7.89	9.26	11.24
Crop chemicals	17.65	18.00	17.34
Crop insurance	6.46	8.76	5.29
Fuel & oil	6.46	6.12	5.27
Repairs	14.85	16.49	10.62
Custom hire	3.99	4.09	0.37
Hired labor	0.13	0.00	0.61
Machinery & bldg leases	0.95	0.10	0.00
Marketing	0.26	0.32	1.05
Operating interest	8.25	13.70	3.28
Miscellaneous	0.26	0.02	0.33
Total direct expenses per acre	80.58	93.65	67.88
Return over direct expenses per acre	62.01	32.83	95.79
Overhead expenses per acre			
Hired labor	3.45	2.43	0.74
Machinery & bldg leases	2.35	3.04	6.69
Farm insurance	3.00	3.07	3.91
Utilities	2.04	2.03	2.21
Dues & professional fees	0.10	0.17	0.13
Interest	4.47	5.36	2.56
Mach & bldg depreciation	23.31	24.25	31.66
Miscellaneous	2.94	2.47	3.43
Total overhead expenses per acre	41.66	42.82	51.31
Total listed expenses per acre	122.23	136.46	119.19
Net return per acre	20.35	-9.99	44.48
Total direct expense per bushel	2.92	3.81	2.13
Total listed expense per bushel	4.43	5.55	3.75
Net return per bushel	0.74	-0.41	1.40
Breakeven yield per acre	42.18	47.91	39.13
Est. labor hours per acre	2.00	1.77	2.64
Net return including govt. payments	20.49	-9.99	44.48
Lbr & mgt charge per acre	18.73	22.69	22.94
Net return over lbr & mgt	1.76	-32.68	21.54

TABLE 11 - 7
Crop Enterprise Analysis, 1998
Southwest Minnesota Farm Business Management Association
(Average of all farms reporting)

OATS ON OWNED LAND

	Average For All Farms
Number of fields	7
Number of farms	7
Acres	23.44
Yield per acre (bushel)	77.96
Operators share of yield %	100.00
Value per bushel	1.20
Total product return per acre	93.55
Miscellaneous income per acre	78.28
Gross return per acre	171.83
Direct expenses per acre	
Seed	11.22
Fertilizer	7.06
Crop chemicals	2.56
Crop insurance	0.38
Fuel & oil	6.42
Repairs	10.59
Custom hire	0.45
Operating interest	2.76
Miscellaneous	0.25
Total direct expenses per acre	41.68
Return over direct expenses per acre	130.15
Overhead expenses per acre	
Hired labor	19.36
Machinery & bldg leases	3.49
RE & pers. property taxes	9.34
Farm insurance	4.60
Utilities	1.44
Dues & professional fees	0.02
Interest	16.91
Mach & bldg depreciation	20.57
Miscellaneous	6.11
Total overhead expenses per acre	81.85
Total listed expenses per acre	123.53
Net return per acre	48.30
Total direct expense per bushel	0.53
Total listed expense per bushel	1.58
Net return per bushel	0.62
Breakeven yield per acre	37.71
Est. labor hours per acre	1.44
Lbr & mgt charge per acre	4.37
Net return over lbr & mgt	43.93

TABLE 11 - 8
Crop Enterprise Analysis, 1998
Southwest Minnesota Farm Business Management Association
(Average of all farms reporting)

OATS ON CASH RENTED LAND

	Average For All Farms
Number of fields	13
Number of farms	11
Acres	19.72
Yield per acre (bushel)	84.20
Operators share of yield %	100.00
Value per bushel	1.20
Total product return per acre	101.04
Miscellaneous income per acre	65.87
Gross return per acre	166.91
Direct expenses per acre	
Seed	13.34
Fertilizer	7.92
Crop chemicals	3.43
Crop insurance	0.80
Fuel & oil	5.18
Repairs	7.12
Custom hire	4.49
Land rent	80.01
Operating interest	2.68
Miscellaneous	2.14
Total direct expenses per acre	127.12
Return over direct expenses per acre	39.79
Overhead expenses per acre	
Hired labor	3.24
Machinery & bldg leases	11.19
RE & pers. property taxes	0.44
Farm insurance	1.64
Utilities	0.86
Dues & professional fees	0.07
Interest	1.54
Mach & bldg depreciation	11.56
Miscellaneous	1.21
Total overhead expenses per acre	31.74
Total listed expenses per acre	158.86
Net return per acre	8.05
Total direct expense per bushel	1.51
Total listed expense per bushel	1.89
Net return per bushel	0.10
Breakeven yield per acre	77.49
Est. labor hours per acre	1.49
Lbr & mgt charge per acre	15.05
Net return over lbr & mgt	-6.99

TABLE 11 - 9
Crop Enterprise Analysis, 1998
Southwest Minnesota Farm Business Management Association
(Average of all farms reporting)

SPRING WHEAT ON CASH RENTED LAND

	Average For All Farms
Number of fields	7
Number of farms	7
Acres	29.50
Yield per acre (bushel)	47.44
Operators share of yield %	100.00
Value per bushel	3.00
Total product return per acre	142.31
Miscellaneous income per acre	52.86
Gross return per acre	195.17
Direct expenses per acre	
Seed	11.22
Fertilizer	31.58
Crop chemicals	10.04
Crop insurance	2.52
Fuel & oil	5.32
Repairs	9.44
Custom hire	8.34
Hired labor	2.95
Land rent	77.65
Marketing	0.05
Operating interest	6.21
Miscellaneous	0.46
Total direct expenses per acre	165.80
Return over direct expenses per acre	29.37
Overhead expenses per acre	
Hired labor	1.75
Machinery & bldg leases	9.15
Farm insurance	1.87
Utilities	1.85
Interest	4.81
Mach & bldg depreciation	15.12
Miscellaneous	2.86
Total overhead expenses per acre	37.42
Total listed expenses per acre	203.22
Net return per acre	-8.05
Total direct expense per bushel	3.50
Total listed expense per bushel	4.28
Net return per bushel	-0.17
Breakeven yield per acre	50.12
Est. labor hours per acre	1.72
Net return including govt. payments	14.25
Lbr & mgt charge per acre	16.08
Net return over lbr & mgt	-1.83

TABLE 11 - 10
Crop Enterprise Analysis, 1998
Southwest Minnesota Farm Business Management Association
(Average of all farms reporting)

CORN SILAGE ON OWNED LAND

	Average For All Farms
Number of fields	20
Number of farms	19
Acres	36.32
Yield per acre (ton)	19.35
Operators share of yield %	100.00
Value per ton	18.00
Total product return per acre	348.22
Miscellaneous income per acre	0.00
Gross return per acre	348.22
Direct expenses per acre	
Seed	36.16
Fertilizer	39.70
Crop chemicals	25.34
Crop insurance	6.52
Fuel & oil	12.16
Repairs	28.29
Custom hire	1.84
Operating interest	10.44
Miscellaneous	0.91
Total direct expenses per acre	161.36
Return over direct expenses per acre	186.86
Overhead expenses per acre	
Hired labor	14.85
Machinery & bldg leases	2.21
RE & pers. property taxes	12.22
Farm insurance	5.63
Utilities	2.85
Dues & professional fees	0.04
Interest	32.88
Mach & bldg depreciation	48.39
Miscellaneous	6.47
Total overhead expenses per acre	125.54
Total listed expenses per acre	286.89
Net return per acre	61.33
Total direct expense per ton	8.34
Total listed expense per ton	14.83
Net return per ton	3.17
Breakeven yield per acre	15.94
Est. labor hours per acre	3.09
Net return including govt. payments	108.42
Lbr & mgt charge per acre	26.32
Net return over lbr & mgt	82.10

TABLE 11 - 11
Crop Enterprise Analysis, 1998
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	27	5	5
Number of farms	25	5	5
Acres	37.70	34.30	76.31
Yield per acre (ton)	21.49	16.86	24.79
Operators share of yield %	100.00	100.00	100.00
Value per ton	18.00	18.00	18.00
Total product return per acre	386.85	303.43	446.13
Miscellaneous income per acre	10.06	0.00	26.84
Gross return per acre	396.91	303.43	472.98
Direct expenses per acre			
Seed	35.24	32.04	37.15
Fertilizer	32.66	40.86	26.50
Crop chemicals	27.42	28.36	24.93
Crop insurance	4.88	8.24	4.08
Fuel & oil	12.01	9.45	12.10
Repairs	26.52	28.32	19.25
Custom hire	11.62	15.78	12.65
Land rent	72.97	78.52	55.72
Machinery & bldg leases	0.40	1.97	0.00
Operating interest	9.57	18.75	5.06
Miscellaneous	1.57	0.94	2.32
Total direct expenses per acre	234.86	263.21	199.76
Return over direct expenses per acre	162.05	40.22	273.22
Overhead expenses per acre			
Hired labor	12.09	3.72	15.68
Machinery & bldg leases	1.37	1.28	0.00
Farm insurance	3.01	2.79	2.57
Utilities	2.56	2.03	0.96
Dues & professional fees	0.08	0.00	0.22
Interest	6.46	7.75	1.06
Mach & bldg depreciation	33.17	37.76	25.55
Miscellaneous	5.67	4.08	5.95
Total overhead expenses per acre	64.41	59.42	52.00
Total listed expenses per acre	299.26	322.63	251.76
Net return per acre	97.64	-19.20	221.22
Total direct expense per ton	10.93	15.61	8.06
Total listed expense per ton	13.92	19.14	10.16
Net return per ton	4.54	-1.14	8.93
Breakeven yield per acre	16.07	17.92	12.50
Est. labor hours per acre	3.52	3.27	3.54
Net return including govt. payments	153.95	46.96	272.96
Lbr & mgt charge per acre	15.84	23.20	11.31
Net return over lbr & mgt	138.12	23.76	261.65

TABLE 11 - 12
Crop Enterprise Analysis, 1998
Southwest Minnesota Farm Business Management Association
(Average of all farms reporting)

ALFALFA HAY ON OWNED LAND

	Average For All Farms
Number of fields	17
Number of farms	16
Acres	26.41
Yield per acre (ton)	3.63
Operators share of yield %	100.00
Value per ton	65.00
Total product return per acre	235.78
Miscellaneous income per acre	0.00
Gross return per acre	235.78
Direct expenses per acre	
Seed	9.31
Fertilizer	15.01
Crop chemicals	2.03
Fuel & oil	12.09
Repairs	21.68
Custom hire	3.40
Operating interest	5.86
Miscellaneous	0.40
Total direct expenses per acre	69.77
Return over direct expenses per acre	166.00
Overhead expenses per acre	
Hired labor	27.12
Machinery & bldg leases	4.84
RE & pers. property taxes	12.30
Farm insurance	7.02
Utilities	2.73
Dues & professional fees	0.07
Interest	30.56
Mach & bldg depreciation	36.31
Miscellaneous	7.60
Total overhead expenses per acre	128.55
Total listed expenses per acre	198.32
Net return per acre	37.46
Total direct expense per ton	19.23
Total listed expense per ton	54.67
Net return per ton	10.33
Breakeven yield per acre	3.05
Est. labor hours per acre	2.88
Lbr & mgt charge per acre	15.28
Net return over lbr & mgt	22.18

TABLE 11 - 13
Crop Enterprise Analysis, 1998
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	36	7	6
Number of farms	29	6	6
Acres	50.91	24.48	36.00
Yield per acre (ton)	4.33	2.98	5.61
Operators share of yield %	100.00	100.00	100.00
Value per ton	65.00	65.00	65.00
Total product return per acre	281.66	194.00	364.64
Miscellaneous income per acre	0.00	0.00	0.00
Gross return per acre	281.66	194.00	364.64
Direct expenses per acre			
Seed	4.52	11.25	0.27
Fertilizer	19.16	5.85	20.65
Crop chemicals	3.94	0.59	0.00
Fuel & oil	11.75	17.23	5.01
Repairs	25.00	53.31	14.54
Custom hire	5.45	2.56	7.25
Land rent	67.71	60.78	84.63
Machinery & bldg leases	0.56	6.98	0.00
Operating interest	7.09	9.59	2.33
Miscellaneous	3.74	0.11	0.71
Total direct expenses per acre	148.93	168.26	135.39
Return over direct expenses per acre	132.73	25.73	229.26
Overhead expenses per acre			
Hired labor	11.17	17.91	6.60
Machinery & bldg leases	20.98	0.59	0.26
Farm insurance	2.86	6.04	2.76
Utilities	1.43	2.22	0.77
Dues & professional fees	0.05	0.00	0.26
Interest	5.99	10.30	5.52
Mach & bldg depreciation	25.92	45.13	29.68
Miscellaneous	4.45	3.87	3.28
Total overhead expenses per acre	72.85	86.06	49.13
Total listed expenses per acre	221.78	254.33	184.51
Net return per acre	59.88	-60.33	180.13
Total direct expense per ton	34.37	56.38	24.13
Total listed expense per ton	51.18	85.21	32.89
Net return per ton	13.82	-20.21	32.11
Breakeven yield per acre	3.41	3.91	2.84
Est. labor hours per acre	3.56	6.15	1.83
Lbr & mgt charge per acre	19.72	45.54	20.92
Net return over lbr & mgt	40.16	-105.87	159.21

TABLE 11 - 14
Crop Enterprise Analysis, 1998
Southwest Minnesota Farm Business Management Association
(Average of all farms reporting)

GRASS HAY ON OWNED LAND

	Average For All Farms
	<hr/>
Number of fields	5
Number of farms	5
Acres	38.70
Yield per acre (ton)	2.63
Operators share of yield %	100.00
Value per ton	64.65
Total product return per acre	170.19
Miscellaneous income per acre	0.00
Gross return per acre	170.19
Direct expenses per acre	
Fuel & oil	2.09
Repairs	5.90
Custom hire	4.60
Operating interest	2.29
Total direct expenses per acre	14.88
Return over direct expenses per acre	155.31
Overhead expenses per acre	
Hired labor	2.67
Machinery & bldg leases	0.66
RE & pers. property taxes	9.10
Farm insurance	0.93
Utilities	0.63
Interest	19.78
Mach & bldg depreciation	6.21
Miscellaneous	2.22
Total overhead expenses per acre	42.20
Total listed expenses per acre	57.08
Net return per acre	113.11
Total direct expense per ton	5.65
Total listed expense per ton	21.68
Net return per ton	42.97
Breakeven yield per acre	0.88
Est. labor hours per acre	1.06
Lbr & mgt charge per acre	3.66
Net return over lbr & mgt	109.46

TABLE 11 - 15
Crop Enterprise Analysis, 1998
Southwest Minnesota Farm Business Management Association
(Average of all farms reporting)

GRASS HAY ON CASH RENTED LAND

	Average For All Farms
	<hr/>
Number of fields	7
Number of farms	7
Acres	21.00
Yield per acre (ton)	1.66
Operators share of yield %	100.00
Value per ton	56.39
Total product return per acre	93.37
Miscellaneous income per acre	0.00
Gross return per acre	93.37
Direct expenses per acre	
Fertilizer	11.00
Fuel & oil	5.39
Repairs	11.60
Custom hire	2.72
Operating interest	1.56
Total direct expenses per acre	32.28
Return over direct expenses per acre	61.08
Overhead expenses per acre	
Hired labor	6.94
Machinery & bldg leases	0.41
Farm insurance	1.42
Utilities	0.73
Interest	2.35
Mach & bldg depreciation	12.26
Miscellaneous	4.47
Total overhead expenses per acre	28.58
Total listed expenses per acre	60.86
Net return per acre	32.50
Total direct expense per ton	19.50
Total listed expense per ton	36.76
Net return per ton	19.63
Breakeven yield per acre	1.08
Est. labor hours per acre	2.30
Lbr & mgt charge per acre	6.80
Net return over lbr & mgt	25.70

TABLE 11 - 16
Crop Enterprise Analysis, 1998
Southwest Minnesota Farm Business Management Association
(Average of all farms reporting)

PASTURE ON OWNED LAND

	Average For All Farms
	<hr/>
Number of fields	8
Number of farms	8
Acres	54.07
Yield per acre	7.18
Operators share of yield %	100.00
Value per unit	3.26
Total product return per acre	23.40
Miscellaneous income per acre	1.85
Gross return per acre	25.25
Direct expenses per acre	
Fertilizer	1.35
Crop chemicals	0.77
Fuel & oil	0.75
Repairs	1.99
Operating interest	0.50
Total direct expenses per acre	5.35
Return over direct expenses per acre	19.90
Overhead expenses per acre	
Hired labor	1.68
Machinery & bldg leases	0.17
RE & pers. property taxes	6.97
Farm insurance	0.37
Utilities	0.15
Dues & professional fees	0.02
Interest	7.36
Mach & bldg depreciation	2.68
Miscellaneous	0.85
Total overhead expenses per acre	20.25
Total listed expenses per acre	25.61
Net return per acre	-0.36
Total direct expense per unit	0.75
Total listed expense per unit	3.57
Net return per unit	-0.05
Breakeven yield per acre	7.29
Est. labor hours per acre	0.33
Lbr & mgt charge per acre	1.00
Net return over lbr & mgt	-1.36

TABLE 11 - 17
Crop Enterprise Analysis, 1998
Southwest Minnesota Farm Business Management Association
(Average of all farms reporting)

PASTURE ON CASH RENTED LAND

	Average For All Farms
Number of fields	9
Number of farms	9
Acres	107.58
Yield per acre	7.59
Operators share of yield %	100.00
Value per unit	3.02
Total product return per acre	22.88
Miscellaneous income per acre	0.00
Gross return per acre	22.88
Direct expenses per acre	
Crop chemicals	1.24
Fuel & oil	0.60
Repairs	1.88
Custom hire	1.32
Land rent	8.76
Operating interest	0.59
Miscellaneous	0.02
Total direct expenses per acre	14.41
Return over direct expenses per acre	8.48
Overhead expenses per acre	
Hired labor	0.74
Machinery & bldg leases	0.03
RE & pers. property taxes	0.01
Farm insurance	0.17
Utilities	0.15
Interest	1.80
Mach & bldg depreciation	1.90
Miscellaneous	0.45
Total overhead expenses per acre	5.25
Total listed expenses per acre	19.66
Net return per acre	3.22
Total direct expense per unit	1.90
Total listed expense per unit	2.59
Net return per unit	0.43
Breakeven yield per acre	6.52
Est. labor hours per acre	0.31
Lbr & mgt charge per acre	1.32
Net return over lbr & mgt	1.91

TABLE 11 - 18
Crop Enterprise Analysis, 1998
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	5
Acres	38.47
Yield per acre (lb)	5692.44
Operator's share of yield %	100.00
Value per lb	0.06
Total product return per acre	320.99
Miscellaneous income per acre	28.93
Gross return per acre	349.92
Direct expenses per acre	
Fertilizer	14.74
Crop chemicals	9.37
Crop insurance	11.17
Fuel & oil	4.14
Repairs	12.91
Operating interest	6.86
Miscellaneous	0.42
Total direct expenses per acre	59.62
Return over direct expenses per acre	290.30
Overhead expenses per acre	
Hired labor	4.52
Machinery & bldg leases	0.39
RE & pers. property taxes	20.72
Farm insurance	4.03
Utilities	1.43
Dues & professional fees	0.29
Interest	53.05
Mach & bldg depreciation	19.96
Miscellaneous	1.77
Total overhead expenses per acre	106.18
Total listed expenses per acre	165.80
Net return per acre	184.13
Total direct expense per lb	0.01
Total listed expense per lb	0.03
Net return per lb	0.03
Breakeven yield per acre	2427.19
Est. labor hours per acre	1.37
Lbr & mgt charge per acre	14.84
Net return over lbr & mgt	169.29

TABLE 11 - 19
Crop Enterprise Analysis, 1998
Southwest Minnesota Farm Business Management Association
(Average of all farms reporting)

PEAS ON CASH RENTED LAND

	Average For All Farms
	<hr/>
Number of fields	6
Number of farms	5
Acres	35.22
Yield per acre (lb)	5159.17
Operators share of yield %	100.00
Value per lb	0.07
Total product return per acre	346.88
Miscellaneous income per acre	0.00
Gross return per acre	346.88
Direct expenses per acre	
Fertilizer	10.25
Crop chemicals	12.68
Crop insurance	9.05
Fuel & oil	5.40
Repairs	11.79
Land rent	100.70
Operating interest	6.49
Miscellaneous	1.32
Total direct expenses per acre	157.68
Return over direct expenses per acre	189.19
Overhead expenses per acre	
Hired labor	14.39
Machinery & bldg leases	1.30
Farm insurance	2.52
Utilities	2.24
Dues & professional fees	0.35
Interest	2.30
Mach & bldg depreciation	18.71
Miscellaneous	2.63
Total overhead expenses per acre	44.44
Total listed expenses per acre	202.12
Net return per acre	144.76
Total direct expense per lb	0.03
Total listed expense per lb	0.04
Net return per lb	0.03
Breakeven yield per acre	3006.16
Est. labor hours per acre	2.65
Lbr & mgt charge per acre	5.57
Net return over lbr & mgt	139.19

TABLE 11 - 20
Crop Enterprise Analysis, 1998
Southwest Minnesota Farm Business Management Association
(Average of all farms reporting)

SWEET CORN ON CASH RENTED LAND

	Average For All Farms
Number of fields	5
Number of farms	5
Acres	32.70
Yield per acre (ton)	6.38
Operators share of yield %	100.00
Value per ton	44.93
Total product return per acre	286.48
Miscellaneous income per acre	0.00
Gross return per acre	286.48
Direct expenses per acre	
Seed	7.10
Fertilizer	32.53
Crop chemicals	21.36
Crop insurance	7.73
Fuel & oil	6.75
Repairs	21.62
Land rent	85.28
Operating interest	10.46
Miscellaneous	0.31
Total direct expenses per acre	193.15
Return over direct expenses per acre	93.34
Overhead expenses per acre	
Hired labor	6.14
Machinery & bldg leases	0.98
Farm insurance	3.48
Utilities	3.08
Dues & professional fees	0.32
Interest	6.67
Mach & bldg depreciation	25.83
Miscellaneous	3.53
Total overhead expenses per acre	50.02
Total listed expenses per acre	243.16
Net return per acre	43.32
Total direct expense per ton	30.29
Total listed expense per ton	38.13
Net return per ton	6.79
Breakeven yield per acre	5.41
Est. labor hours per acre	2.19
Lbr & mgt charge per acre	19.85
Net return over lbr & mgt	23.47

TABLE 11 - 21
Crop Enterprise Analysis, 1998
Southwest Minnesota Farm Business Management Association
(Average of all farms reporting)

CRP ON OWNED LAND

	Average For All Farms
	<hr/>
Number of fields	17
Number of farms	16
Acres	42.21
Yield per acre	76.00
Operators share of yield %	100.00
Value per unit	1.00
Total product return per acre	76.00
Miscellaneous income per acre	0.00
Gross return per acre	76.00
Direct expenses per acre	
Seed	0.10
Crop chemicals	0.31
Fuel & oil	0.64
Repairs	1.65
Marketing	0.02
Operating interest	0.68
Total direct expenses per acre	3.41
Return over direct expenses per acre	72.59
Overhead expenses per acre	
Hired labor	0.63
Machinery & bldg leases	0.08
RE & pers. property taxes	10.89
Farm insurance	0.46
Utilities	0.21
Dues & professional fees	0.10
Interest	12.98
Mach & bldg depreciation	3.25
Miscellaneous	0.53
Total overhead expenses per acre	29.13
Total listed expenses per acre	32.54
Net return per acre	43.46
Total direct expense per unit	0.04
Total listed expense per unit	0.43
Net return per unit	0.57
Breakeven yield per acre	32.54
Est. labor hours per acre	0.37
Lbr & mgt charge per acre	3.27
Net return over lbr & mgt	40.19

TABLE 11 - 22
Crop Enterprise Analysis, 1998
Southwest Minnesota Farm Business Management Association
(Average of all farms reporting)

RENTED OUT ON OWNED LAND

	Average For All Farms
	<hr/>
Number of fields	8
Number of farms	8
Acres	148.90
Yield per acre	76.37
Operators share of yield %	100.00
Value per unit	1.21
Total product return per acre	92.37
Miscellaneous income per acre	2.15
Gross return per acre	94.52
Direct expenses per acre	
Fuel & oil	0.35
Repairs	7.14
Operating interest	0.21
Miscellaneous	0.03
Total direct expenses per acre	7.73
Return over direct expenses per acre	86.78
Overhead expenses per acre	
Hired labor	0.00
Machinery & bldg leases	0.13
RE & pers. property taxes	17.37
Farm insurance	2.82
Utilities	0.94
Dues & professional fees	0.94
Interest	24.40
Mach & bldg depreciation	6.25
Miscellaneous	0.08
Total overhead expenses per acre	52.93
Total listed expenses per acre	60.66
Net return per acre	33.85
Total direct expense per unit	0.10
Total listed expense per unit	0.79
Net return per unit	0.44
Breakeven yield per acre	48.38
Est. labor hours per acre	1.54
Net return including govt. payments	34.02
Lbr & mgt charge per acre	4.73
Net return over lbr & mgt	29.29

EXPLANATORY NOTES FOR LIVESTOCK TABLES

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

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

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

"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. If fewer than 5 farms have a certain livestock enterprise, that information is not reported. If there are fewer than 25 farms, the high and low groups are not reported.

TABLE 12 - 1
Livestock Enterprise Analysis, 1998
Southwest Minnesota Farm Business Management Association
(Farms sorted according to Return to Overhead per unit produced)

Hogs, Farrow To Finish -- Average per Litter

	Average For All Farms		Average For Low 20%		Average For High 20%	
	31		6		6	
Number of farms	Quantity	Value	Quantity	Value	Quantity	Value
Raised Hogs sold (lb)	2009.87	708.59	2300.76	758.05	2175.07	812.64
Transferred out (lb)	5.13	2.37	0.00	0.00	0.00	0.00
Cull sales (lb)	150.76	34.67	201.20	49.70	105.43	28.04
Butchered (lb)	1.60	0.56	1.24	0.40	5.34	2.10
Less purchased (lb)	-34.48	-38.16	-33.61	-33.56	-60.47	-71.54
Inventory change (lb)	3.38	-88.04	-180.79	-197.64	-21.40	-35.82
Total production (lb)	2136.25	619.99	2288.79	576.95	2203.97	735.42
Other income		0.70		4.77		0.00
Gross return		620.69		581.72		735.42
Direct expenses						
Barley (bu.)	0.41	0.61	4.12	6.19	0.00	0.00
Corn (bu.)	90.19	182.38	125.76	250.91	50.27	105.38
Hay, Alfalfa (lb.)	2.57	0.07	26.05	0.74	0.00	0.00
Oats (bu.)	0.09	0.11	0.11	0.11	0.00	0.00
Pasture (aum)	0.00	0.22	0.04	2.19	0.00	0.00
Stover (lb.)	9.13	0.22	92.67	2.19	0.00	0.00
Complete Ration (lb.)	897.08	70.97	36.19	14.16	3186.10	216.40
Protein Vit Minerals (lb.)	1534.63	253.52	1991.73	355.73	1105.07	166.17
Breeding fees		6.36		0.00		6.95
Veterinary		36.67		69.62		36.90
Livestock supplies		7.27		18.45		2.05
Fuel & oil		10.95		12.22		11.80
Repairs		25.49		37.50		24.20
Custom hire		15.35		4.51		9.64
Hired labor		2.61		0.00		0.00
Machinery & bldg leases		0.39		0.00		0.00
Livestock leases		10.22		0.00		0.00
Utilities		0.60		0.00		0.00
Marketing		1.94		2.56		1.98
Bedding		0.10		0.00		0.00
Operating interest		14.59		25.75		11.17
Total direct expenses		640.64		802.82		592.64
Return over direct expense		-19.96		-221.10		142.79
Overhead expenses						
Hired labor		53.58		35.49		57.17
Machinery & bldg leases		12.54		13.42		0.42
RE & pers. property taxes		3.60		6.04		2.40
Farm insurance		8.82		11.24		7.63
Utilities		17.87		23.94		18.04
Dues & professional fees		0.63		0.62		2.18
Interest		21.28		8.77		12.92
Mach & bldg depreciation		79.74		110.31		87.85
Miscellaneous		7.95		15.98		10.53
Total overhead expenses		206.01		225.81		199.15
Total listed expenses		846.65		1028.63		791.78
Net return		-225.97		-446.91		-56.36
Est. labor hours per unit		9.08		11.37		10.63
Labor & management charge		62.06		80.20		56.13
Net return over lbr & mgt		-288.03		-527.10		-112.48
Other Information						
Average number of sows		135.5		73.3		118.7
Litters farrowed		262		133		233
Litters per sow		1.93		1.81		1.96
Litters per crate		9.36		6.49		9.80
Pigs born per litter		10.17		9.41		10.03
Pigs weaned per litter		8.88		8.75		8.76
Pigs weaned per sow		17.24		15.87		17.05
Number sold per litter		8.44		9.18		9.78
Lbs of feed / lb of gain		3.52		4.09		3.22
Feed cost / cwt. of gain		23.78		27.62		22.14
Feed cost per litter		508.11		632.22		487.95
Avg wgt/Raised Hog sold		238		251		222
Avg price / cwt		35.26		32.95		37.36

TABLE 12 - 2
Livestock Enterprise Analysis, 1998
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%	
	31		6		6	
	Quantity	Value	Quantity	Value	Quantity	Value
Raised Hogs sold (lb)	94.08	33.17	100.52	33.12	98.69	36.87
Transferred out (lb)	0.24	0.11	0.00	0.00	0.00	0.00
Cull sales (lb)	7.06	1.62	8.79	2.17	4.78	1.27
Butchered (lb)	0.08	0.03	0.05	0.02	0.24	0.10
Less purchased (lb)	-1.61	-1.79	-1.47	-1.47	-2.74	-3.25
Inventory change (lb)	0.16	-4.12	-7.90	-8.64	-0.97	-1.63
Total production (lb)	100.00	29.02	100.00	25.21	100.00	33.37
Other income		0.03		0.21		0.00
Gross return		29.05		25.42		33.37
Direct expenses						
Barley (bu.)	0.02	0.03	0.18	0.27	0.00	0.00
Corn (bu.)	4.22	8.54	5.49	10.96	2.28	4.78
Pasture (aum)	0.00	0.01	0.00	0.10	0.00	0.00
Stover (lb.)	0.43	0.01	4.05	0.10	0.00	0.00
Complete Ration (lb.)	41.99	3.32	1.58	0.62	144.56	9.82
Protein Vit Minerals (lb.)	71.84	11.87	87.02	15.54	50.14	7.54
Breeding fees		0.30		0.00		0.32
Veterinary		1.72		3.04		1.67
Livestock supplies		0.34		0.81		0.09
Fuel & oil		0.51		0.53		0.54
Repairs		1.19		1.64		1.10
Custom hire		0.72		0.20		0.44
Hired labor		0.12		0.00		0.00
Machinery & bldg leases		0.02		0.00		0.00
Livestock leases		0.48		0.00		0.00
Utilities		0.03		0.00		0.00
Marketing		0.09		0.11		0.09
Operating interest		0.68		1.12		0.51
Total direct expenses		29.99		35.08		26.89
Return over direct expense		-0.93		-9.66		6.48
Overhead expenses						
Hired labor		2.51		1.55		2.59
Machinery & bldg leases		0.59		0.59		0.02
RE & pers. property taxes		0.17		0.26		0.11
Farm insurance		0.41		0.49		0.35
Utilities		0.84		1.05		0.82
Dues & professional fees		0.03		0.03		0.10
Interest		1.00		0.38		0.59
Mach & bldg depreciation		3.73		4.82		3.99
Miscellaneous		0.37		0.70		0.48
Total overhead expenses		9.64		9.87		9.04
Total listed expenses		39.63		44.94		35.93
Net return		-10.58		-19.53		-2.56
Est. labor hours per unit		0.43		0.50		0.48
Labor & management charge		2.91		3.50		2.55
Net return over lbr & mgt		-13.48		-23.03		-5.10
Other Information						
Average number of sows		135.5		73.3		118.7
Litters farrowed		262		133		233
Litters per sow		1.93		1.81		1.96
Litters per crate		9.36		6.49		9.80
Pigs born per litter		10.17		9.41		10.03
Pigs weaned per litter		8.88		8.75		8.76
Pigs weaned per sow		17.24		15.87		17.05
Number sold per litter		8.44		9.18		9.78
Lbs of feed / lb of gain		3.52		4.09		3.22
Feed cost / cwt. of gain		23.78		27.62		22.14
Feed cost per litter		508.11		632.22		487.95
Avg wgt/Raised Hog sold		238		251		222
Avg price / cwt		35.26		32.95		37.36

TABLE 12 - 3
Livestock Enterprise Analysis, 1998
Southwest Minnesota Farm Business Management Association
Hogs, Feeder Pig Prod -- Average per Litter

	Average For All Farms	
	6	
	Quantity	Value
Number of farms		
Feeder Pigs sold (hd)	5.16	154.62
Transferred out (hd)	2.91	80.15
Cull sales (hd)	0.19	18.38
Less purchased (hd)	-0.05	-12.82
Less transferred in (hd)	-0.49	-16.57
Inventory change (hd)	0.26	-71.08
Total production (hd)	0.00	152.67
Other income		0.00
Gross return		152.67
Direct expenses		
Corn (bu.)	20.31	40.76
Stover (lb.)	34.41	0.86
Complete Ration (lb.)	719.98	92.81
Protein Vit Minerals (lb.)	251.33	53.15
Other feed stuffs		4.87
Breeding fees		0.58
Veterinary		16.46
Livestock supplies		5.86
Fuel & oil		6.49
Repairs		16.69
Custom hire		2.75
Operating interest		8.54
Total direct expenses		249.82
Return over direct expense		-97.16
Overhead expenses		
Hired labor		3.59
Machinery & bldg leases		3.90
RE & pers. property taxes		2.24
Farm insurance		5.54
Utilities		15.00
Dues & professional fees		1.20
Interest		11.45
Mach & bldg depreciation		18.18
Miscellaneous		4.86
Total overhead expenses		65.96
Total listed expenses		315.78
Net return		-163.11
Est. labor hours per unit		6.80
Labor & management charge		46.47
Net return over lbr & mgt		-209.58
Other Information		
Average number of sows		72.8
Litters farrowed		129
Litters per sow		1.77
Litters per crate		6.66
Pigs born per litter		10.14
Pigs weaned per litter		8.73
Pigs weaned per sow		15.45
Number sold per litter		5.16
Feed cost per litter		192.45
Avg wgt/Feeder Pig sold		52
Avg price / head		29.95

TABLE 12 - 4
Livestock Enterprise Analysis, 1998
Southwest Minnesota Farm Business Management Association
Hogs, Feeder Pig Prod -- Average per Head Sold or Transferred

	Average For All Farms	
	6	
	Quantity	Value
Number of farms		
Feeder Pigs sold (hd)	0.64	19.15
Transferred out (hd)	0.36	9.93
Cull sales (hd)	0.02	2.28
Less purchased (hd)	-0.01	-1.59
Less transferred in (hd)	-0.06	-2.05
Inventory change (hd)	0.03	-8.80
Total production (hd)	0.00	18.91
Other income		0.00
Gross return		18.91
Direct expenses		
Corn (bu.)	2.52	5.05
Stover (lb.)	4.26	0.11
Complete Ration (lb.)	89.18	11.50
Protein Vit Minerals (lb.)	31.13	6.58
Other feed stuffs		0.60
Breeding fees		0.07
Veterinary		2.04
Livestock supplies		0.73
Fuel & oil		0.80
Repairs		2.07
Custom hire		0.34
Operating interest		1.06
Total direct expenses		30.94
Return over direct expense		-12.03
Overhead expenses		
Hired labor		0.44
Machinery & bldg leases		0.48
RE & pers. property taxes		0.28
Farm insurance		0.69
Utilities		1.86
Dues & professional fees		0.15
Interest		1.42
Mach & bldg depreciation		2.25
Miscellaneous		0.60
Total overhead expenses		8.17
Total listed expenses		39.11
Net return		-20.20
Est. labor hours per unit		0.84
Labor & management charge		5.76
Net return over lbr & mgt		-25.96
Other Information		
Average number of sows		72.8
Litters farrowed		129
Litters per sow		1.77
Litters per crate		6.66
Pigs born per litter		10.14
Pigs weaned per litter		8.73
Pigs weaned per sow		15.45
Number sold per litter		5.16
Feed cost per litter		192.45
Avg wgt/Feeder Pig sold		52
Avg price / head		29.95

TABLE 12 - 5
Livestock Enterprise Analysis, 1998
Southwest Minnesota Farm Business Management Association

Hogs, Finish Feeder Pigs -- Average per Head

	Average For All Farms	
Number of farms	14	
	Quantity	Value
Finish Hogs sold (lb)	253.93	88.08
Transferred out (lb)	3.44	1.81
Cull sales (lb)	0.18	0.02
Butchered (lb)	0.44	0.10
Less purchased (lb)	-44.03	-32.95
Less transferred in (lb)	-6.68	-4.10
Inventory change (lb)	-4.67	-8.40
Total production (lb)	202.61	44.57
Other income		0.00
Gross return		44.57
Direct expenses		
Corn (bu.)	9.21	18.50
Complete Ration (lb.)	13.83	1.30
Protein Vit Minerals (lb.)	132.99	22.56
Other feed stuffs		0.40
Veterinary		0.58
Livestock supplies		0.58
Fuel & oil		0.41
Repairs		1.25
Custom hire		0.59
Machinery & bldg leases		2.70
Operating interest		1.03
Total direct expenses		49.91
Return over direct expense		-5.34
Overhead expenses		
Hired labor		0.32
Machinery & bldg leases		2.78
RE & pers. property taxes		0.26
Farm insurance		0.53
Utilities		0.69
Dues & professional fees		0.02
Interest		0.70
Mach & bldg depreciation		2.24
Miscellaneous		1.32
Total overhead expenses		8.87
Total listed expenses		58.78
Net return		-14.21
Est. labor hours per unit		0.34
Labor & management charge		2.63
Net return over lbr & mgt		-16.83
Other Information		
No. purchased or trans in		1422
Number sold or trans out		1393
Percentage death loss		2.8
Avg. daily gain (lbs)		1.48
Lbs of conc / lb of gain		3.27
Lbs of feed / lb of gain		3.29
Feed cost per cwt of gain		21.11
Feed cost per head		42.77
Average purchase weight		48
Average sales weight		251
Avg purch price / head		35.72
Avg sales price / cwt		34.69

TABLE 12 - 6
Livestock Enterprise Analysis, 1998
Southwest Minnesota Farm Business Management Association

Hogs, Finish Feeder Pigs -- Average per Cwt Produced

	Average For All Farms	
Number of farms	14	
	Quantity	Value
Finish Hogs sold (lb)	125.33	43.47
Transferred out (lb)	1.70	0.90
Cull sales (lb)	0.09	0.01
Butchered (lb)	0.22	0.05
Less purchased (lb)	-21.73	-16.26
Less transferred in (lb)	-3.30	-2.03
Inventory change (lb)	-2.30	-4.15
Total production (lb)	100.00	22.00
Other income		0.00
Gross return		22.00
Direct expenses		
Corn (bu.)	4.55	9.13
Complete Ration (lb.)	6.82	0.64
Protein Vit Minerals (lb.)	65.64	11.13
Other feed stuffs		0.20
Veterinary		0.29
Livestock supplies		0.29
Fuel & oil		0.20
Repairs		0.62
Custom hire		0.29
Machinery & bldg leases		1.33
Operating interest		0.51
Total direct expenses		24.63
Return over direct expense		-2.63
Overhead expenses		
Hired labor		0.16
Machinery & bldg leases		1.37
RE & pers. property taxes		0.13
Farm insurance		0.26
Utilities		0.34
Dues & professional fees		0.01
Interest		0.35
Mach & bldg depreciation		1.11
Miscellaneous		0.65
Total overhead expenses		4.38
Total listed expenses		29.01
Net return		-7.01
Est. labor hours per unit		0.17
Labor & management charge		1.30
Net return over lbr & mgt		-8.31
Other Information		
No. purchased or trans in		1422
Number sold or trans out		1393
Percentage death loss		2.8
Avg. daily gain (lbs)		1.48
Lbs of conc / lb of gain		3.27
Lbs of feed / lb of gain		3.29
Feed cost per cwt of gain		21.11
Feed cost per head		42.77
Average purchase weight		48
Average sales weight		251
Avg purch price / head		35.72
Avg sales price / cwt		34.69

TABLE 12 - 7
Livestock Enterprise Analysis, 1998
Southwest Minnesota Farm Business Management Association

Hogs, Weaning to Finish -- Average per Head

	Average For All Farms	
	Quantity	Value
Number of farms	7	
Wean-Fin Pig sold (lb)	240.47	101.67
Less purchased (lb)	-14.45	-38.53
Inventory change (lb)	13.52	5.71
Total production (lb)	239.56	68.86
Other income		0.21
Gross return		69.07
Direct expenses		
Corn (bu.)	7.88	15.78
Complete Ration (lb.)	96.52	13.08
Protein Vit Minerals (lb.)	118.12	10.75
Veterinary		1.38
Livestock supplies		0.12
Fuel & oil		0.47
Repairs		2.41
Custom hire		1.29
Machinery & bldg leases		0.12
Marketing		0.11
Operating interest		1.34
Total direct expenses		46.85
Return over direct expense		22.21
Overhead expenses		
Hired labor		3.62
Machinery & bldg leases		7.29
RE & pers. property taxes		0.16
Farm insurance		0.69
Utilities		1.52
Dues & professional fees		0.01
Interest		2.90
Mach & bldg depreciation		5.82
Miscellaneous		0.52
Total overhead expenses		22.52
Total listed expenses		69.38
Net return		-0.31
Est. labor hours per unit		0.47
Labor & management charge		1.02
Net return over lbr & mgt		-1.33
Other Information		
No. purchased or trans in		9198
Number sold or trans out		7717
Percentage death loss		7.7
Avg. daily gain (lbs)		1.38
Lbs of conc / lb of gain		2.74
Lbs of feed / lb of gain		2.74
Feed cost per cwt of gain		16.54
Feed cost per head		39.61
Average purchase weight		13
Average sales weight		254
Avg purch price / head		34.17
Avg sales price / cwt		42.28

TABLE 12 - 8
Livestock Enterprise Analysis, 1998
Southwest Minnesota Farm Business Management Association

Hogs, Weaning to Finish -- Average per Cwt Produced

	Average For All Farms	
Number of farms	7	
	Quantity	Value
Wean-Fin Pig sold (lb)	100.38	42.44
Less purchased (lb)	-6.03	-16.09
Inventory change (lb)	5.64	2.39
Total production (lb)	100.00	28.74
Other income		0.09
Gross return		28.83
Direct expenses		
Corn (bu.)	3.29	6.59
Complete Ration (lb.)	40.29	5.46
Protein Vit Minerals (lb.)	49.31	4.49
Veterinary		0.58
Livestock supplies		0.05
Fuel & oil		0.20
Repairs		1.01
Custom hire		0.54
Machinery & bldg leases		0.05
Marketing		0.04
Operating interest		0.56
Total direct expenses		19.56
Return over direct expense		9.27
Overhead expenses		
Hired labor		1.51
Machinery & bldg leases		3.04
RE & pers. property taxes		0.07
Farm insurance		0.29
Utilities		0.63
Interest		1.21
Mach & bldg depreciation		2.43
Miscellaneous		0.22
Total overhead expenses		9.40
Total listed expenses		28.96
Net return		-0.13
Est. labor hours per unit		0.20
Labor & management charge		0.43
Net return over lbr & mgt		-0.55
Other Information		
No. purchased or trans in		9198
Number sold or trans out		7717
Percentage death loss		7.7
Avg. daily gain (lbs)		1.38
Lbs of conc / lb of gain		2.74
Lbs of feed / lb of gain		2.74
Feed cost per cwt of gain		16.54
Feed cost per head		39.61
Average purchase weight		13
Average sales weight		254
Avg purch price / head		34.17
Avg sales price / cwt		42.28

TABLE 12 - 9
Livestock Enterprise Analysis, 1998
Southwest Minnesota Farm Business Management Association

Hogs, Contractee -- Average per Pig Space

	Average For All Farms	
Number of farms	13	
	Quantity	Value
ContracteeHg sold (hd)	0.00	1.25
Cull sales (hd)	0.00	0.55
Total production (hd)	0.00	1.80
Other income		28.48
Gross return		30.28
Direct expenses		
Veterinary		0.02
Livestock supplies		1.39
Fuel & oil		0.39
Repairs		0.64
Custom hire		0.52
Hired labor		0.18
Machinery & bldg leases		0.02
Operating interest		0.30
Total direct expenses		3.46
Return over direct expense		26.81
Overhead expenses		
Hired labor		1.26
Machinery & bldg leases		0.02
RE & pers. property taxes		0.27
Farm insurance		0.94
Utilities		1.28
Dues & professional fees		0.04
Interest		9.27
Mach & bldg depreciation		12.91
Miscellaneous		0.51
Total overhead expenses		26.50
Total listed expenses		29.96
Net return		0.32
Est. labor hours per unit		0.42
Labor & management charge		5.28
Net return over lbr & mgt		-4.96
Other Information		
Number of pigs		5671
Pigs per pig space (per year)		2.64
Pigs per 100 sq. ft. (per yr)		40.43
Net return per 100 sq. ft.		4.86
Net return per labor hour		0.76
Square feet per pig space		6.53

TABLE 12 - 10
Livestock Enterprise Analysis, 1998
Southwest Minnesota Farm Business Management Association

Beef Cow-Calf -- Average per Cow

	Average For All Farms	
	18	
	Quantity	Value
Number of farms		
Beef Calves sold (lb)	135.53	86.61
Transferred out (lb)	359.79	277.34
Cull sales (lb)	157.48	65.83
Butchered (lb)	9.50	4.70
Less purchased (lb)	-92.17	-58.47
Less transferred in (lb)	-87.77	-65.08
Inventory change (lb)	83.21	24.35
Total production (lb)	565.56	335.28
Other income		0.00
Gross return		335.28
Direct expenses		
Corn (bu.)	10.92	21.83
Corn Silage (lb.)	7260.94	66.18
Corn, Ear (lb.)	50.31	1.24
Hay, Alfalfa (lb.)	1222.79	40.11
Hay, Grass & Other (lb.)	1968.48	49.66
Haylage, Alfalfa (lb.)	155.73	4.28
Haylage, Grass & Other (lb.)	25.67	0.42
Oatlage (lb.)	109.52	0.66
Pasture (aum)	1.70	42.63
Stover (lb.)	529.64	4.02
Complete Ration (lb.)	17.54	11.61
Protein Vit Minerals (lb.)	143.32	25.42
Other feed stuffs		0.40
Breeding fees		6.45
Veterinary		21.37
Livestock supplies		5.87
Fuel & oil		12.58
Repairs		20.82
Custom hire		11.46
Machinery & bldg leases		0.86
Marketing		1.73
Operating interest		16.43
Total direct expenses		366.03
Return over direct expense		-30.75
Overhead expenses		
Hired labor		9.92
Machinery & bldg leases		4.21
RE & pers. property taxes		1.54
Farm insurance		5.81
Utilities		9.97
Interest		20.34
Mach & bldg depreciation		32.18
Miscellaneous		9.99
Total overhead expenses		93.97
Total listed expenses		460.00
Net return		-124.72
Est. labor hours per unit		9.51
Labor & management charge		60.39
Net return over lbr & mgt		-185.10
Other Information		
Number of cows		64.9
Pregnancy percentage		95.9
Pregnancy loss percentage		2.0
Culling percentage		11.7
Calving percentage		94.0
Weaning percentage		89.2
Calves sold per cow		0.86
Calf death loss percent		5.1
Average weaning weight		496
Lbs weaned/exposed female		442
Feed cost per cow		268.46
Avg wgt/Beef Calf sold		910
Avg price / cwt		63.91

TABLE 12 - 11
Livestock Enterprise Analysis, 1998
Southwest Minnesota Farm Business Management Association
(Farms sorted according to Return to Overhead per unit produced)

Beef, Finish Calves -- Average per Head

Number of farms	Average For All Farms		Average For Low 20%		Average For High 20%	
	Quantity	Value	Quantity	Value	Quantity	Value
		27		5		5
Finish Beef sold (lb)	1373.02	838.34	1861.42	1118.37	1267.84	768.47
Transferred out (lb)	1.32	1.14	0.00	0.00	0.00	0.00
Butchered (lb)	2.54	1.49	5.45	3.29	2.36	1.42
Less purchased (lb)	-669.69	-506.81	-497.51	-402.29	-626.50	-489.39
Less transferred in (lb)	-24.59	-19.23	-60.18	-43.97	0.00	0.00
Inventory change (lb)	-98.13	-104.32	-713.70	-504.16	-8.95	-33.19
Total production (lb)	584.48	210.63	595.48	171.24	634.75	247.30
Other income		6.13		0.00		44.74
Gross return		216.76		171.24		292.04
Direct expenses						
Corn (bu.)	66.14	132.04	90.38	180.75	69.98	139.06
Corn Silage (lb.)	2344.68	20.82	2275.91	19.79	3075.08	15.89
Corn, Ear (lb.)	94.83	2.64	0.00	0.00	0.00	0.00
Hay, Alfalfa (lb.)	232.94	8.41	181.02	8.60	199.42	6.55
Hay, Grass & Other (lb.)	109.28	3.24	103.16	3.23	63.85	1.76
Haylage, Grass & Other (lb.)	9.22	0.16	0.00	0.00	0.00	0.00
Oats (bu.)	0.23	0.35	0.00	0.00	0.07	0.09
Pasture (aum)	0.00	0.69	0.00	6.12	0.00	0.00
Stover (lb.)	38.80	0.82	0.00	0.00	160.93	3.22
Complete Ration (lb.)	157.23	5.17	457.22	26.42	0.00	0.00
Protein Vit Minerals (lb.)	391.29	38.24	317.09	39.38	247.11	32.27
Other feed stuffs		4.36		2.59		6.91
Veterinary		7.78		13.64		5.92
Livestock supplies		6.88		25.78		8.91
Fuel & oil		3.25		5.38		2.76
Repairs		9.02		11.10		7.41
Custom hire		4.34		0.90		1.78
Hired labor		0.05		0.00		0.00
Machinery & bldg leases		1.41		9.24		0.00
Marketing		3.12		3.55		2.50
Operating interest		29.40		40.89		17.68
Total direct expenses		282.20		397.36		252.70
Return over direct expense		-65.44		-226.12		39.34
Overhead expenses						
Hired labor		7.43		1.95		3.30
Machinery & bldg leases		0.33		0.30		0.00
RE & pers. property taxes		1.40		1.20		0.33
Farm insurance		2.10		1.82		2.82
Utilities		3.63		5.91		2.44
Dues & professional fees		0.19		0.21		1.33
Interest		6.21		4.74		13.40
Mach & bldg depreciation		17.44		23.96		13.46
Miscellaneous		2.04		1.82		1.16
Total overhead expenses		40.75		41.92		38.25
Total listed expenses		322.95		439.28		290.95
Net return		-106.20		-268.04		1.09
Est. labor hours per unit		2.45		2.74		2.92
Labor & management charge		18.25		26.36		19.95
Net return over lbr & mgt		-124.45		-294.40		-18.86
Other Information						
No. purchased or trans in		350		185		236
Number sold or trans out		377		325		233
Percentage death loss		0.9		0.8		0.1
Avg. daily gain (lbs)		2.24		1.63		2.50
Lbs of conc / lb of gain		7.49		9.43		7.44
Lbs of feed / lb of gain		9.76		11.61		9.66
Feed cost per cwt of gain		37.12		48.18		32.41
Feed cost per head		216.95		286.88		205.75
Average purchase weight		703		663		609
Average sales weight		1276		1237		1244
Avg purch price / cwt		75.68		80.86		78.11
Avg sales price / cwt		61.06		60.08		60.61

TABLE 12 - 12
Livestock Enterprise Analysis, 1998
Southwest Minnesota Farm Business Management Association
(Farms sorted according to Return to Overhead per unit produced)

Beef, Finish Calves -- Average per Cwt Produced

Number of farms	Average For All Farms		Average For Low 20%		Average For High 20%	
	Quantity	Value	Quantity	Value	Quantity	Value
	27		5		5	
Finish Beef sold (lb)	234.91	143.43	312.59	187.81	199.74	121.07
Transferred out (lb)	0.23	0.19	0.00	0.00	0.00	0.00
Butchered (lb)	0.44	0.25	0.92	0.55	0.37	0.22
Less purchased (lb)	-114.58	-86.71	-83.55	-67.56	-98.70	-77.10
Less transferred in (lb)	-4.21	-3.29	-10.11	-7.38	0.00	0.00
Inventory change (lb)	-16.79	-17.85	-119.85	-84.67	-1.41	-5.23
Total production (lb)	100.00	36.04	100.00	28.76	100.00	38.96
Other income		1.05		0.00		7.05
Gross return		37.09		28.76		46.01
Direct expenses						
Corn (bu.)	11.32	22.59	15.18	30.35	11.03	21.91
Corn Silage (lb.)	401.16	3.56	382.20	3.32	484.46	2.50
Corn, Ear (lb.)	16.22	0.45	0.00	0.00	0.00	0.00
Hay, Alfalfa (lb.)	39.85	1.44	30.40	1.44	31.42	1.03
Hay, Grass & Other (lb.)	18.70	0.55	17.32	0.54	10.06	0.28
Haylage, Grass & Other (lb.)	1.58	0.03	0.00	0.00	0.00	0.00
Oats (bu.)	0.04	0.06	0.00	0.00	0.01	0.01
Pasture (aum)	0.00	0.12	0.00	1.03	0.00	0.00
Stover (lb.)	6.64	0.14	0.00	0.00	25.35	0.51
Complete Ration (lb.)	26.90	0.88	76.78	4.44	0.00	0.00
Protein Vit Minerals (lb.)	66.95	6.54	53.25	6.61	38.93	5.08
Other feed stuffs		0.75		0.44		1.09
Veterinary		1.33		2.29		0.93
Livestock supplies		1.18		4.33		1.40
Fuel & oil		0.56		0.90		0.44
Repairs		1.54		1.86		1.17
Custom hire		0.74		0.15		0.28
Machinery & bldg leases		0.24		1.55		0.00
Marketing		0.53		0.60		0.39
Operating interest		5.03		6.87		2.78
Total direct expenses		48.28		66.73		39.81
Return over direct expense		-11.20		-37.97		6.20
Overhead expenses						
Hired labor		1.27		0.33		0.52
Machinery & bldg leases		0.06		0.05		0.00
RE & pers. property taxes		0.24		0.20		0.05
Farm insurance		0.36		0.31		0.44
Utilities		0.62		0.99		0.38
Dues & professional fees		0.03		0.04		0.21
Interest		1.06		0.80		2.11
Mach & bldg depreciation		2.98		4.02		2.12
Miscellaneous		0.35		0.31		0.18
Total overhead expenses		6.97		7.04		6.03
Total listed expenses		55.26		73.77		45.84
Net return		-18.17		-45.01		0.17
Est. labor hours per unit		0.42		0.46		0.46
Labor & management charge		3.12		4.43		3.14
Net return over lbr & mgt		-21.29		-49.44		-2.97
Other Information						
No. purchased or trans in		350		185		236
Number sold or trans out		377		325		233
Percentage death loss		0.9		0.8		0.1
Avg. daily gain (lbs)		2.24		1.63		2.50
Lbs of conc / lb of gain		7.49		9.43		7.44
Lbs of feed / lb of gain		9.76		11.61		9.66
Feed cost per cwt of gain		37.12		48.18		32.41
Feed cost per head		216.95		286.88		205.75
Average purchase weight		703		663		609
Average sales weight		1276		1237		1244
Avg purch price / cwt		75.68		80.86		78.11
Avg sales price / cwt		61.06		60.08		60.61

TABLE 12 - 13
Livestock Enterprise Analysis, 1998
Southwest Minnesota Farm Business Management Association

Beef, Backgrounding Beef -- Average per Head

	Average For All Farms	
	5	
	Quantity	Value
Number of farms		
Backgnd Beef sold (lb)	536.43	413.97
Transferred out (lb)	82.53	56.36
Butchered (lb)	2.22	1.16
Less purchased (lb)	-198.26	-148.70
Less transferred in (lb)	-240.62	-179.53
Inventory change (lb)	63.78	-40.71
Total production (lb)	246.09	102.55
Other income		0.00
Gross return		102.55
Direct expenses		
Corn (bu.)	10.51	21.02
Corn Silage (lb.)	2057.29	19.62
Hay, Grass & Other (lb.)	220.77	5.43
Stover (lb.)	76.89	0.41
Complete Ration (lb.)	29.99	4.25
Protein Vit Minerals (lb.)	54.94	8.95
Veterinary		12.50
Livestock supplies		0.03
Fuel & oil		1.50
Repairs		6.19
Custom hire		4.33
Marketing		2.23
Operating interest		4.39
Total direct expenses		90.83
Return over direct expense		11.72
Overhead expenses		
Hired labor		3.42
RE & pers. property taxes		0.42
Farm insurance		2.10
Utilities		3.62
Interest		2.86
Mach & bldg depreciation		10.47
Miscellaneous		3.85
Total overhead expenses		26.75
Total listed expenses		117.58
Net return		-15.02
Est. labor hours per unit		1.91
Labor & management charge		11.21
Net return over lbr & mgt		-26.23
Other Information		
No. purchased or trans in		148
Number sold or trans out		157
Percentage death loss		1.3
Avg. daily gain (lbs)		2.28
Lbs of conc / lb of gain		2.74
Lbs of feed / lb of gain		6.65
Feed cost per cwt of gain		24.25
Feed cost per head		59.67
Average purchase weight		592
Average sales weight		730
Avg purch price / cwt		75.00
Avg sales price / cwt		77.17

TABLE 12 - 14
Livestock Enterprise Analysis, 1998
Southwest Minnesota Farm Business Management Association
Beef, Backgrounding -- Average per Cwt Produced

	Average For All Farms	
	5	
	Quantity	Value
Number of farms		
Backgnd Beef sold (lb)	217.99	168.22
Transferred out (lb)	33.54	22.90
Butchered (lb)	0.90	0.47
Less purchased (lb)	-80.56	-60.43
Less transferred in (lb)	-97.78	-72.95
Inventory change (lb)	25.92	-16.54
Total production (lb)	100.00	41.67
Other income		0.00
Gross return		41.67
Direct expenses		
Corn (bu.)	4.27	8.54
Corn Silage (lb.)	836.00	7.97
Hay, Grass & Other (lb.)	89.71	2.21
Stover (lb.)	31.24	0.17
Complete Ration (lb.)	12.18	1.73
Protein Vit Minerals (lb.)	22.33	3.64
Veterinary		5.08
Livestock supplies		0.01
Fuel & oil		0.61
Repairs		2.52
Custom hire		1.76
Marketing		0.91
Operating interest		1.78
Total direct expenses		36.91
Return over direct expense		4.76
Overhead expenses		
Hired labor		1.39
RE & pers. property taxes		0.17
Farm insurance		0.85
Utilities		1.47
Interest		1.16
Mach & bldg depreciation		4.26
Miscellaneous		1.56
Total overhead expenses		10.87
Total listed expenses		47.78
Net return		-6.11
Est. labor hours per unit		0.78
Labor & management charge		4.55
Net return over lbr & mgt		-10.66
Other Information		
No. purchased or trans in		148
Number sold or trans out		157
Percentage death loss		1.3
Avg. daily gain (lbs)		2.28
Lbs of conc / lb of gain		2.74
Lbs of feed / lb of gain		6.65
Feed cost per cwt of gain		24.25
Feed cost per head		59.67
Average purchase weight		592
Average sales weight		730
Avg purch price / cwt		75.00
Avg sales price / cwt		77.17

TABLE 12 - 15
Livestock Enterprise Analysis, 1998
Southwest Minnesota Farm Business Management Association

Dairy -- Average per Cow

	Average For All Farms	
Number of farms	7	
	Quantity	Value
Milk sold (lb)	21147.01	3266.37
Milk used in home (lb)	19.74	2.99
Milk fed to animals (lb)	76.76	11.53
Dairy Calves sold (hd)	0.11	69.71
Transferred out (hd)	0.03	26.16
Cull sales (hd)	0.22	92.06
Butchered (hd)	0.00	0.91
Less purchased (hd)	-0.00	-3.99
Less transferred in (hd)	-0.42	-413.07
Inventory change (hd)	0.07	11.39
Total production		3064.06
Other income		16.75
Gross return		3080.82
Direct expenses		
Corn (bu.)	81.83	164.30
Corn Silage (lb.)	16197.71	159.49
Corn, Ear (lb.)	749.14	17.65
Hay, Alfalfa (lb.)	4467.42	155.19
Haylage, Alfalfa (lb.)	2988.18	50.46
Pasture (aum)	0.31	4.76
Wheat, Spring (bu.)	4.65	25.60
Complete Ration (lb.)	808.78	31.11
Milk (lb.)	32.84	5.73
Protein Vit Minerals (lb.)	2678.00	340.67
Other feed stuffs		6.29
Breeding fees		31.61
Veterinary		87.25
Livestock supplies		186.79
Fuel & oil		14.02
Repairs		99.43
Custom hire		49.66
Machinery & bldg leases		4.79
Marketing		13.50
Operating interest		8.29
Total direct expenses		1456.57
Return over direct expense		1624.25
Overhead expenses		
Hired labor		273.75
Machinery & bldg leases		23.05
Farm insurance		29.25
Utilities		48.60
Interest		40.11
Mach & bldg depreciation		298.57
Miscellaneous		77.82
Total overhead expenses		791.15
Total listed expenses		2247.71
Net return		833.10
Est. labor hours per unit		42.90
Labor & management charge		136.93
Net return over lbr & mgt		696.17
Other Information		
Avg. number of Cows		136.5
Milk produced per Cow		21244
Percent butterfat in milk		3.6
Culling percentage		22.1
Percent of barn capacity		101.7
Lbs. milk/lb grain & conc.		2.3
Feed cost per cwt of milk		4.52
Feed cost per Cow		961.22
Avg. milk price per cwt.		15.45

TABLE 12 - 16
Livestock Enterprise Analysis, 1998
Southwest Minnesota Farm Business Management Association

Dairy Replacement Heifers -- Average per Head Sold or Transferred

	Average For All Farms	
	6	
	Quantity	Value
Number of farms		
Replacements sold (hd)	0.44	66.76
Transferred out (hd)	0.56	492.34
Cull sales (hd)	0.00	0.59
Less purchased (hd)	-0.05	-43.24
Inventory change (hd)	0.02	11.73
Total production (hd)	0.00	528.18
Other income		0.00
Gross return		528.18
Direct expenses		
Barley (bu.)	0.47	0.56
Corn (bu.)	12.21	24.43
Corn Silage (lb.)	5016.71	44.66
Corn, Ear (lb.)	34.37	0.60
Hay, Alfalfa (lb.)	1172.32	37.54
Hay, Grass & Other (lb.)	171.36	5.57
Haylage, Alfalfa (lb.)	451.07	7.51
Oatlage (lb.)	90.69	0.90
Oats (bu.)	2.06	2.58
Pasture (aum)	0.52	3.89
Stover (lb.)	123.05	0.98
Milk (lb.)	35.18	4.38
Protein Vit Minerals (lb.)	318.23	40.25
Breeding fees		11.38
Veterinary		19.27
Livestock supplies		14.26
Fuel & oil		2.00
Repairs		22.01
Custom hire		155.77
Machinery & bldg leases		3.58
Operating interest		0.75
Total direct expenses		402.87
Return over direct expense		125.31
Overhead expenses		
Hired labor		32.12
Machinery & bldg leases		2.76
RE & pers. property taxes		0.48
Farm insurance		4.09
Utilities		7.23
Interest		5.61
Mach & bldg depreciation		31.04
Miscellaneous		5.67
Total overhead expenses		89.01
Total listed expenses		491.88
Net return		36.31
Est. labor hours per unit		6.06
Labor & management charge		30.18
Net return over lbr & mgt		6.13
Other Information		
No. purchased or trans in		7
Number sold or trans out		140
Average number of head		145
Percentage death loss		5.1
Feed cost per average head		167.50
Feed cost/head sold+trans		173.85
Avg. purchase weight		-
Avg. sales weight		99
Avg. purch price / head		862.74
Avg. sales price / head		151.62

TABLE 12 - 17
Livestock Enterprise Analysis, 1998
Southwest Minnesota Farm Business Management Association

Dairy and Replacement Heifers -- Average per Cow

	Average For All Farms	
Number of farms	6	
	Quantity	Value
Milk sold (lb)	21297.29	3294.01
Milk used in home (lb)	17.63	2.60
Milk fed to animals (lb)	68.50	10.30
Dairy Calves sold (hd)	0.49	95.97
Transferred out (hd)	0.53	464.34
Cull sales (hd)	0.21	86.12
Butchered (hd)	0.00	0.34
Less purchased (hd)	-0.05	-45.07
Less transferred in (hd)	-0.42	-416.19
Inventory change (hd)	0.11	48.13
Total production		3540.54
Other income		16.88
Gross return		3557.42
Direct expenses		
Corn (bu.)	96.22	192.45
Corn Silage (lb.)	21303.84	206.01
Hay, Alfalfa (lb.)	5485.66	188.51
Hay, Grass & Other (lb.)	301.17	9.25
Haylage, Alfalfa (lb.)	2896.90	48.36
Pasture (aum)	0.54	6.45
Wheat, Spring (bu.)	5.01	27.53
Complete Ration (lb.)	869.97	33.46
Milk (lb.)	68.50	10.30
Protein Vit Minerals (lb.)	2904.81	360.76
Other feed stuffs		11.00
Breeding fees		43.42
Veterinary		102.77
Livestock supplies		212.00
Fuel & oil		15.26
Repairs		121.21
Custom hire		197.91
Marketing		5.15
Operating interest		7.20
Total direct expenses		1798.99
Return over direct expense		1758.43
Overhead expenses		
Hired labor		316.09
Machinery & bldg leases		20.48
RE & pers. property taxes		5.16
Farm insurance		35.10
Utilities		50.68
Interest		43.57
Mach & bldg depreciation		332.61
Miscellaneous		75.70
Total overhead expenses		879.39
Total listed expenses		2678.38
Net return		879.04
Est. labor hours per unit		48.21
Labor & management charge		151.40
Net return over lbr & mgt		727.64
Other Information		
Avg. number of Cows		148.1
Milk produced per Cow		21383
Percent butterfat in milk		3.6
Culling percentage		21.5
Percent of barn capacity		101.4
Lbs. milk/lb grain & conc.		2.2
Feed cost per cwt of milk		5.12
Feed cost per Cow		1094.08
Avg. milk price per cwt.		15.47

TABLE 12 - 18
Livestock Enterprise Analysis, 1998
Southwest Minnesota Farm Business Management Association
Dairy and Replacement Heifers -- Average per Cwt of Milk

	Average For All Farms	
Number of farms	6	
	Quantity	Value
Milk sold (lb)	99.60	15.40
Milk used in home (lb)	0.08	0.01
Milk fed to animals (lb)	0.32	0.05
Dairy Calves sold (hd)	0.00	0.45
Transferred out (hd)	0.00	2.17
Cull sales (hd)	0.00	0.40
Less purchased (hd)	-0.00	-0.21
Less transferred in (hd)	-0.00	-1.95
Inventory change (hd)	0.00	0.23
Total production		16.56
Other income		0.08
Gross return		16.64
Direct expenses		
Corn (bu.)	0.45	0.90
Corn Silage (lb.)	99.63	0.96
Corn, Ear (lb.)	1.14	0.02
Hay, Alfalfa (lb.)	25.65	0.88
Hay, Grass & Other (lb.)	1.41	0.04
Haylage, Alfalfa (lb.)	13.55	0.23
Pasture (aum)	0.00	0.03
Wheat, Spring (bu.)	0.02	0.13
Complete Ration (lb.)	4.07	0.16
Milk (lb.)	0.32	0.05
Protein Vit Minerals (lb.)	13.58	1.69
Other feed stuffs		0.03
Breeding fees		0.20
Veterinary		0.48
Livestock supplies		0.99
Fuel & oil		0.07
Repairs		0.57
Custom hire		0.93
Marketing		0.02
Operating interest		0.03
Total direct expenses		8.41
Return over direct expense		8.22
Overhead expenses		
Hired labor		1.48
Machinery & bldg leases		0.10
RE & pers. property taxes		0.02
Farm insurance		0.16
Utilities		0.24
Interest		0.20
Mach & bldg depreciation		1.56
Miscellaneous		0.35
Total overhead expenses		4.11
Total listed expenses		12.53
Net return		4.11
Est. labor hours per unit		0.23
Labor & management charge		0.71
Net return over lbr & mgt		3.40
Other Information		
Avg. number of Cows		148.1
Milk produced per Cow		21383
Percent butterfat in milk		3.6
Culling percentage		21.5
Percent of barn capacity		101.4
Lbs. milk/lb grain & conc.		2.2
Feed cost per cwt of milk		5.12
Feed cost per Cow	1094.08	
Avg. milk price per cwt.		15.47

TABLE 12 - 19
Livestock Enterprise Analysis, 1998
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)	941.58	537.35
Less purchased (lb)	-318.40	-241.03
Less transferred in (lb)	-37.67	-22.60
Inventory change (lb)	302.55	134.70
Total production (lb)	888.05	408.41
Other income		0.00
Gross return		408.41
Direct expenses		
Barley (bu.)	0.72	0.87
Corn (bu.)	78.92	156.30
Corn Silage (lb.)	904.81	8.44
Corn, Ear (lb.)	53.04	0.93
Hay, Alfalfa (lb.)	462.15	14.90
Hay, Grass & Other (lb.)	243.63	6.63
Pasture (aum)	0.03	0.43
Protein Vit Minerals (lb.)	1023.79	121.88
Veterinary		21.46
Livestock supplies		7.41
Fuel & oil		3.71
Repairs		10.84
Custom hire		2.03
Hired labor		0.28
Machinery & bldg leases		12.43
Marketing		3.28
Operating interest		11.78
Total direct expenses		383.61
Return over direct expense		24.80
Overhead expenses		
Hired labor		7.14
Machinery & bldg leases		8.22
RE & pers. property taxes		0.75
Farm insurance		5.01
Utilities		7.52
Dues & professional fees		0.34
Interest		9.99
Mach & bldg depreciation		27.29
Miscellaneous		4.15
Total overhead expenses		70.43
Total listed expenses		454.04
Net return		-45.63
Est. labor hours per unit		5.48
Labor & management charge		42.53
Net return over lbr & mgt		-88.15
Other Information		
No. purchased or trans in		99
Number sold or trans out		65
Percentage death loss		5.2
Avg. daily gain (lbs)		2.21
Lbs of conc / lb of gain		6.23
Lbs of feed / lb of gain		7.36
Feed cost per cwt of gain		34.95
Feed cost per head		310.40
Average purchase weight		257
Average sales weight		1075
Avg purch price / head		194.36
Avg sales price / cwt		57.07

TABLE 12 - 20
Livestock Enterprise Analysis, 1998
Southwest Minnesota Farm Business Management Association

Dairy Steers -- Average per Cwt Produced

	Average For All Farms	
	9	
	Quantity	Value
Number of farms		
Dairy Steers sold (lb)	106.03	60.51
Less purchased (lb)	-35.85	-27.14
Less transferred in (lb)	-4.24	-2.55
Inventory change (lb)	34.07	15.17
Total production (lb)	100.00	45.99
Other income		0.00
Gross return		45.99
Direct expenses		
Barley (bu.)	0.08	0.10
Corn (bu.)	8.89	17.60
Corn Silage (lb.)	101.89	0.95
Corn, Ear (lb.)	5.97	0.10
Hay, Alfalfa (lb.)	52.04	1.68
Hay, Grass & Other (lb.)	27.43	0.75
Pasture (aum)	0.00	0.05
Protein Vit Minerals (lb.)	115.28	13.72
Veterinary		2.42
Livestock supplies		0.83
Fuel & oil		0.42
Repairs		1.22
Custom hire		0.23
Hired labor		0.03
Machinery & bldg leases		1.40
Marketing		0.37
Operating interest		1.33
Total direct expenses		43.20
Return over direct expense		2.79
Overhead expenses		
Hired labor		0.80
Machinery & bldg leases		0.93
RE & pers. property taxes		0.08
Farm insurance		0.56
Utilities		0.85
Dues & professional fees		0.04
Interest		1.13
Mach & bldg depreciation		3.07
Miscellaneous		0.47
Total overhead expenses		7.93
Total listed expenses		51.13
Net return		-5.14
Est. labor hours per unit		0.62
Labor & management charge		4.79
Net return over lbr & mgt		-9.93
Other Information		
No. purchased or trans in		99
Number sold or trans out		65
Percentage death loss		5.2
Avg. daily gain (lbs)		2.21
Lbs of conc / lb of gain		6.23
Lbs of feed / lb of gain		7.36
Feed cost per cwt of gain		34.95
Feed cost per head		310.40
Average purchase weight		257
Average sales weight		1075
Avg purch price / head		194.36
Avg sales price / cwt		57.07

TABLE 12 - 21
Livestock Enterprise Analysis, 1998
Southwest Minnesota Farm Business Management Association

Sheep, Market Lamb Prod -- Average per Ewe

	Average For All Farms	
	6	
	Quantity	Value
Number of farms		
Lambs sold (lb)	7.44	3.04
Mkt Lambs sold (lb)	139.99	116.55
Transferred out (lb)	4.49	3.74
Cull sales (lb)	12.65	4.70
Butchered (lb)	0.50	0.25
Less purchased (lb)	-28.42	-16.27
Less transferred in (lb)	-4.49	-3.74
Inventory change (lb)	27.33	11.47
Total production		119.74
Other income		1.77
Gross return		121.51
Direct expenses		
Corn (bu.)	11.98	20.83
Corn Silage (lb.)	227.27	2.27
Hay, Alfalfa (lb.)	419.92	14.21
Hay, Grass & Other (lb.)	125.27	3.31
Haylage, Alfalfa (lb.)	387.70	6.40
Pasture (aum)	0.00	0.75
Stover (lb.)	5.35	0.04
Creep / Starter (lb.)	1.15	0.22
Protein Vit Minerals (lb.)	115.29	14.01
Veterinary		5.43
Livestock supplies		3.90
Fuel & oil		3.40
Repairs		4.50
Custom hire		2.77
Marketing		0.07
Operating interest		1.96
Total direct expenses		84.08
Return over direct expense		37.44
Overhead expenses		
Hired labor		1.16
Machinery & bldg leases		3.22
RE & pers. property taxes		0.85
Farm insurance		1.04
Utilities		1.43
Dues & professional fees		0.15
Interest		3.07
Mach & bldg depreciation		20.46
Miscellaneous		1.85
Total overhead expenses		33.22
Total listed expenses		117.29
Net return		4.22
Est. labor hours per unit		2.92
Labor & management charge		27.35
Net return over lbr & mgt		-23.13
Other Information		
Number of ewes		249.3
Pregnancy percentage		96.4
Pregnancy loss percentage		1.8
Female turnover rate		9.69
Lambs born / ewe exposed		1.49
Lambs born / ewe lambing		1.57
Lambs weaned/ewe exposed		1.36
Lambs sold per ewe		1.17
Lamb dth loss (died/born)		11.6
Average weaning weight		52
Lbs weaned/exposed female		71
Feed cost per ewe		62.05
Avg wgt/Mkt Lamb sold		124
Avg price / cwt		83.25

TABLE 12 - 22
Livestock Enterprise Analysis, 1998
Southwest Minnesota Farm Business Management Association
Sheep, Market Lamb Prod -- Average per Cwt Produced

	Average For All Farms	
	6	
	Quantity	Value
Number of farms		
Lambs sold (lb)	4.89	2.00
Mkt Lambs sold (lb)	92.07	76.65
Transferred out (lb)	2.95	2.46
Cull sales (lb)	8.32	3.09
Butchered (lb)	0.33	0.16
Less purchased (lb)	-18.69	-10.70
Less transferred in (lb)	-2.95	-2.46
Inventory change (lb)	17.97	7.54
Total production		78.75
Other income		1.16
Gross return		79.91
Direct expenses		
Corn (bu.)	7.88	13.70
Corn Silage (lb.)	149.47	1.49
Hay, Alfalfa (lb.)	276.17	9.35
Hay, Grass & Other (lb.)	82.38	2.18
Haylage, Alfalfa (lb.)	254.98	4.21
Pasture (aum)	0.00	0.50
Stover (lb.)	3.52	0.03
Creep / Starter (lb.)	0.76	0.15
Protein Vit Minerals (lb.)	75.82	9.21
Veterinary		3.57
Livestock supplies		2.56
Fuel & oil		2.24
Repairs		2.96
Custom hire		1.82
Marketing		0.05
Operating interest		1.29
Total direct expenses		55.29
Return over direct expense		24.62
Overhead expenses		
Hired labor		0.76
Machinery & bldg leases		2.11
RE & pers. property taxes		0.56
Farm insurance		0.69
Utilities		0.94
Dues & professional fees		0.10
Interest		2.02
Mach & bldg depreciation		13.46
Miscellaneous		1.21
Total overhead expenses		21.85
Total listed expenses		77.14
Net return		2.77
Est. labor hours per unit		1.92
Labor & management charge		17.99
Net return over lbr & mgt		-15.21
Other Information		
Number of ewes		249.3
Pregnancy percentage		96.4
Pregnancy loss percentage		1.8
Female turnover rate		9.69
Lambs born / ewe exposed		1.49
Lambs born / ewe lambing		1.57
Lambs weaned/ewe exposed		1.36
Lambs sold per ewe		1.17
Lamb dth loss (died/born)		11.6
Average weaning weight		52
Lbs weaned/exposed female		71
Feed cost per ewe		62.05
Avg wgt/Mkt Lamb sold		124
Avg price / cwt		83.25

Table 13
PRICES USED IN ANALYSIS REPORT, 1998
Southwestern Minnesota Farm Business Management Association

Item	Beginning Inventory	Feed	Harvest	Ending Inventory
Corn/bu.	2.30	2.00	1.75	1.80
Oats/bu.	2.00	1.30	1.20	1.20
All Wheat/bu.	4.20	3.50	3.00	3.00
Soybeans/bu.	6.40	5.65	5.15	5.00
Alfalfa hay/t.	130.00	70.00	65.00	65.00
Alfalfa haylage/t	65.00	35.00	32.50	32.50
Grass/Mixed hay/r	110.00	65.00	60.00	65.00
Corn silage/t.	20.00	20.00	18.00	18.00
Grass silage/t.	15.00	13.00	13.00	13.00
Oatlage/t.	14.00	14.00	12.00	12.00
Oats straw/bale	2.20	1.75	1.00	1.00
Green chop/t.		14.00	9.00	9.00
Cornstalks/t.		10.00		
CCC Corn Loan Equity	0.00 (cash basis only)			.00
CCC Soybean Loan Equity	0.00 (cash basis only)			0.00

Pasture Costs \$/Head/Mo.

Cows	7.00	Sheep	1.00
Calves	3.50	Lambs	.60

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

Value of milk used in home \$.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. \$25,000 was used if exact family living expenses were unknown.

Suggested land market value by county: \$/acre

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

Land prices may be modified according to each farm situation. Building and dwelling valuations are 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, compared to the latest year. The CPI used in Table 14 is reported below.

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 and switched to a market value basis for all assets starting 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>	<u>CPI-U</u> <u>1982-84=100</u>
1979	72.6
1980	82.4
1981	90.9
1982	96.5
1983	99.6
1984	103.9
1985	107.6
1986	109.6
1987	113.6
1988	118.3
1989	124.0
1990	130.7
1991	136.2
1992	140.3
1993	144.5
1994	148.2
1995	152.4
1996	156.9
1997	160.6
1998	163.1

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

Row	Items	1979	1980	1981	1982	1983	1984	1985	1986	1987
1	Number of Farms	179	170	172	180	182	168	180	182	178
Farm Income Statement										
2	Gross Cash Farm Income	203,470	236,231	261,766	247,413	251,287	259,338	237,875	246,048	254,004
3	Total Cash Farm Expense	164,162	193,190	210,323	205,451	191,634	217,464	185,864	189,097	196,046
4	Inventory Change	*	*	*	*	(1,304)	1,234	(15,056)	1,798	31,353
5	Depr. & Cap. Adj.	*	*	*	*	(30,286)	(33,093)	(31,469)	(26,656)	(25,906)
6	Net Farm Income	28,746	46,713	2,272	25,838	27,844	9,872	5,487	32,093	63,404
7	Net Farm Income (Constant \$)	64,580	92,462	4,077	43,670	45,596	15,497	8,317	47,759	91,032
Profitability and Liquidity Analysis										
8	Labor and Management Earnin Rate of return on:	(6,707)	16,210	(25,623)	13,491	(35,799)	(8,161)	(5,860)	21,241	51,592
9	Average Assets (%)	4	7	2	6	6	4	4	9	16
10	Average Equity (%)	3	6	(2)	3	3	(2)	(4)	9	24
11	Operating Profit Margin (%)	23	35	12	28	19	11	10	18	26
12	Asset Turnover Rate (%)	16	20	14	22	31	35	40	52	63
13	Value of Farm Production	111,919	148,445	114,372	147,570	201,051	206,568	185,740	211,530	246,235
14	Farm Interest Paid	12,084	19,830	26,187	30,317	27,769	29,498	26,700	21,446	15,993
15	Cash Expense as a % of Incom	81	82	80	83	76	84	78	77	77
Interest Paid as a % of:										
16	Gross Cash Income	6	8	10	12	11	11	11	9	6
17	Total Cash Expenses	7	10	12	15	14	14	14	11	8
18	Yrs. to T/O Non R.E. Debt	*	*	*	*	3.3	7.1	1.7	1.5	1.9
Comparative Financial Statement (Market Basis)										
19	No. of Sole Proprietors	132	107	104	143	162	147	160	161	164
20	Total Ending Assets	739,517	755,354	849,984	686,198	728,302	669,773	508,552	462,043	439,918
21	Total Ending Liabilities	183,249	211,385	233,068	252,574	281,999	304,940	255,031	211,411	180,785
22	Ending Net Worth	556,268	543,969	616,916	433,624	446,303	364,833	253,521	250,632	259,133
23	Ending Farm C+I Debt to Asset	36	39	39	45	51	55	51	43	37
24	Ending Total Debt to Asset %	25	28	27	37	39	46	50	46	41
Acreage Information										
25	Total Acres Owned	226	226	266	244	*	250	249	231	222
26	Total Crop Acres Farmed	473	469	478	480	*	519	552	540	520
27	Crop Acres Owned	196	198	234	206	*	206	212	191	180
28	Crop Acres Cash Rented	*	*	*	*	*	208	237	236	231
29	Crop Acres Share Rented	*	*	*	*	*	104	103	113	108
Crop Yields										
30	Corn per acre	108	110	126	126	88	113	124	136	138
31	Soybean per acre	31	37	39	40	35	38	35	39	44
Crop Prices Received (cash sales)										
32	Corn per Bushel	*	2.44	2.83	2.23	*	2.88	2.35	2.03	1.53
33	Soybeans per Bushel	*	6.36	6.95	5.63	*	7.12	5.38	5.01	4.89
Household Information										
34	No. Farms Reporting HseHld Ir	79	71	84	96	96	89	96	101	102
35	Average Family Size	4.0	4.0	4.0	4.0	*	3.7	3.9	3.6	3.7
36	Total Family Use of Cash	31,498	30,078	32,664	29,981	35,660	29,540	28,701	28,027	30,729
37	Average Net Nonfarm Income	4,394	4,524	7,048	9,385	*	11,262	8,445	8,580	7,787

* Not available.

** Starting with 1993, profitability is analyzed using assets valued on the cost basis and the financial statement uses fair market value. From 1 through 1992, profitability and solvency are analyzed using land valued with a conservative market value and all other assets valued on a c

Table 14, continued

1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	Row
----	----	----	----	----	----	----	----	----	----	----	-----
202	203	200	207	201	202	202	216	203	208	210	1
262,229	265,019	291,839	288,031	301,907	296,705	306,175	346,838	382,502	359,710	369,573	2
206,433	204,939	222,201	221,385	236,768	242,616	256,246	277,214	299,610	303,241	305,344	3
20,577	11,788	22,242	(10,822)	(429)	4,474	9,254	16,939	12,231	19,769	(21,057)	4
(21,370)	(21,709)	(26,876)	(26,122)	(27,051)	(26,997)	(27,268)	(29,288)	(32,424)	(35,640)	(34,557)	5
55,004	50,159	65,004	29,702	37,659	31,567	31,915	57,276	62,699	40,598	8,616	6
75,834	65,975	81,118	35,568	43,779	35,630	35,124	61,297	65,177	41,230	8,616	7
39,866	33,078	47,215	11,281	19,467	16,681	16,949	41,326	45,206	23,364	(8,757)	8
13	10	12	5	7	5	5	10	10	6	2	9
16	11	15	3	6	2	3	13	12	5	(6)	10
22	19	23	12	14	12	12	22	21	14	4	11
58	49	53	43	46	40	41	46	48	44	39	12
246,893	233,867	264,282	225,829	244,243	191,194	207,729	247,690	277,026	262,396	250,717	13
14,546	15,489	17,126	17,061	17,943	15,667	17,837	22,084	22,337	22,282	25,513	14
79	77	76	77	78	82	84	80	78	84	83	15
6	6	6	6	6	5	6	6	6	6	7	16
7	8	8	8	8	6	7	8	7	7	8	17
1.4	2.2	1.9	3.3	2.6	1.8	2.6	1.3	1.2	3.3	2.5	18
182	179	180	187	180	178	179	184	173	180	183	19
468,616	506,988	557,912	579,629	596,525	844,030	901,807	944,208	982,750	1,016,308	1,066,565	20
172,714	186,956	202,626	216,189	227,131	396,899	431,390	452,253	462,505	490,140	522,994	21
295,902	320,032	355,286	363,440	369,394	447,132	470,418	491,955	520,245	526,168	543,571	22
35	35	36	41	44	38	39	38	37	44	45	23
37	37	36	37	38	47	48	48	47	48	49	24
222	237	237	241	251	252	267	256	249	233	250	25
525	568	561	570	586	600	612	625	658	648	697	26
186	199	191	200	203	204	204	211	204	200	219	27
238	269	275	274	286	299	323	340	384	381	402	28
101	100	95	96	96	97	86	74	70	67	76	29
89	141	128	125	126	61	143	119	133	126	161	30
32	43	45	38	38	20	46	43	42	42	49	31
2.08	2.20	2.30	2.26	2.20	2.11	2.24	2.30	3.04	2.39	1.97	32
6.80	6.57	5.69	5.41	5.39	5.84	5.94	5.56	6.84	7.13	5.72	33
120	129	126	145	136	131	134	151	131	123	122	34
3.8	3.9	3.9	4.0	4.1	3.9	3.8	3.7	3.7	3.7	3.6	35
37,556	44,214	46,587	48,911	45,638	45,897	42,179	43,315	47,584	58,051	48,197	36
6,890	11,973	12,135	10,803	12,329	12,354	13,515	16,014	16,954	18,982	17,475	37

Table 15
County Report, 1998
Southwest Minnesota Farm Business Management Association

	Average For All Farms	Cottonwood	Jackson	Lincoln Pipestone Rock Yellow Medi	Nobles	Redwood	Brown Faribault Martin Watowan	Lyon Murray
Number of farms	209	35	24	15	44	32	24	35
Income Statement								
Gross cash farm income	369919	451731	331792	540516	299479	347537	387817	337884
Total cash farm expense	305564	373020	279689	465966	246426	274475	330555	272740
Net cash farm income	64355	78711	52103	74550	53052	73062	57261	65144
Inventory change	-21440	-38198	-29029	-22170	-4011	-27727	-28405	-10552
Depreciation and capital adjustment	-34581	-39118	-30775	-45395	-31831	-30672	-44162	-28478
Net farm income	8335	1395	-7701	6985	17209	14663	-15305	26114
Profitability (cost)								
Labor and management earnings	-9108	-24769	-26421	-11569	4812	-1063	-32679	10790
Rate of return on assets	2 %	1 %	-2 %	2 %	3 %	4 %	-1 %	4 %
Rate of return on equity	-6 %	-6 %	-11 %	-6 %	-6 %	-2 %	-15 %	1 %
Operating profit margin	4 %	3 %	-5 %	4 %	6 %	8 %	-4 %	10 %
Asset turnover rate	39 %	30 %	38 %	45 %	45 %	42 %	37 %	44 %
Liquidity								
Term debt coverage ratio	91 %	67 %	50 %	113 %	141 %	85 %	39 %	156 %
Expense as a percent of income	88 %	91 %	93 %	90 %	84 %	86 %	92 %	83 %
Interest as a percent of income	7 %	8 %	7 %	5 %	8 %	8 %	8 %	6 %
Solvency (market)								
Number of sole proprietors	182	32	22	11	39	27	21	30
Ending farm assets	930100	1384833	785604	705300	862283	938215	963422	690975
Ending farm liabilities	505989	716141	424932	361099	506088	475645	515822	414694
Ending total assets	1070011	1491811	919255	1006404	996294	1123941	1094776	783926
Ending total liabilities	524440	726682	433268	392290	537688	504424	524738	424616
Ending net worth	545570	765129	485987	614115	458606	619517	570038	359310
Net worth change	11700	26	5264	33773	11685	33719	-1476	10205
Ending farm debt to asset ratio	54 %	52 %	54 %	51 %	59 %	51 %	54 %	60 %
Beg total debt to asset ratio	48 %	47 %	47 %	38 %	53 %	45 %	45 %	55 %
End total debt to asset ratio	49 %	49 %	47 %	39 %	54 %	45 %	48 %	54 %
Nonfarm Information								
Farms reporting living expenses	176	31	20	11	39	26	20	29
Total family living expense	31661	32743	32286	29186	31294	26830	41219	29248
Total living, invest, & capital purch	46197	49913	44701	45611	41316	48893	54776	41706
Net nonfarm income	15655	17242	19520	13068	16452	15206	15401	12107
Crop Acres								
Total acres owned	251	420	205	182	203	219	232	248
Total crop acres	699	813	648	566	628	779	699	692
Total crop acres owned	220	376	168	140	175	211	217	203
Total crop acres cash rented	402	375	390	371	369	469	451	395
Total crop acres share rented	77	62	90	56	83	99	31	94

Table 16
Size Of Farm Report, 1998
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 +
Number of farms	210	16	58	98	37
Income Statement					
Gross cash farm income	369573	77148	157770	322775	961065
Total cash farm expense	305344	63800	121740	254342	840532
Net cash farm income	64230	13347	36030	68432	120533
Inventory change	-21057	1723	-6976	-18364	-60228
Depreciation and capital adjustment	-34557	-10063	-17562	-34348	-73260
Net farm income	8616	5008	11492	15720	-12955
Profitability (cost)					
Labor and management earnings	-8757	-1978	-754	-30	-47474
Rate of return on assets	2 %	-1 %	1 %	2 %	1 %
Rate of return on equity	-6 %	-10 %	-4 %	-6 %	-7 %
Operating profit margin	4 %	-2 %	3 %	5 %	3 %
Asset turnover rate	39 %	31 %	37 %	42 %	38 %
Liquidity					
Term debt coverage ratio	92 %	141 %	127 %	87 %	78 %
Expense as a percent of income	88 %	82 %	81 %	84 %	93 %
Interest as a percent of income	7 %	11 %	8 %	8 %	6 %
Solvency (market)					
Number of sole proprietors	183	16	54	88	24
Ending farm assets	927310	437387	653366	968829	1732896
Ending farm liabilities	504468	213478	313910	538720	1015281
Ending total assets	1066565	596278	791965	1104450	1874764
Ending total liabilities	522994	247331	330480	559875	1019378
Ending net worth	543571	348947	461485	544575	855386
Net worth change	11859	6466	23764	12351	-13673
Ending farm debt to asset ratio	54 %	49 %	48 %	56 %	59 %
Beg total debt to asset ratio	48 %	40 %	42 %	50 %	53 %
End total debt to asset ratio	49 %	41 %	42 %	51 %	54 %
Nonfarm Information					
Farms reporting living expenses	177	15	49	88	24
Total family living expense	31488	29884	25979	33133	38009
Total living, invest, & capital purch	46078	38925	42787	46026	58368
Net nonfarm income	15580	33372	18677	12244	11783
Crop Acres					
Total acres owned	250	172	176	238	431
Total crop acres	697	223	468	733	1187
Total crop acres owned	219	95	155	225	366
Total crop acres cash rented	402	129	265	405	736
Total crop acres share rented	76	-	48	102	86

Table 17
Type Of Farm Report, 1998
Southwest Minnesota Farm Business Management Association

	Average For All Farms	Crop	Hog	Beef	Crop and Hog	Crop and Beef	Other
Number of farms	210	71	10	5	37	24	54
Income Statement							
Gross cash farm income	369573	241908	822726	1157278	436604	447427	276282
Total cash farm expense	305344	185612	793665	1019756	372284	378410	220378
Net cash farm income	64230	56297	29062	137522	64320	69017	55904
Inventory change	-21057	-12170	-32946	-191967	-44506	-48069	3854
Depreciation and capital adjustment	-34557	-22160	-66714	-33167	-45795	-30942	-33622
Net farm income	8616	21967	-70598	-87612	-25981	-9995	26137
Profitability (cost)							
Labor and management earnings	-8757	5544	-89139	-97496	-44929	-29002	11201
Rate of return on assets	2 %	3 %	-6 %	-4 %	-3 %	-0 %	5 %
Rate of return on equity	-6 %	-0 %	-36 %	-113 %	-17 %	-11 %	0 %
Operating profit margin	4 %	8 %	-18 %	-14 %	-9 %	-0 %	11 %
Asset turnover rate	39 %	41 %	36 %	25 %	39 %	31 %	41 %
Liquidity							
Term debt coverage ratio	92 %	128 %	-15 %	-187 %	10 %	17 %	135 %
Expense as a percent of income	88 %	81 %	100 %	105 %	95 %	95 %	79 %
Interest as a percent of income	7 %	8 %	5 %	7 %	7 %	9 %	9 %
Solvency (market)							
Number of sole proprietors	183	62	5	4	33	22	49
Ending farm assets	927310	854328	930265	-	882211	1150383	933791
Ending farm liabilities	504468	404476	700774	-	510965	646906	521810
Ending total assets	1066565	1002543	1101372	-	1031700	1259413	1076407
Ending total liabilities	522994	422533	685657	-	513807	666252	555702
Ending net worth	543571	580010	415715	-	517893	593161	520705
Net worth change	11859	36816	-2599	-	-16860	-5926	5647
Ending farm debt to asset ratio	54 %	47 %	75 %	80 %	58 %	56 %	56 %
Beg total debt to asset ratio	48 %	44 %	59 %	72 %	47 %	52 %	49 %
End total debt to asset ratio	49 %	42 %	62 %	74 %	50 %	53 %	52 %
Nonfarm Information							
Farms reporting living expenses	177	59	5	4	33	20	48
Total family living expense	31488	30961	40575	-	32960	30574	30408
Total living, invest, & capital purch	46078	46165	62736	-	43140	49035	44240
Net nonfarm income	15580	17923	7158	4774	14171	13716	18659
Crop Acres							
Total acres owned	250	250	135	239	207	334	266
Total crop acres	697	742	421	548	780	793	604
Total crop acres owned	219	236	120	70	201	306	214
Total crop acres cash rented	402	439	272	430	465	428	307
Total crop acres share rented	76	67	30	49	114	59	83

Table 18
Age Of Operator Report, 1998
Southwest Minnesota Farm Business Management Association

	Average For All Farms	Under 31	31 - 40	41 - 50	51 - 60	Over 60
Number of farms	210	18	43	75	55	19
Income Statement						
Gross cash farm income	369573	308331	385141	402027	349064	323624
Total cash farm expense	305344	265386	339981	316896	283656	281985
Net cash farm income	64230	42945	45160	85131	65408	41639
Inventory change	-21057	-15307	-15658	-20089	-29983	-16709
Depreciation and capital adjustment	-34557	-27740	-34341	-41080	-30204	-28353
Net farm income	8616	-102	-4839	23962	5220	-3423
Profitability (cost)						
Labor and management earnings	-8757	-7630	-15805	6537	-19917	-21937
Rate of return on assets	2 %	0 %	-1 %	4 %	1 %	1 %
Rate of return on equity	-6 %	-17 %	-16 %	-2 %	-5 %	-8 %
Operating profit margin	4 %	1 %	-1 %	8 %	2 %	3 %
Asset turnover rate	39 %	45 %	50 %	42 %	32 %	31 %
Liquidity						
Term debt coverage ratio	92 %	69 %	60 %	126 %	66 %	95 %
Expense as a percent of income	88 %	91 %	92 %	83 %	89 %	92 %
Interest as a percent of income	7 %	8 %	6 %	7 %	8 %	9 %
Solvency (market)						
Number of sole proprietors	183	17	34	67	48	17
Ending farm assets	927310	594454	582621	998284	1173389	975008
Ending farm liabilities	504468	411041	391965	591063	529130	411980
Ending total assets	1066565	624308	666201	1135757	1360991	1205536
Ending total liabilities	522994	426679	411918	610754	545188	432921
Ending net worth	543571	197629	254283	525002	815803	772615
Net worth change	11859	-48	2934	15791	2970	51220
Ending farm debt to asset ratio	54 %	69 %	67 %	59 %	45 %	42 %
Beg total debt to asset ratio	48 %	65 %	60 %	53 %	39 %	38 %
End total debt to asset ratio	49 %	68 %	62 %	54 %	40 %	36 %
Nonfarm Information						
Farms reporting living expenses	177	17	32	64	48	16
Total family living expense	31488	26520	28514	36490	30259	26398
Total living, invest, & capital purch	46078	38842	37365	51829	45444	50090
Net nonfarm income	15580	12330	10921	14265	18003	27383
Crop Acres						
Total acres owned	250	88	109	263	356	363
Total crop acres	697	448	678	771	742	559
Total crop acres owned	219	40	107	236	332	255
Total crop acres cash rented	402	385	486	445	328	269
Total crop acres share rented	76	24	85	90	82	35