

2001

Annual Report

Southwestern Minnesota Farm Business Management Association

COOPERATING AGENCIES:

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

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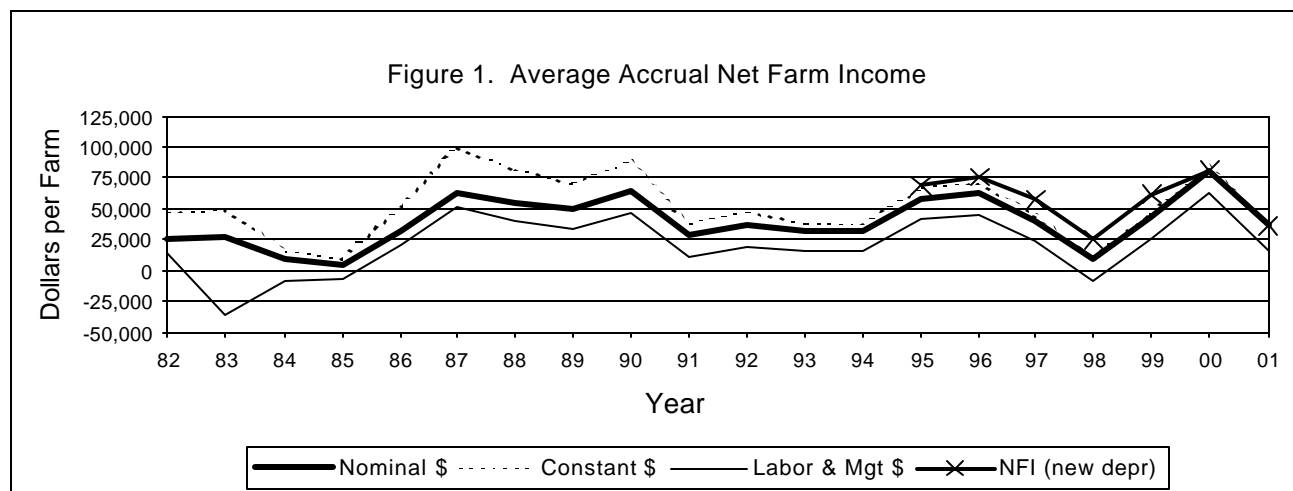
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EXECUTIVE SUMMARY

2001 ANNUAL REPORT OF THE SOUTHWESTERN MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION

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

Average net farm income was \$36,614 in 2001 for the 207 farms included in this annual report of the Southwestern Minnesota Farm Business Management Association. This is a sharp drop (55%) from the average net farm income of \$81,750 in 2000 (Figure 1).



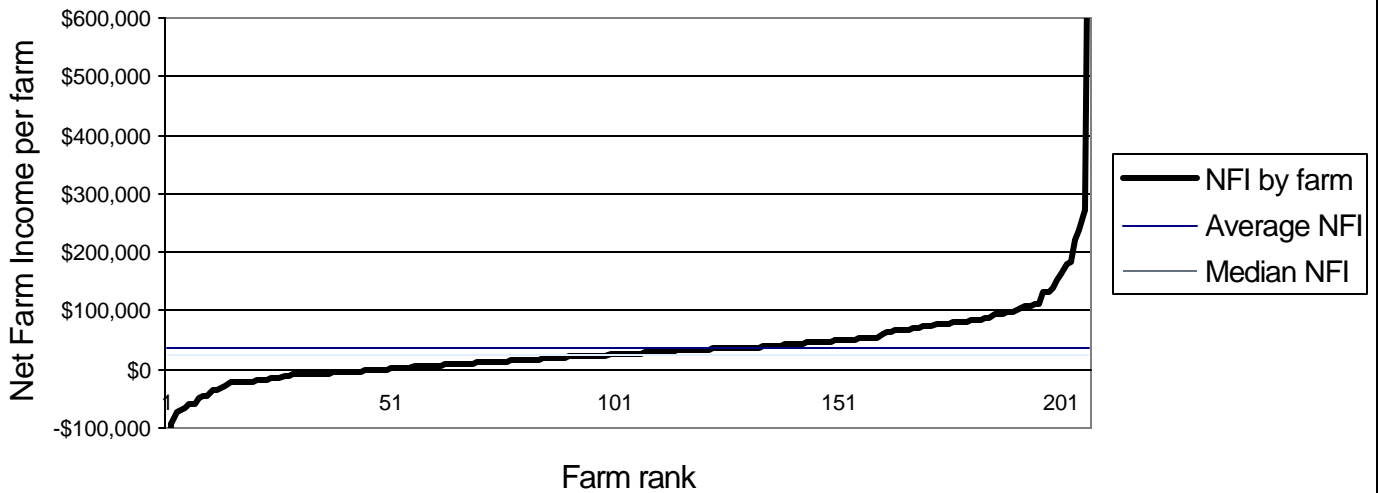
As in previous years, the actual profit levels experienced by individual farms vary greatly from the overall average profit. When the net farm incomes for the 207 farms in the report are ranked from lowest to highest, the resulting graph shows how much the incomes do vary (Figure 2). Twenty-four percent of the farms experienced negative net farm income in 2001; 8% had incomes over \$100,000. Most of the net farm incomes ranged from below 0 to about \$150,000. The median or middle income was \$29,040. The high 20% of the farms had an average net farm income of \$130,230 which is a 35% decrease from 2000. The low 20% of the farms had an average loss of \$32,064 in 2000 which is much worse than 2000.

Average gross cash farm income in 2001 was \$433,698. This was a 3% increase from 2000. Four sources of sales again dominated: hogs, corn, soybeans, and beef finishing (Figure 3). These sources were quite stable between 2000 and 2001 except beef finishing which increased by 14%.

Government payments of all types decreased slightly to \$48,208 per average farm in 2001. Government payments for the average farm were \$50,567 in 2000, \$44,674 in 1999, \$30,021 in 1998, and \$12,257 in 1997. As a percentage of total income, government payments were 11% in 2001, compared to 12% in 2000, 11% in 1999, 8% in 1998, and 3% in 1997.

Cash expenses increased 3% to an average of \$358,506 in 2001. As a percentage of both cash expenses and depreciation in 2001, feeder purchases; feed, seed, fertilizer, and crop chemicals; and land rent continue to dominate (Figure 4).

Figure 2. Distribution of Net Farm Income
(SWMFBMA 2001)



Both the average rate of return on assets (ROA) and the rate of return to equity (ROE) decreased substantially in 2001 compared to 2000 (Figure 5). In 2001 ROA averaged 6% and ROE was 4% using assets valued on a cost basis.

Using a market value basis, average total equity (of the 178 sole proprietors) was \$618,197 at the end of 2001. This was an increase of \$20,730 during the year for these 178 farms (p. 17). Average equity has continued to improve since 1986. The average debt-asset ratio did not change, it remained at 47% at the end of 2001 (Figure 6).

The average corn yield was 128 bushels per acre; soybeans were at 42 bushels per acre (Figure 7). Both yields were lower than the previous 3 years.

Results by Type of Farm

The 207 farms in the report were 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 in 2001, there were 107 crop farms, 11 hog farms, 22 crop and hog farms, 9 beef farms, and 12 crop and beef farms. (There were 40 farms which did not have a single source (or pair of sources) of income over 70%.)

Compared to 2000, all types of farms (except beef farms) had lower net farm incomes in 2001 (Figure 8). A similar story can be seen in the rate of return to assets (ROA) (Figure 9). (Assets are valued on a cost-basis for ROA).

Using assets valued on a market basis, the average crop farm has a debt-to-asset ratio of 41% at the end of 2001 (Figure 10). Farms with 70% of their income from beef only had an average debt-to-asset ratio higher than 50%.

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.

Fig. 3 SW -- 2000 Income

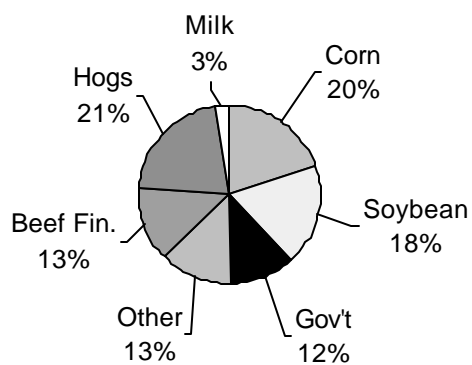


Fig. 3 SW -- 2001 Income

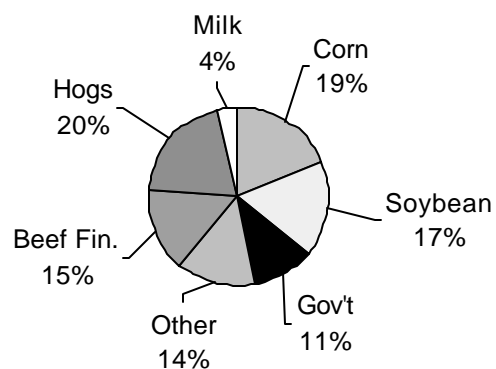


Fig. 4 SW -- 2000 Expenses

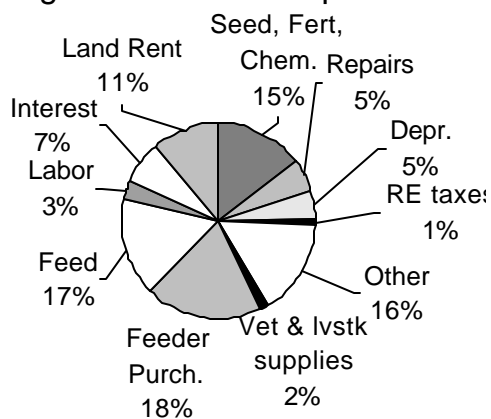
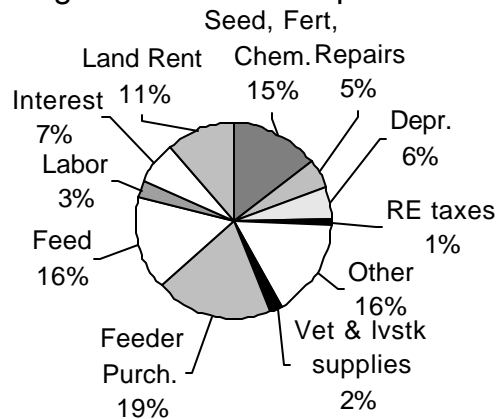


Fig. 4 SW -- 2001 Expenses



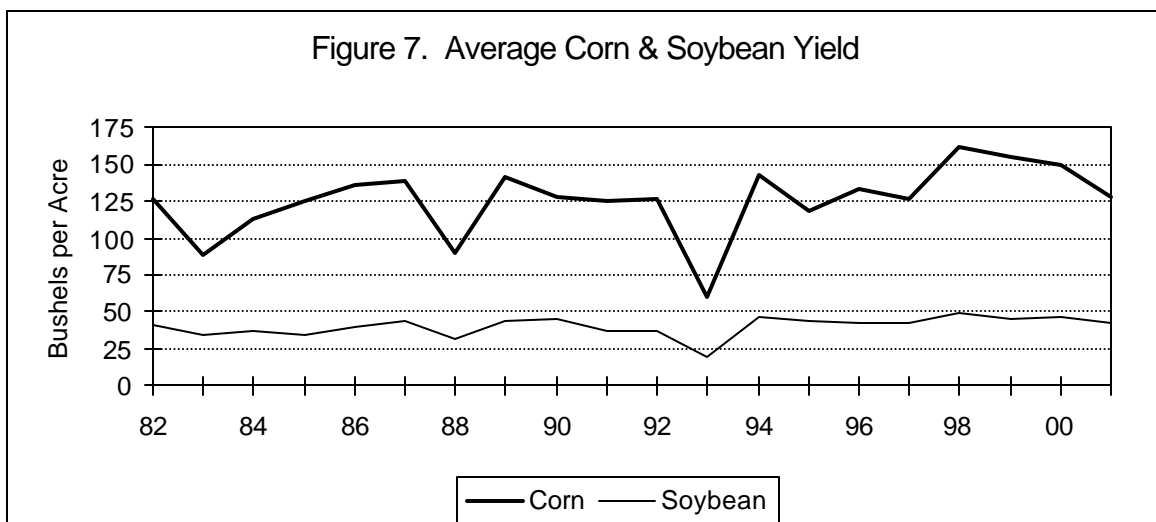
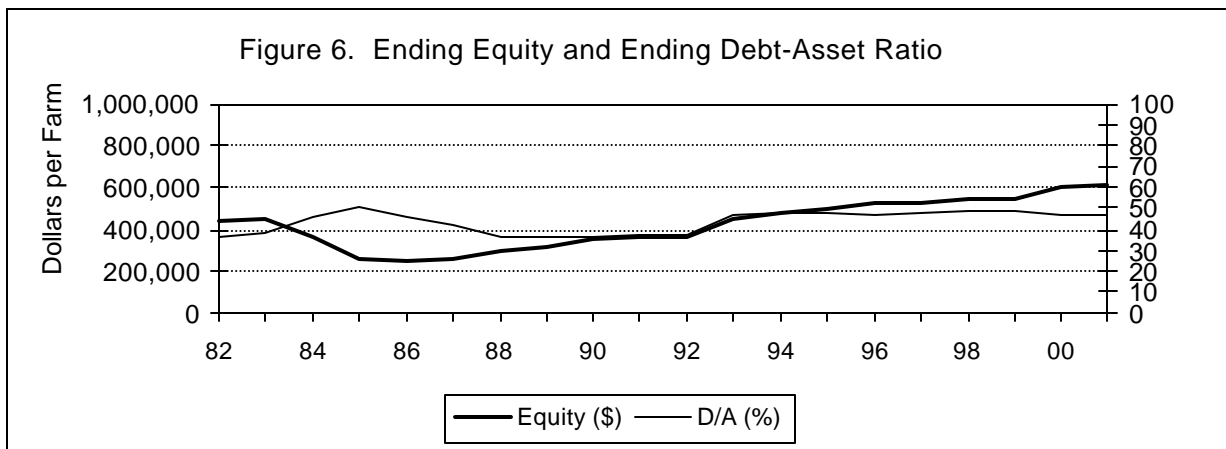
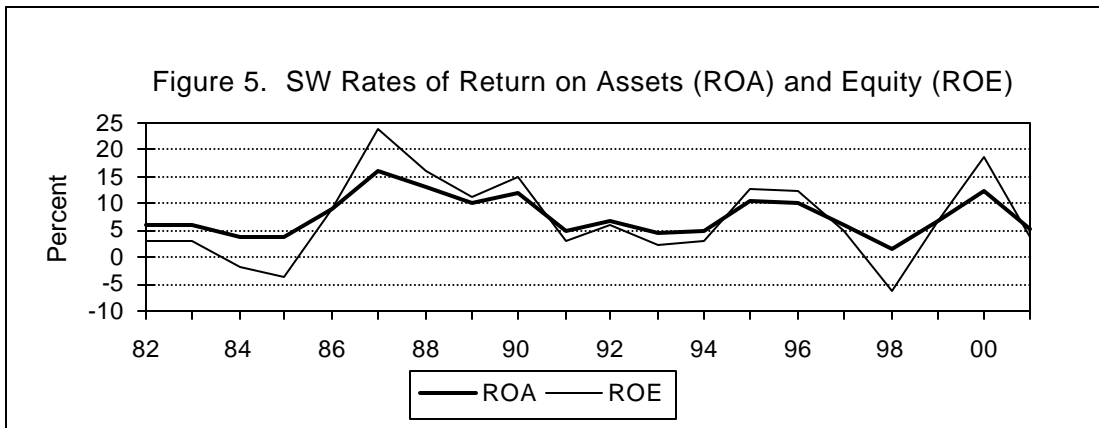


Figure 8. Net Farm Income by Type

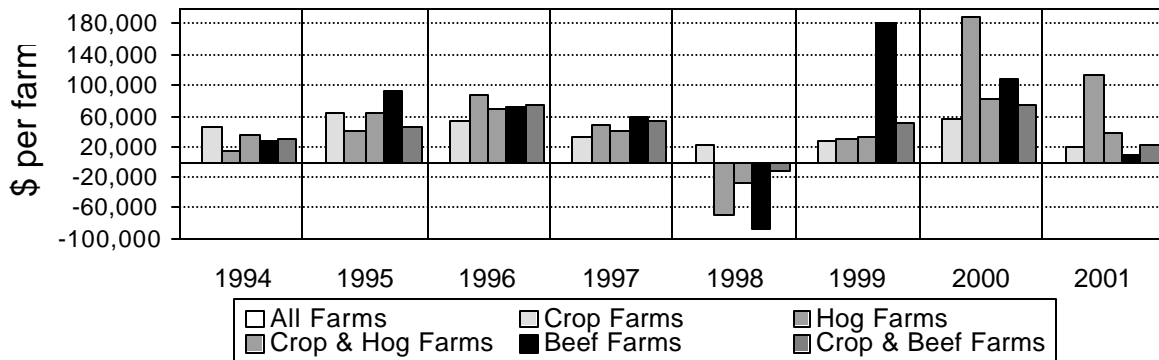


Figure 9. ROA by Type

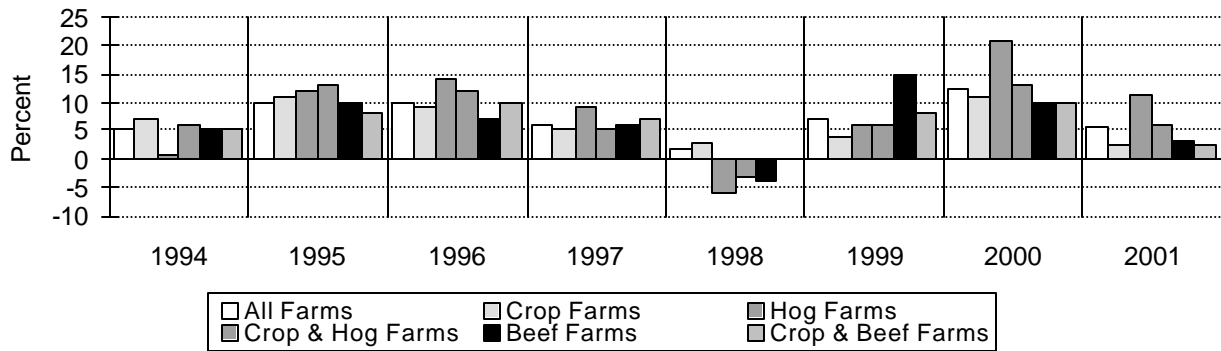
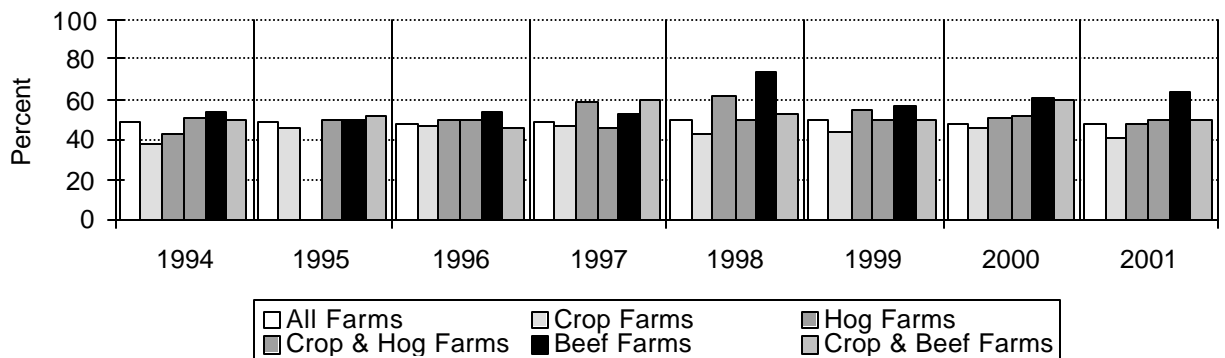


Figure 10. Debt-Asset Ratio by Type



2001 ANNUAL REPORT OF THE SOUTHWESTERN MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION

by

Kent D. Olson, Erlin J. Weness, Robert D. Anderson, James L. Christensen,
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 2001.

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 2001 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 RankEm Central. In addition to the average of all farms, the averages for the high and low income groups are also presented. The tables are divided into four major groups: whole-farm information, crop enterprises, livestock enterprises, and summary information. The summary information includes information on the prices used in the analysis, and whole-farm information over time and by county, gross income class, type of farm, and operator.

Of the 228 farms in the Southwestern Association, the data for 207 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.

Reflecting the statewide trend of decreasing number of farms with livestock, the Association also has fewer farms with livestock. In order to provide information with fewer farms, the livestock enterprise reports include farms from both the Southwestern and Southeastern Associations.

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

Erlin Weness has been a fieldman for the Association and an extension educator at the University of Minnesota since 1968. For 35 years, members of the Association, farmers in Minnesota, and the University have benefitted from Erlin's wisdom, dedication, and perseverance. He has given uncountable presentations; written many factsheets, articles, newsletters, and papers; and helped an innumerable number of farmers. In 2000, he won the Distinguished Extension Faculty Award. He has always strived to help farmers survive and prosper. For all this the Southwestern Association says a huge thank you as he retires in June 2002, and a wish for all the best in the future.

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

SOUTHWESTERN MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION

DISTRIBUTION OF MEMBERSHIP -- 2001

County	Number of Farm Units	Number of Records Submitted
Cottonwood	46	37
Jackson	25	23
Martin	12	12
Murray	31	31
Nobles	40	41
Pipestone	12	12
Redwood	38	37
Watonwan	11	8
Others ²	<u>11</u>	<u>11</u>
TOTAL	228	212

Mike Landuyt, President
Kip Rassmussen, Vice President
Janet Froslan, Secretary-Treasurer

The directors of the Southwestern Minnesota Farm Business Management Association in 2001 were: Ronald Dahl, Eric Fultz, Michael Landuyt, Mark Loewen, Mark Malecek, Kip Rassmussen, Dan Riley, Harlan Spronk, and Matt Surprenant.

²In 2001 the Association had records submitted from members in Brown, Faribault, 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

The whole-farm reports (except for the balance sheets) include the same number of farms, which were all of the farms whose records were judged to be of sufficient quality. The Balance Sheets include only sole proprietors; partnerships and corporations are excluded because some debt is held outside of the business causing potential misinterpretations of the average financial condition.

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

Farm Income Statement

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

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

Inventory Changes

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

Depreciation and Other Capital Adjustments

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

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

Profitability Measures

Profitability is measured using assets valued first at cost and then at market.

“Labor and management earnings” equals “Net Farm Income” minus an opportunity interest cost of 6% on average farm net worth.

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

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

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

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

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

“Farm interest expense” is the accrued interest cost so it will be different from the cash interest paid shown in the Farm Income Statement.

“Value of operator's labor and management” is its opportunity cost. It is calculated by multiplying the suggested value per operator by the number of operators per farm.

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

“Average farm assets” is the average of beginning and ending total farm assets for all farms, not just those included in the Balance Sheet.

“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 Measures

“Net cash farm income” is from the Farm Income Statement.

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

“Family living and taxes” is the apparent total family expenses and income and social security taxes paid averaged for all farms, not just those on page 21.

“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.”

Balance Sheets at Cost and Market Values

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

Statement of Cash Flows

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

Financial Standards Measures

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

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 (Cost)

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

“Operating profit margin” is a measure of the operating efficiency of the business. It is calculated as follows: $\text{Operating Profit Margin} = \text{Return to Farm Assets} \div \text{Value of Farm Production}$. 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. RankEm Central calculates the capital replacement margin by first adding interest due on intermediate and long term loans to the amount available for principal payments. It then subtracts scheduled principal and interest payments from this total.

Efficiency

“Asset turnover rate” is a measure of efficiency in using capital. It is calculated as follows: $\text{Asset Turnover Rate} = \text{Value of Farm Production} \div \text{Total Farm Assets}$. 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 $(\text{Total Farm Operating Expense} - \text{Farm Interest Expense}) \div \text{Gross Farm Income}$. 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.

Crop Production and Marketing Summary

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

Household and Personal Expenses

For those farms that kept records, the household and personal expenses are summarized in this table. Since not all farms keep these records, the number of farms may be different for each group. Averages are determined by the number of farms keeping these records.

Operator and Labor Information

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

The third section reports the amount of labor used and the returns to that labor. "Total unpaid labor hours" and "Total hired labor hours" are based on farmers' estimates of labor use. No labor records are kept for unpaid labor. "Value of farm production/hour" is the "Value of farm production" divided by "Total labor hours per farm." "Net farm income/unpaid hours" is "Net Farm Income" divided by "Total unpaid labor hours."

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

Nonfarm Summary

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

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

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	207	41	42
Cash Farm Income			
Beans, Navy	282	-	1,147
Corn	81,125	95,439	77,323
Corn Silage	1,067	4,585	24
Hay, Alfalfa	1,334	142	3,693
Hay, Grass	114	15	499
Hay, Mixed	44	-	188
Oats	401	-	1,308
Peas	505	224	300
Soybeans	75,475	95,774	73,960
Sugar Beets	274	-	1,349
Sweet Corn	1,100	795	427
Wheat, Spring	357	159	150
Miscellaneous crop income	84	6	205
Beef Bulls	73	367	-
Beef Cow-Calf, Beef Calves	1,458	4,420	1,593
Beef Replacement Heifers	136	-	669
Beef, Custom Fed	225	-	-
Beef, Background Beef	188	-	-
Beef, Finish Beef Calves	64,164	83,896	6,975
Chickens, Egg Product., Eggs	1,901	9,597	-
Dairy, Milk	16,890	-	83,244
Dairy, Dairy Calves	432	297	1,838
Dairy Heifers (for sale)	2,763	-	4,692
Dairy Steers	1,796	4,194	1,657
Hogs, Farrow-Fin, Raised Hogs	16,662	23,330	42,273
Hogs, Feeder Pigs, Feeder Pigs	176	-	-
Hogs, Finish Feeder Pigs	10,800	26	36,278
Sheep, Market Lambs, Mkt Lambs	1,274	-	1,526
Turkeys	2,687	-	13,244
Hogs, Contractee	284	-	-
Hogs, Weaning Pigs, Weaning Pigs	417	-	-
Hogs, Weaning to Feeder	506	-	2,496
Hogs, Weaning to Finish	58,120	-	128,246
Cull breeding livestock	2,708	2,919	5,442
Misc. livestock income	896	250	715
Transition payments	17,949	20,940	20,698
CRP payments	628	1,164	620
Other government payments	29,631	29,522	39,580
Custom work income	15,797	9,156	20,622
Patronage dividends, cash	2,470	1,813	5,494
Insurance income	4,701	6,112	7,366
Cash from hedging accts	1,052	2,472	962
Contract livestock income	2,963	154	5,343
Other farm income	11,787	11,437	19,069
Gross Cash Farm Income	433,698	409,204	611,214

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

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	207	41	42
Cash Farm Expense			
Seed	20,863	22,538	26,177
Fertilizer	16,656	17,615	19,318
Crop chemicals	16,841	17,787	19,596
Crop insurance	5,425	6,322	5,780
Drying fuel	1,814	1,874	1,964
Crop marketing	1,533	1,196	596
Crop miscellaneous	2,055	1,828	1,990
Feeder livestock purchase	73,633	80,819	69,862
Purchased feed	59,077	60,301	96,227
Breeding fees	516	941	1,153
Veterinary	3,644	2,614	7,837
Livestock supplies	3,206	2,307	8,996
Livestock leases	202	722	289
Livestock marketing	1,190	284	2,133
Interest	27,203	33,775	30,468
Fuel & oil	10,033	9,608	14,159
Repairs	18,757	19,532	22,340
Custom hire	6,599	7,269	13,986
Hired labor	10,345	7,889	23,485
Owner wages & benefits	2,195	5,708	4,988
Land rent	42,859	59,068	41,508
Machinery & bldg leases	9,016	5,211	14,522
Real estate taxes	3,705	3,826	5,499
Farm insurance	4,859	3,927	7,182
Utilities	4,736	4,652	6,301
Dues & professional fees	174	157	254
Hedging account deposits	4,999	9,341	4,975
Miscellaneous	6,372	7,973	9,840
Total cash expense	358,506	395,085	461,423
Net cash farm income	75,191	14,119	149,791
Inventory Changes			
Crops and feed	-19,072	-27,577	-13,755
Market livestock	1,527	10,098	9,837
Accounts receivable	1,085	3,988	2,796
Prepaid expenses and supplies	-1,335	-7,491	6,173
Accounts payable	499	-3,246	5,959
Total inventory change	-17,297	-24,228	11,010
Net operating profit	57,895	-10,109	160,801
Depreciation and Other Capital Adjustments			
Breeding livestock	-1,945	-1,507	-5,409
Machinery and equipment	-13,378	-13,094	-16,901
Buildings and improvements	-5,993	-5,263	-10,143
Other farm capital	36	-2,089	1,882
Total depr. and other capital adj	-21,280	-21,955	-30,571
Net farm income	36,614	-32,064	130,230

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

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	207	41	42
Net cash farm income	75,191	14,119	149,791
Crops and Feed			
Ending inventory	128,858	107,424	177,685
Beginning inventory	147,930	135,001	191,441
Inventory change	-19,072	-27,577	-13,755
Market Livestock			
Ending inventory	71,716	66,332	95,847
Beginning inventory	70,189	56,234	86,009
Inventory change	1,527	10,098	9,837
Accts Receivable & Other Current Assets			
Ending inventory	11,888	17,135	14,711
Beginning inventory	10,803	13,147	11,915
Inventory change	1,085	3,988	2,796
Prepaid Expenses and Supplies			
Ending inventory	27,809	16,867	49,050
Beginning inventory	29,144	24,358	42,876
Inventory change	-1,335	-7,491	6,173
Accounts Payable & Accrued Expenses			
Beginning inventory	15,618	18,864	22,150
Ending inventory	15,119	22,110	16,191
Inventory change	499	-3,246	5,959
Total inventory change	-17,297	-24,228	11,010
Net operating profit	57,895	-10,109	160,801

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

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	207	41	42
Net operating profit	57,895	-10,109	160,801
Breeding Livestock			
Ending inventory	5,364	1,798	16,302
Capital sales	231	-	24
Beginning inventory	3,235	2,174	5,504
Capital purchases	4,305	1,132	16,231
Depreciation, capital adjust.	-1,945	-1,507	-5,409
Machinery and Equipment			
Ending inventory	98,234	95,814	127,114
Capital sales	871	781	1,765
Beginning inventory	83,182	87,457	103,427
Capital purchases	29,301	22,233	42,353
Depreciation, capital adjust.	-13,378	-13,094	-16,901
Buildings and Improvements			
Ending inventory	84,572	74,156	162,282
Capital sales	41	-	-
Beginning inventory	74,595	67,947	130,479
Capital purchases	16,011	11,472	41,946
Depreciation, capital adjust.	-5,993	-5,263	-10,143
Other Capital Assets			
Ending inventory	55,869	66,039	73,213
Capital sales	394	470	175
Beginning inventory	52,385	68,007	70,141
Capital purchases	3,843	591	1,366
Depreciation, capital adjust.	36	-2,089	1,882
Total depreciation, capital adj.	-21,280	-21,955	-30,571
Net farm income	36,614	-32,064	130,230

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

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	207	41	42
Profitability (assets valued at cost)			
Net farm income	36,614	-32,064	130,230
Labor and management earnings	16,094	-46,063	93,024
Rate of return on assets	5.5 %	-2.6 %	12.5 %
Rate of return on equity	3.8 %	-25.3 %	16.5 %
Operating profit margin	14.1 %	-7.1 %	29.9 %
Asset turnover rate	38.9 %	36.9 %	41.7 %
Interest on farm net worth	20,521	13,999	37,206
Farm interest expense	27,551	34,903	30,327
Value of operator lbr and mgmt.	24,212	20,709	29,436
Return on farm assets	39,953	-17,870	131,121
Average farm assets	727,057	685,636	1,051,736
Return on farm equity	12,403	-52,773	100,794
Average farm equity	329,070	208,796	611,943
Value of farm production	282,583	253,086	438,594

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	207	41	42
Profitability (assets valued at market)			
Net farm income	49,613	-8,034	127,568
Labor and management earnings	18,588	-32,032	75,988
Rate of return on assets	4.9 %	0.6 %	8.4 %
Rate of return on equity	4.9 %	-7.3 %	11.4 %
Operating profit margin	18.7 %	2.4 %	29.3 %
Asset turnover rate	26.4 %	25.1 %	28.6 %
Interest on farm net worth	31,025	23,998	51,581
Farm interest expense	27,551	34,903	30,327
Value of operator lbr and mgmt.	24,212	20,709	29,436
Return on farm assets	52,952	6,160	128,460
Average farm assets	1,071,426	1,008,212	1,533,770
Return on farm equity	25,401	-28,744	98,133
Average farm equity	515,422	394,689	859,678
Value of farm production	282,583	253,086	438,594

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

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	207	41	42
Liquidity (cash)			
Net cash farm income	75,191	14,119	149,791
Net nonfarm income	20,082	33,806	14,746
Family living and taxes	49,287	44,955	65,910
Real estate principal payments	11,936	10,347	17,585
Cash available for interm. debt	34,051	-7,377	81,042
Average intermediate debt	82,247	99,634	97,829
Years to turnover interm. debt	2.4	**	1.2
Expense as a % of income	83 %	97 %	75 %
Interest as a % of income	6 %	8 %	5 %
Liquidity (accrual)			
Total accrual farm income	417,237	395,713	610,092
Total accrual operating expense	359,343	405,823	449,291
Net accrual operating income	57,895	-10,109	160,801
Net nonfarm income	20,082	33,806	14,746
Family living and taxes	49,287	44,955	65,910
Real estate principal payments	11,936	10,347	17,585
Available for intermediate debt	16,754	-31,605	92,052
Average intermediate debt	82,247	99,634	97,829
Years to turnover interm. debt	4.9	**	1.1
Expense as a % of income	86 %	103 %	74 %
Interest as a % of income	7 %	9 %	5 %

** Income insufficient to meet debt servicing requirements

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

	<u>Avg. Of All Farms</u>		<u>Low 20%</u>		<u>High 20%</u>	
Number of farms	178		33		32	
	<u>Beginning</u>	<u>Ending</u>	<u>Beginning</u>	<u>Ending</u>	<u>Beginning</u>	<u>Ending</u>
Assets						
Current Farm Assets						
Cash and checking balance	14,537	17,011	5,355	9,870	21,797	30,008
Prepaid expenses & supplies	26,800	25,573	20,225	14,282	36,742	41,541
Growing crops	0	0	0	0	0	0
Accounts receivable	6,506	7,648	6,026	6,438	6,484	10,619
Hedging accounts	1,722	1,279	2,947	2,879	1,498	709
Crops held for sale or feed	125,997	107,042	100,199	69,647	146,164	136,487
Crops under government loan	7,798	7,566	6,846	8,180	5,203	4,111
Market livestock held for sale	55,705	52,922	44,977	42,174	64,741	71,352
Other current assets	1,216	1,840	5,923	9,108	219	177
Total current farm assets	240,282	220,882	192,498	162,577	282,846	295,005
Intermediate Farm Assets						
Breeding livestock	2,885	5,456	1,187	1,139	5,213	19,480
Machinery and equipment	74,094	87,377	71,669	83,024	81,309	99,652
Other intermediate assets	3,925	3,736	6,603	5,370	2,482	2,452
Total intermediate farm assets	80,903	96,568	79,460	89,534	89,004	121,584
Long Term Farm Assets						
Farm land	226,783	235,409	262,349	269,301	306,922	321,633
Buildings and improvements	60,586	71,514	57,352	64,969	96,146	133,349
Other long-term assets	43,035	45,489	64,604	62,639	65,035	67,973
Total long-term farm assets	330,404	352,412	384,305	396,908	468,103	522,955
Total Farm Assets	651,589	669,862	656,262	649,019	839,953	939,544
Total Nonfarm Assets	119,749	126,982	112,855	120,234	194,445	204,785
Total Assets	771,338	796,844	769,117	769,253	1,034,399	1,144,328
Liabilities						
Current Farm Liabilities						
Accrued interest	7,335	7,633	11,043	12,062	5,166	4,632
Accounts payable	6,197	5,789	5,529	7,151	13,749	8,595
Current notes	105,872	113,531	115,273	134,002	73,900	84,012
Government crop loans	7,443	7,294	6,395	7,600	4,805	4,010
Principal due on term debt	23,528	23,379	19,678	21,956	31,365	30,558
Total current farm liabilities	150,376	157,627	157,918	182,771	128,985	131,807
Total intermediate farm liabs	48,116	51,535	64,371	62,314	42,813	63,237
Total long term farm liabilities	152,376	159,058	212,694	218,282	185,949	201,391
Total farm liabilities	350,868	368,220	434,983	463,367	357,747	396,435
Total nonfarm liabilities	17,056	16,649	17,498	19,400	24,783	22,037
Total liabilities	367,924	384,869	452,481	482,767	382,530	418,472
Net worth (farm and nonfarm)	403,414	411,975	316,636	286,486	651,868	725,856
Net worth change		8,562		-30,150		73,988
Ratio Analysis						
Current farm liabilities / assets	63 %	71 %	82 %	112 %	46 %	45 %
Curr. & interm farm liab. / assets	62 %	66 %	82 %	97 %	46 %	47 %
Long term farm liab. / assets	46 %	45 %	55 %	55 %	40 %	39 %
Total debt to asset ratio	48 %	48 %	59 %	63 %	37 %	37 %

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

	Avg. Of All Farms		Low 20%		High 20%	
	178		33		32	
	<u>Beginning</u>	<u>Ending</u>	<u>Beginning</u>	<u>Ending</u>	<u>Beginning</u>	<u>Ending</u>
Assets						
Current Farm Assets						
Cash and checking balance	14,537	17,011	5,355	9,870	21,797	30,008
Prepaid expenses & supplies	26,800	25,573	20,225	14,282	36,742	41,541
Growing crops	0	0	0	0	0	0
Accounts receivable	6,506	7,648	6,026	6,438	6,484	10,619
Hedging accounts	1,722	1,279	2,947	2,879	1,498	709
Crops held for sale or feed	125,997	107,042	100,199	69,647	146,164	136,487
Crops under government loan	7,798	7,566	6,846	8,180	5,203	4,111
Market livestock held for sale	55,705	52,922	44,977	42,174	64,741	71,352
Other current assets	1,216	1,840	5,923	9,108	219	177
Total current farm assets	240,282	220,882	192,498	162,577	282,846	295,005
Intermediate Farm Assets						
Breeding livestock	10,010	11,654	6,709	5,460	24,998	36,843
Machinery and equipment	215,049	226,138	187,796	201,262	237,838	249,755
Other intermediate assets	5,253	5,041	8,546	7,125	3,982	3,874
Total intermediate farm assets	230,312	242,834	203,051	213,847	266,818	290,472
Long Term Farm Assets						
Farm land	351,145	362,334	409,744	420,277	470,782	488,993
Buildings and improvements	107,065	120,773	102,775	111,594	159,018	202,870
Other long-term assets	43,898	47,037	73,811	72,295	64,978	68,535
Total long-term farm assets	502,107	530,144	586,331	604,166	694,778	760,398
Total Farm Assets	972,701	993,859	981,880	980,590	1,244,443	1,345,874
Total Nonfarm Assets	159,271	164,212	157,958	165,397	252,108	253,364
Total Assets	1,131,972	1,158,071	1,139,838	1,145,987	1,496,551	1,599,238
Liabilities						
Current Farm Liabilities						
Accrued interest	7,335	7,633	11,043	12,062	5,166	4,632
Accounts payable	6,197	5,789	5,529	7,151	13,749	8,595
Current notes	105,872	113,531	115,273	134,002	73,900	84,012
Government crop loans	7,443	7,294	6,395	7,600	4,805	4,010
Principal due on term debt	23,528	23,379	19,678	21,956	31,365	30,558
Total current farm liabilities	150,376	157,627	157,918	182,771	128,985	131,807
Total intermediate farm liabs	48,116	51,535	64,371	62,314	42,813	63,237
Total long term farm liabilities	152,376	159,058	212,694	218,282	185,949	201,391
Total farm liabilities	350,868	368,220	434,983	463,367	357,747	396,435
Total nonfarm liabilities	17,056	16,649	17,498	19,400	24,783	22,037
Total liabs excluding deferreds	367,924	384,869	452,481	482,767	382,530	418,472
Total deferred liabilities	166,580	155,004	155,878	140,286	213,226	210,428
Total liabilities	534,505	539,873	608,359	623,053	595,756	628,900
Retained earnings	403,414	411,975	316,636	286,486	651,868	725,856
Market valuation equity	194,054	206,222	214,843	236,448	248,926	244,482
Net worth (farm and nonfarm)	597,467	618,197	531,479	522,934	900,795	970,338
Net worth excluding deferreds	764,048	773,202	687,357	663,221	1,114,020	1,180,766
Net worth change		20,730		-8,545		69,544
Ratio Analysis						
Current farm liabilities / assets	63 %	71 %	82 %	112 %	46 %	45 %
Curr. & interm farm liab. / assets	42 %	45 %	56 %	65 %	31 %	33 %
Long term farm liab. / assets	30 %	30 %	36 %	36 %	27 %	26 %
Total debt to asset ratio	47 %	47 %	53 %	54 %	40 %	39 %
Debt to assets excl deferreds	33 %	33 %	40 %	42 %	26 %	26 %

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

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	207	41	42
Beginning cash (farm & nonfarm)	17,612	5,749	41,946
Cash From Operating Activities			
Gross cash farm income	433,698	409,204	611,214
Net nonfarm income	20,082	33,806	14,746
Total cash farm expense	-358,506	-395,085	-461,423
Apparent family living expense	-38,438	-38,293	-45,113
Income and social security tax	-10,002	-6,663	-16,386
Cash from operations	46,833	2,970	103,038
Cash From Investing Activities			
Sale of breeding livestock	231	-	24
Sale of machinery & equipment	871	781	1,765
Sale of farm land	2,763	620	8,571
Sale of farm buildings	41	-	-
Sale of other farm assets	394	470	175
Sale of nonfarm assets	2,291	1,141	6,811
Purchase of breeding livestock	-4,305	-1,132	-16,231
Purchase of machinery & equip.	-29,301	-22,233	-42,353
Purchase of farm land	-9,088	-5,727	-15,848
Purchase of farm buildings	-16,011	-11,472	-41,946
Purchase of other farm assets	-3,843	-591	-1,366
Purchase of nonfarm assets	-11,541	-12,882	-16,668
Cash from investing activities	-67,498	-51,025	-117,066
Cash From Financing Activities			
Money borrowed	268,128	330,123	239,664
Cash gifts and inheritances	2,961	4,454	2,054
Principal payments	-247,384	-283,605	-209,503
Dividends paid	-847	-	-4,411
Gifts given	-185	-617	-
Cash from financing activities	22,674	50,355	27,805
Net change in cash balance	2,009	2,300	13,777
Ending cash (farm & nonfarm)	19,620	8,049	55,723

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

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	207	41	42
Liquidity			
Current ratio	1.47	0.99	2.39
Working capital	83,500	-3,202	228,387
Solvency (market)			
Farm debt to asset ratio	52 %	62 %	43 %
Farm equity to asset ratio	48 %	38 %	57 %
Farm debt to equity ratio	107 %	165 %	77 %
Profitability (cost)			
Rate of return on farm assets	5.5 %	-2.6 %	12.5 %
Rate of return on farm equity	3.8 %	-25.3 %	16.5 %
Operating profit margin	14.1 %	-7.1 %	29.9 %
Net farm income	36,614	-32,064	130,230
Repayment Capacity			
Term debt coverage ratio	103 %	-9 %	229 %
Capital replacement margin	1,363	-45,222	71,935
Efficiency			
Asset turnover rate (cost)	38.9 %	36.9 %	41.7 %
Operating expense ratio	79.5 %	93.7 %	68.7 %
Depreciation expense ratio	5.1 %	5.5 %	5.0 %
Interest expense ratio	6.6 %	8.8 %	5.0 %
Net farm income ratio	8.8 %	-8.1 %	21.3 %

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

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	207	41	42
Acreage Summary			
Total acres owned	252	241	360
Total crop acres	759	820	907
Crop acres owned	214	206	302
Crop acres cash rented	468	573	469
Crop acres share rented	77	42	135
Total pasture acres	7	0	10
Average Price Received (Cash Sales Only)			
Soybeans per bushel	4.32	4.32	4.34
Corn per bushel	1.72	1.74	1.72
Oats per bushel	1.51	-	1.53
Hay, Alfalfa per ton	79.17	-	-
Sweet Corn per ton	45.95	-	-
Wheat, Spring per bushel	2.95	-	-
Peas per lb	0.085	-	-
Hay, Grass per ton	63.09	-	-
Average Yield Per Acre			
Soybeans (bushel)	41.86	40.55	43.54
Corn (bushel)	128.07	124.69	133.67
Hay, Alfalfa (ton)	4.07	4.51	4.04
Corn Silage (ton)	16.83	15.94	18.05
Oats (bushel)	83.59	-	84.04
Sweet Corn (ton)	6.30	-	-
Peas (lb)	3,433.79	-	-
Wheat, Spring (bushel)	56.15	-	-
Hay, Grass (ton)	1.87	-	-
Oatlage (ton)	7.60	-	-
Barley (bushel)	68.82	-	-

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

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	124	22	24
Average family size	3.5	3.5	3.7
Family Living Expenses			
Food and meals expense	5,382	5,673	5,721
Medical care and health insurance	6,197	6,013	6,275
Cash donations	1,989	2,008	3,155
Household supplies	4,319	3,842	3,931
Clothing	2,146	2,134	3,475
Personal care	3,420	3,935	2,574
Child / Dependent care	458	182	481
Gifts	2,294	2,213	2,228
Education	2,639	2,656	3,313
Recreation	3,044	2,730	3,493
Utilities (household share)	1,630	1,504	1,551
Nonfarm vehicle operating expense	2,759	2,961	2,891
Household real estate taxes	166	385	113
Dwelling rent	76	149	21
Household repairs	611	729	708
Nonfarm interest	377	259	177
Life insurance payments	2,134	2,723	1,414
Total cash family living expense	39,640	40,097	41,521
Family living from the farm	153	274	235
Total family living	39,793	40,372	41,756
Other Nonfarm Expenditures			
Income taxes	12,483	10,056	17,145
Furnishing & appliance purchases	630	628	681
Nonfarm vehicle purchases	2,816	1,432	3,893
Nonfarm real estate purchases	2,832	1,169	4,499
Other nonfarm capital purchases	1,872	5,036	-77
Nonfarm savings & investments	3,706	3,987	8,773
Total other nonfarm expenditures	24,340	22,308	34,913
Total cash family living investment & nonfarm capital purch	63,980	62,406	76,434

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

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	207	41	42
Operator Information			
Average number of operators	1.2	1.3	1.2
Average age of operators	47.6	50.7	49.5
Average number of years farming	24.6	26.4	26.4
Results Per Operator			
Working capital	72,320	-2,477	191,845
Total assets (market)	1,063,470	887,546	1,495,729
Total liabilities	647,609	615,802	809,081
Net worth (market)	415,860	271,743	686,648
Net worth excl deferred liabs	556,359	380,064	892,101
Gross farm income	361,373	306,118	512,477
Total farm expense	329,661	330,922	403,084
Net farm income	31,712	-24,804	109,393
Net nonfarm income	17,393	26,152	12,387
Family living withdrawals	42,688	34,777	55,364
Total acres owned	218.6	186.1	302.6
Total crop acres	657.4	634.3	761.6
Crop acres owned	184.9	159.0	254.1
Crop acres cash rented	405.6	443.2	394.2
Crop acres share rented	66.8	32.1	113.3
Total pasture acres	5.8	0.1	8.5
Labor Analysis			
Number of farms	207	41	42
Total unpaid labor hours	2,131	1,613	2,525
Total hired labor hours	900	1,038	2,173
Total labor hours per farm	3,030	2,652	4,698
Unpaid hours per operator	1,846	1,248	2,121
Value of farm production / hour	93.25	95.44	93.36
Net farm income / unpaid hour	17.18	-19.87	51.58
Partnerships			
Number of farms	16	3	6
Number of operators	2.1	-	1.8
Owner withdrawals per farm	41,590	-	63,198
Withdrawals per operator	19,572	-	34,471
Corporations			
Number of farms	13	5	4
Number of operators	2.0	2.4	-

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

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	207	41	42
Nonfarm Income			
Nonfarm wages & salary	12,323	21,150	7,168
Nonfarm business income	2,217	9,027	802
Nonfarm rental income	710	396	812
Nonfarm interest income	1,126	459	1,879
Nonfarm cash dividends	195	137	14
Tax refunds	988	1,074	1,063
Gifts and inheritances	2,961	4,454	2,054
Other nonfarm income	2,523	1,562	3,007
Total nonfarm income	23,043	38,260	16,800
Nonfarm Assets (market)			
Checking & savings	299	116	218
Stocks & bonds	18,924	8,104	40,646
Other current assets	1,789	3,685	2,464
Furniture & appliances	9,689	10,424	8,926
Nonfarm vehicles	10,164	9,993	10,379
Cash value of life ins.	11,791	9,311	12,447
Retirement accounts	27,642	27,016	47,677
Other intermediate assets	7,866	16,164	16,065
Nonfarm real estate	44,856	40,986	54,468
Other long term assets	10,676	8,538	5,584
Total nonfarm assets	143,698	134,337	198,873
Nonfarm Liabilities			
Accrued interest	82	127	52
Accounts payable	5,576	3,720	9,573
Current notes	6,857	5,993	10,528
Princ due on term debt	844	937	903
Total current liabilities	6,857	5,993	10,528
Intermediate liabilities	3,132	5,491	812
Long term liabilities	5,239	4,203	9,873
Total nonfarm liabilities	15,228	15,688	21,214
Nonfarm net worth	128,469	118,649	177,660
Nonfarm debt to asset ratio	11 %	12 %	11 %

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 net return per acre. The classification is done separately for each table.

To estimate the return to crops in the government programs, the net return including government payments is estimated and included in the appropriate tables. This is done for each farm by allocating the transition payments from the whole farm to these crops.

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 government payments.”

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.

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

Corn on Owned Land

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of fields	165	30	36
Number of farms	129	25	26
Acres	109.67	87.46	130.59
Yield per acre (bushel)	132.91	116.81	146.49
Operators share of yield %	100.00	100.00	100.00
Value per bushel	1.75	1.75	1.75
Total product return per acre	232.60	204.42	256.36
Miscellaneous income per acre	8.52	4.75	8.63
Gross return per acre	241.12	209.17	264.99
Direct Expenses			
Seed	38.47	38.89	38.54
Fertilizer	40.08	39.53	33.64
Crop chemicals	25.44	24.59	23.54
Crop insurance	6.93	6.92	5.17
Drying fuel	7.62	6.08	6.02
Fuel & oil	11.16	12.88	10.24
Repairs	21.43	34.01	15.88
Custom hire	2.11	2.84	3.53
Marketing	0.27	1.11	0.17
Operating interest	7.71	13.11	3.98
Miscellaneous	2.10	1.77	1.11
Total direct expenses per acre	163.32	181.73	141.82
Return over direct exp per acre	77.80	27.45	123.17
Overhead Expenses			
Custom hire	2.83	3.24	1.40
Hired labor	5.82	8.64	3.24
Machinery & bldg leases	1.73	2.37	0.82
RE & pers. property taxes	13.47	14.55	12.24
Farm insurance	4.86	5.40	3.95
Utilities	3.49	5.80	2.73
Interest	41.43	77.16	19.99
Mach & bldg depreciation	22.66	29.54	21.93
Miscellaneous	5.16	6.25	4.56
Total overhead expenses per acre	101.45	152.95	70.87
Total dir & ovhd expenses per acre	264.77	334.68	212.68
Net return per acre	-23.65	-125.51	52.31
Lbr & mgt charge per acre	30.28	27.74	29.97
Net return over lbr & mgt	-53.93	-153.24	22.33
Government payments	36.52	36.02	38.58
Net return with govt payments	-17.41	-117.22	60.92
Cost of Production			
Total direct expense per bushel	1.23	1.56	0.97
Total dir & ovhd exp per bushel	1.99	2.87	1.45
With labor & management	2.22	3.10	1.66
Total exp less govt & oth income	1.88	2.75	1.33
Est. labor hours per acre	2.76	3.18	2.28

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

Corn on Cash Rent

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of fields	318	67	48
Number of farms	163	32	33
Acres	129.19	126.60	163.20
Yield per acre (bushel)	126.34	119.91	138.53
Operators share of yield %	100.00	100.00	100.00
Value per bushel	1.75	1.75	1.75
Total product return per acre	221.10	209.85	242.42
Miscellaneous income per acre	9.25	7.22	8.25
Gross return per acre	230.35	217.07	250.68
Direct Expenses			
Seed	38.71	38.99	38.68
Fertilizer	41.41	48.08	39.89
Crop chemicals	25.65	26.41	22.79
Crop insurance	7.93	7.11	7.11
Drying fuel	6.99	7.10	4.84
Fuel & oil	10.31	11.48	10.06
Repairs	19.44	24.61	18.21
Custom hire	1.69	2.61	0.49
Land rent	91.94	102.56	83.59
Machinery & bldg leases	0.35	0.53	-
Operating interest	8.64	12.44	5.83
Miscellaneous	0.93	0.76	0.58
Total direct expenses per acre	254.00	282.68	232.06
Return over direct exp per acre	-23.65	-65.61	18.61
Overhead Expenses			
Custom hire	3.94	3.43	2.87
Hired labor	4.42	6.64	3.27
Machinery & bldg leases	4.61	4.75	1.63
Farm insurance	3.60	4.37	3.58
Utilities	2.74	3.50	2.29
Interest	5.89	8.55	3.31
Mach & bldg depreciation	17.02	20.15	15.68
Miscellaneous	4.05	5.54	4.51
Total overhead expenses per acre	46.26	56.93	37.12
Total dir & ovhd expenses per acre	300.26	339.60	269.19
Net return per acre	-69.91	-122.54	-18.51
Lbr & mgt charge per acre	25.87	27.82	22.64
Net return over lbr & mgt	-95.78	-150.36	-41.15
Government payments	35.31	37.87	33.54
Net return with govt payments	-60.47	-112.50	-7.61
Cost of Production			
Total direct expense per bushel	2.01	2.36	1.68
Total dir & ovhd exp per bushel	2.38	2.83	1.94
With labor & management	2.58	3.06	2.11
Total exp less govt & oth income	2.23	2.69	1.80
Est. labor hours per acre	2.53	2.63	2.48

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

Corn on Share Rent

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of fields	68	12	12
Number of farms	56	11	11
Acres	100.25	82.64	90.71
Yield per acre (bushel)	125.59	117.25	136.51
Operators share of yield %	52.42	53.37	52.83
Value per bushel	1.75	1.75	1.75
Total product return per acre	115.55	108.39	128.30
Miscellaneous income per acre	7.24	1.47	6.34
Gross return per acre	122.79	109.87	134.64
Direct Expenses			
Seed	28.08	25.48	26.71
Fertilizer	21.18	25.50	21.28
Crop chemicals	16.49	16.81	14.20
Crop insurance	3.89	3.54	3.21
Drying fuel	4.43	3.96	5.06
Fuel & oil	9.79	11.84	10.36
Repairs	19.23	24.41	17.47
Custom hire	5.01	1.20	0.25
Operating interest	6.20	11.47	1.96
Miscellaneous	0.82	0.06	1.54
Total direct expenses per acre	115.12	124.26	102.04
Return over direct exp per acre	7.67	-14.39	32.61
Overhead Expenses			
Custom hire	1.77	2.47	1.86
Hired labor	5.02	10.08	4.38
Machinery & bldg leases	3.05	6.46	0.08
Farm insurance	3.84	5.36	2.38
Utilities	2.51	3.53	2.17
Interest	3.76	5.62	0.65
Mach & bldg depreciation	14.70	23.08	12.00
Miscellaneous	5.75	4.17	3.91
Total overhead expenses per acre	40.41	60.77	27.43
Total dir & ovhd expenses per acre	155.53	185.03	129.47
Net return per acre	-32.74	-75.16	5.18
Lbr & mgt charge per acre	22.73	25.28	25.97
Net return over lbr & mgt	-55.47	-100.44	-20.80
Government payments	17.28	17.33	17.54
Net return with govt payments	-38.18	-83.11	-3.25
Cost of Production			
Total direct expense per bushel	1.75	1.99	1.41
Total dir & ovhd exp per bushel	2.36	2.96	1.80
With labor & management	2.71	3.36	2.16
Total exp less govt & oth income	2.34	3.06	1.82
Est. labor hours per acre	2.39	2.66	2.76

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

Soybeans on Owned Land

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of fields	178	33	36
Number of farms	140	28	28
Acres	115.91	103.44	119.23
Yield per acre (bushel)	42.96	39.95	47.17
Operators share of yield %	100.00	100.00	100.00
Value per bushel	5.15	5.15	5.15
Total product return per acre	221.27	205.74	242.92
Miscellaneous income per acre	1.48	2.12	0.61
Gross return per acre	222.75	207.85	243.53
Direct Expenses			
Seed	19.16	22.61	18.02
Fertilizer	9.12	10.91	8.65
Crop chemicals	20.51	23.94	18.53
Crop insurance	7.53	9.61	4.22
Fuel & oil	8.67	9.38	7.74
Repairs	17.41	23.53	13.25
Custom hire	2.51	5.73	1.63
Machinery & bldg leases	0.19	0.83	0.15
Operating interest	6.28	10.81	2.49
Miscellaneous	0.87	0.80	0.68
Total direct expenses per acre	92.25	118.15	75.38
Return over direct exp per acre	130.50	89.70	168.15
Overhead Expenses			
Custom hire	2.39	1.98	1.04
Hired labor	4.35	6.03	2.76
Machinery & bldg leases	1.55	2.77	0.77
RE & pers. property taxes	13.23	15.32	12.71
Farm insurance	3.77	3.23	3.24
Utilities	2.64	3.52	1.93
Interest	42.94	82.71	18.55
Mach & bldg depreciation	17.55	23.51	18.96
Miscellaneous	4.02	5.20	3.35
Total overhead expenses per acre	92.44	144.26	63.31
Total dir & ovhd expenses per acre	184.69	262.41	138.68
Net return per acre	38.06	-54.56	104.85
Lbr & mgt charge per acre	23.49	22.86	24.42
Net return over lbr & mgt	14.57	-77.42	80.43
Government payments	35.63	36.55	37.65
Net return with govt payments	50.20	-40.87	118.08
Cost of Production			
Total direct expense per bushel	2.15	2.96	1.60
Total dir & ovhd exp per bushel	4.30	6.57	2.94
With labor & management	4.85	7.14	3.46
Total exp less govt & oth income	3.98	6.17	2.65
Est. labor hours per acre	2.14	1.97	1.92

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

Soybeans on Cash Rent

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of fields	316	65	54
Number of farms	161	32	33
Acres	133.16	113.42	134.11
Yield per acre (bushel)	41.44	37.55	45.39
Operators share of yield %	100.00	100.00	100.00
Value per bushel	5.15	5.15	5.15
Total product return per acre	213.42	193.40	233.76
Miscellaneous income per acre	2.68	2.47	0.18
Gross return per acre	216.11	195.87	233.94
Direct Expenses			
Seed	19.13	21.84	16.17
Fertilizer	8.74	8.97	8.46
Crop chemicals	19.99	22.24	18.52
Crop insurance	8.77	11.32	5.90
Fuel & oil	8.29	9.13	8.09
Repairs	15.50	20.26	13.35
Custom hire	1.31	3.33	0.95
Land rent	92.42	98.87	80.54
Operating interest	6.92	11.01	4.95
Miscellaneous	0.94	1.42	0.60
Total direct expenses per acre	182.03	208.40	157.52
Return over direct exp per acre	34.08	-12.53	76.42
Overhead Expenses			
Custom hire	2.93	1.76	1.65
Hired labor	3.73	4.17	2.42
Machinery & bldg leases	3.57	4.98	1.14
Farm insurance	2.92	3.72	3.03
Utilities	2.16	3.31	2.09
Interest	4.58	4.74	2.52
Mach & bldg depreciation	13.24	15.66	11.67
Miscellaneous	3.20	4.42	2.99
Total overhead expenses per acre	36.34	42.77	27.51
Total dir & ovhd expenses per acre	218.37	251.17	185.04
Net return per acre	-2.26	-55.30	48.90
Lbr & mgt charge per acre	20.42	21.06	20.72
Net return over lbr & mgt	-22.68	-76.36	28.18
Government payments	35.07	35.33	33.78
Net return with govt payments	12.39	-41.03	61.96
Cost of Production			
Total direct expense per bushel	4.39	5.55	3.47
Total dir & ovhd exp per bushel	5.27	6.69	4.08
With labor & management	5.76	7.25	4.53
Total exp less govt & oth income	4.85	6.24	3.78
Est. labor hours per acre	2.04	2.12	2.33

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

Soybeans on Share Rent

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of fields	75	13	13
Number of farms	57	11	11
Acres	103.09	80.23	90.65
Yield per acre (bushel)	41.14	36.19	47.18
Operators share of yield %	53.13	50.92	57.17
Value per bushel	5.15	5.15	5.15
Total product return per acre	112.66	94.96	138.62
Miscellaneous income per acre	2.66	2.43	-
Gross return per acre	115.32	97.39	138.62
Direct Expenses			
Seed	13.92	11.78	13.58
Fertilizer	3.55	6.60	5.27
Crop chemicals	12.26	11.88	12.76
Crop insurance	4.78	4.22	2.97
Fuel & oil	7.63	9.54	8.32
Repairs	14.54	18.34	13.98
Custom hire	4.83	0.25	0.63
Operating interest	4.61	9.50	1.59
Miscellaneous	0.53	0.59	0.49
Total direct expenses per acre	66.64	72.71	59.60
Return over direct exp per acre	48.67	24.68	79.03
Overhead Expenses			
Custom hire	1.46	3.70	0.62
Hired labor	4.07	5.57	3.23
Machinery & bldg leases	3.51	3.07	0.12
Farm insurance	3.09	3.71	2.79
Utilities	1.84	2.66	1.97
Interest	2.86	4.08	1.19
Mach & bldg depreciation	11.81	16.32	10.97
Miscellaneous	4.61	4.10	2.92
Total overhead expenses per acre	33.24	43.21	23.82
Total dir & ovhd expenses per acre	99.89	115.92	83.42
Net return per acre	15.43	-18.53	55.20
Lbr & mgt charge per acre	17.56	21.98	20.78
Net return over lbr & mgt	-2.13	-40.51	34.42
Government payments	17.76	17.02	19.61
Net return with govt payments	15.63	-23.49	54.03
Cost of Production			
Total direct expense per bushel	3.05	3.94	2.21
Total dir & ovhd exp per bushel	4.57	6.29	3.09
With labor & management	5.37	7.48	3.86
Total exp less govt & oth income	4.44	6.43	3.14
Est. labor hours per acre	1.83	2.20	2.26

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

Oats on Owned Land

	<u>Avg. Of All Farms</u>
Number of fields	10
Number of farms	10
Acres	16.12
Yield per acre (bushel)	90.47
Operators share of yield %	100.00
Value per bushel	1.50
Total product return per acre	135.71
Miscellaneous income per acre	92.58
Gross return per acre	228.29
Direct Expenses	
Seed	11.03
Fertilizer	8.49
Crop chemicals	0.85
Crop insurance	0.86
Fuel & oil	9.75
Repairs	17.46
Custom hire	8.30
Operating interest	2.05
Miscellaneous	1.53
Total direct expenses per acre	60.30
Return over direct exp per acre	167.99
Overhead Expenses	
Custom hire	2.64
Hired labor	8.17
Machinery & bldg leases	0.10
RE & pers. property taxes	9.99
Farm insurance	5.16
Utilities	2.89
Interest	19.49
Mach & bldg depreciation	13.69
Miscellaneous	2.66
Total overhead expenses per acre	64.79
Total dir & ovhd expenses per acre	125.09
Net return per acre	103.20
Lbr & mgt charge per acre	17.37
Net return over lbr & mgt	85.83
Government payments	28.51
Net return with govt payments	114.34
Cost of Production	
Total direct expense per bushel	0.67
Total dir & ovhd exp per bushel	1.38
With labor & management	1.57
Total exp less govt & oth income	0.24
Est. labor hours per acre	2.31

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

Oats on Cash Rent

	<u>Avg. Of All Farms</u>
Number of fields	10
Number of farms	10
Acres	35.05
Yield per acre (bushel)	79.30
Operators share of yield %	100.00
Value per bushel	1.50
Total product return per acre	118.96
Miscellaneous income per acre	60.35
Gross return per acre	179.30
Direct Expenses	
Seed	12.08
Fertilizer	7.71
Crop chemicals	3.09
Crop insurance	0.90
Fuel & oil	7.77
Repairs	16.52
Custom hire	15.21
Land rent	88.83
Operating interest	3.96
Miscellaneous	3.99
Total direct expenses per acre	160.06
Return over direct exp per acre	19.24
Overhead Expenses	
Custom hire	1.05
Hired labor	1.31
Machinery & bldg leases	7.92
Farm insurance	3.09
Utilities	1.25
Interest	3.77
Mach & bldg depreciation	8.65
Miscellaneous	2.16
Total overhead expenses per acre	29.20
Total dir & ovhd expenses per acre	189.26
Net return per acre	-9.96
Lbr & mgt charge per acre	13.31
Net return over lbr & mgt	-23.27
Government payments	28.42
Net return with govt payments	5.15
Cost of Production	
Total direct expense per bushel	2.02
Total dir & ovhd exp per bushel	2.39
With labor & management	2.55
Total exp less govt & oth income	1.44
Est. labor hours per acre	1.14

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

Corn Silage on Owned Land

	<u>Avg. Of All Farms</u>
Number of fields	20
Number of farms	20
Acres	33.88
Yield per acre (ton)	17.00
Operators share of yield %	100.00
Value per ton	18.00
Total product return per acre	306.05
Miscellaneous income per acre	2.22
Gross return per acre	308.27
Direct Expenses	
Seed	39.24
Fertilizer	37.97
Crop chemicals	25.30
Crop insurance	5.62
Fuel & oil	14.20
Repairs	22.71
Custom hire	8.35
Operating interest	4.96
Miscellaneous	0.78
Total direct expenses per acre	159.13
Return over direct exp per acre	149.14
Overhead Expenses	
Custom hire	2.49
Hired labor	8.70
Machinery & bldg leases	0.59
RE & pers. property taxes	11.84
Farm insurance	4.55
Utilities	2.75
Interest	33.82
Mach & bldg depreciation	25.17
Miscellaneous	6.39
Total overhead expenses per acre	96.29
Total dir & ovhd expenses per acre	255.42
Net return per acre	52.85
Lbr & mgt charge per acre	25.72
Net return over lbr & mgt	27.12
Government payments	37.46
Net return with govt payments	64.58
Cost of Production	
Total direct expense per ton	9.36
Total dir & ovhd exp per ton	15.02
With labor & management	16.54
Total exp less govt & oth income	14.20
Est. labor hours per acre	2.46

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

Corn Silage on Cash Rent

	<u>Avg. Of All Farms</u>
Number of fields	25
Number of farms	22
Acres	50.97
Yield per acre (ton)	16.75
Operators share of yield %	100.00
Value per ton	18.00
Total product return per acre	301.42
Miscellaneous income per acre	8.61
Gross return per acre	310.03
Direct Expenses	
Seed	36.26
Fertilizer	36.41
Crop chemicals	25.75
Crop insurance	5.74
Fuel & oil	14.27
Repairs	24.56
Custom hire	7.34
Land rent	81.89
Operating interest	8.87
Miscellaneous	5.43
Total direct expenses per acre	246.55
Return over direct exp per acre	63.48
Overhead Expenses	
Custom hire	5.10
Hired labor	7.17
Machinery & bldg leases	1.46
Farm insurance	3.19
Utilities	1.63
Interest	4.00
Mach & bldg depreciation	18.49
Miscellaneous	5.37
Total overhead expenses per acre	46.41
Total dir & ovhd expenses per acre	292.96
Net return per acre	17.07
Lbr & mgt charge per acre	21.95
Net return over lbr & mgt	-4.88
Government payments	34.16
Net return with govt payments	29.27
Cost of Production	
Total direct expense per ton	14.72
Total dir & ovhd exp per ton	17.49
With labor & management	18.81
Total exp less govt & oth income	16.25
Est. labor hours per acre	2.79

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

Hay, Alfalfa on Owned Land

	<u>Avg. Of All Farms</u>
Number of fields	20
Number of farms	19
Acres	34.90
Yield per acre (ton)	3.78
Operators share of yield %	100.00
Value per ton	85.00
Total product return per acre	321.01
Miscellaneous income per acre	-
Gross return per acre	321.01
Direct Expenses	
Seed	4.92
Fertilizer	13.84
Crop chemicals	2.87
Crop insurance	1.56
Fuel & oil	13.69
Repairs	21.13
Custom hire	17.44
Operating interest	4.28
Miscellaneous	1.17
Total direct expenses per acre	80.90
Return over direct exp per acre	240.11
Overhead Expenses	
Custom hire	2.58
Hired labor	14.68
Machinery & bldg leases	0.54
RE & pers. property taxes	11.76
Farm insurance	5.40
Utilities	2.49
Interest	23.23
Mach & bldg depreciation	22.89
Miscellaneous	3.41
Total overhead expenses per acre	86.97
Total dir & ovhd expenses per acre	167.88
Net return per acre	153.13
Lbr & mgt charge per acre	19.02
Net return over lbr & mgt	134.11
Government payments	29.56
Net return with govt payments	163.67
Cost of Production	
Total direct expense per ton	21.42
Total dir & ovhd exp per ton	44.45
With labor & management	49.49
Total exp less govt & oth income	41.66
Est. labor hours per acre	2.50

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

Hay, Alfalfa on Cash Rent

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of fields	31	5	7
Number of farms	28	5	5
Acres	57.15	22.38	55.17
Yield per acre (ton)	4.18	2.62	4.77
Operators share of yield %	100.00	100.00	100.00
Value per ton	85.00	85.00	85.00
Total product return per acre	355.25	222.66	405.59
Miscellaneous income per acre	-	-	-
Gross return per acre	355.25	222.66	405.59
Direct Expenses			
Seed	8.74	8.71	-
Fertilizer	22.61	48.70	32.07
Crop chemicals	6.11	-	-
Crop insurance	2.12	-	0.52
Fuel & oil	16.97	12.87	15.57
Repairs	26.06	23.84	26.92
Custom hire	9.16	4.22	6.20
Hired labor	0.31	3.53	-
Land rent	77.75	87.37	62.24
Machinery & bldg leases	1.35	-	6.21
Operating interest	9.69	9.68	11.05
Miscellaneous	3.12	3.64	-
Total direct expenses per acre	183.99	202.55	160.79
Return over direct exp per acre	171.26	20.11	244.80
Overhead Expenses			
Custom hire	2.83	12.42	0.84
Hired labor	6.35	12.77	7.21
Machinery & bldg leases	15.24	6.45	5.94
Farm insurance	4.76	5.27	2.94
Utilities	2.18	3.31	1.65
Interest	6.29	7.27	0.42
Mach & bldg depreciation	15.08	18.96	8.27
Miscellaneous	4.41	5.97	4.37
Total overhead expenses per acre	57.13	72.41	31.64
Total dir & ovhd expenses per acre	241.12	274.96	192.43
Net return per acre	114.14	-52.31	213.15
Lbr & mgt charge per acre	28.00	26.37	28.90
Net return over lbr & mgt	86.14	-78.68	184.25
Government payments	27.82	33.63	36.16
Net return with govt payments	113.96	-45.05	220.41
Cost of Production			
Total direct expense per ton	44.02	77.32	33.70
Total dir & ovhd exp per ton	57.69	104.97	40.33
With labor & management	64.39	115.04	46.39
Total exp less govt & oth income	57.73	102.20	38.81
Est. labor hours per acre	2.95	3.20	3.51

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

Pasture on Owned Land

	<u>Avg. Of All Farms</u>
Number of fields	9
Number of farms	9
Acres	28.97
Yield per acre (unit)	1.98
Operators share of yield %	100.00
Value per unit	12.30
Total product return per acre	24.37
Miscellaneous income per acre	-
Gross return per acre	24.37
Direct Expenses	
Fertilizer	0.66
Crop chemicals	2.19
Fuel & oil	1.19
Repairs	2.28
Operating interest	0.54
Total direct expenses per acre	6.86
Return over direct exp per acre	17.52
Overhead Expenses	
Custom hire	0.46
Hired labor	0.94
RE & pers. property taxes	9.45
Farm insurance	0.73
Utilities	0.28
Interest	30.98
Mach & bldg depreciation	1.59
Miscellaneous	0.59
Total overhead expenses per acre	45.03
Total dir & ovhd expenses per acre	51.89
Net return per acre	-27.52
Lbr & mgt charge per acre	2.21
Net return over lbr & mgt	-29.72
Government payments	0.51
Net return with govt payments	-29.22
Cost of Production	
Total direct expense per unit	3.46
Total dir & ovhd exp per unit	26.18
With labor & management	27.30
Total exp less govt & oth income	27.04
Est. labor hours per acre	0.37

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

Pasture on Cash Rent

	<u>Avg. Of All Farms</u>
Number of fields	9
Number of farms	9
Acres	105.33
Yield per acre (unit)	1.87
Operators share of yield %	100.00
Value per unit	9.54
Total product return per acre	17.87
Miscellaneous income per acre	-
Gross return per acre	17.87
Direct Expenses	
Crop chemicals	0.60
Fuel & oil	1.10
Repairs	1.76
Land rent	11.55
Operating interest	0.75
Miscellaneous	0.12
Total direct expenses per acre	15.87
Return over direct exp per acre	2.00
Overhead Expenses	
Custom hire	0.25
Hired labor	0.51
Utilities	0.18
Interest	0.41
Mach & bldg depreciation	1.13
Miscellaneous	0.89
Total overhead expenses per acre	3.37
Total dir & ovhd expenses per acre	19.24
Net return per acre	-1.37
Lbr & mgt charge per acre	1.80
Net return over lbr & mgt	-3.17
Government payments	-
Net return with govt payments	-3.17
Cost of Production	
Total direct expense per unit	8.47
Total dir & ovhd exp per unit	10.27
With labor & management	11.23
Total exp less govt & oth income	11.23
Est. labor hours per acre	0.26

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

Peas on Owned Land

	<u>Avg. Of All Farms</u>
Number of fields	5
Number of farms	5
Acres	32.60
Yield per acre (lb)	2,221.14
Operators share of yield %	100.00
Value per lb	0.08
Total product return per acre	171.66
Miscellaneous income per acre	53.72
Gross return per acre	225.38
Direct Expenses	
Fertilizer	9.48
Crop chemicals	5.67
Crop insurance	7.40
Fuel & oil	6.48
Repairs	9.79
Operating interest	4.12
Total direct expenses per acre	42.93
Return over direct exp per acre	182.44
Overhead Expenses	
Custom hire	0.47
Hired labor	2.19
RE & pers. property taxes	16.35
Farm insurance	2.83
Utilities	2.36
Interest	49.14
Mach & bldg depreciation	15.88
Miscellaneous	1.58
Total overhead expenses per acre	90.80
Total dir & ovhd expenses per acre	133.73
Net return per acre	91.64
Lbr & mgt charge per acre	12.37
Net return over lbr & mgt	79.27
Government payments	-
Net return with govt payments	79.27
Cost of Production	
Total direct expense per lb	0.02
Total dir & ovhd exp per lb	0.06
With labor & management	0.07
Total exp less govt & oth income	0.04
Est. labor hours per acre	1.15

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

Peas on Cash Rent

	<u>Avg. Of All Farms</u>
Number of fields	7
Number of farms	7
Acres	31.71
Yield per acre (lb)	4,324.17
Operators share of yield %	100.00
Value per lb	0.07
Total product return per acre	303.01
Miscellaneous income per acre	-
Gross return per acre	303.01
Direct Expenses	
Seed	1.29
Fertilizer	22.00
Crop chemicals	8.80
Crop insurance	6.11
Fuel & oil	6.11
Repairs	11.04
Custom hire	2.07
Land rent	93.25
Operating interest	4.88
Total direct expenses per acre	155.56
Return over direct exp per acre	147.45
Overhead Expenses	
Custom hire	0.75
Hired labor	1.42
Machinery & bldg leases	0.30
Farm insurance	2.46
Utilities	1.68
Interest	2.47
Mach & bldg depreciation	8.49
Miscellaneous	3.01
Total overhead expenses per acre	20.58
Total dir & ovhd expenses per acre	176.14
Net return per acre	126.87
Lbr & mgt charge per acre	12.35
Net return over lbr & mgt	114.52
Government payments	-
Net return with govt payments	114.52
Cost of Production	
Total direct expense per lb	0.04
Total dir & ovhd exp per lb	0.04
With labor & management	0.04
Total exp less govt & oth income	0.04
Est. labor hours per acre	1.24

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

Sweet Corn on Owned Land

	<u>Avg. Of All Farms</u>
Number of fields	5
Number of farms	5
Acres	39.48
Yield per acre (ton)	6.33
Operators share of yield %	100.00
Value per ton	45.75
Total product return per acre	289.62
Miscellaneous income per acre	-
Gross return per acre	289.62
Direct Expenses	
Seed	1.35
Fertilizer	33.97
Crop chemicals	37.32
Crop insurance	4.70
Fuel & oil	8.22
Repairs	14.55
Operating interest	2.65
Total direct expenses per acre	102.77
Return over direct exp per acre	186.86
Overhead Expenses	
Hired labor	0.53
Machinery & bldg leases	0.55
RE & pers. property taxes	13.19
Farm insurance	4.06
Utilities	2.40
Dues & professional fees	0.67
Interest	37.10
Mach & bldg depreciation	18.26
Miscellaneous	3.55
Total overhead expenses per acre	80.31
Total dir & ovhd expenses per acre	183.08
Net return per acre	106.55
Lbr & mgt charge per acre	19.20
Net return over lbr & mgt	87.34
Government payments	-
Net return with govt payments	87.34
Cost of Production	
Total direct expense per ton	16.23
Total dir & ovhd exp per ton	28.92
With labor & management	31.96
Total exp less govt & oth income	31.96
Est. labor hours per acre	1.95

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

Sweet Corn on Cash Rent

	<u>Avg. Of All Farms</u>
Number of fields	9
Number of farms	8
Acres	53.63
Yield per acre (ton)	6.17
Operators share of yield %	100.00
Value per ton	45.93
Total product return per acre	283.16
Miscellaneous income per acre	0.66
Gross return per acre	283.83
Direct Expenses	
Fertilizer	29.37
Crop chemicals	20.88
Crop insurance	3.15
Fuel & oil	8.87
Repairs	15.48
Land rent	94.32
Operating interest	6.53
Total direct expenses per acre	178.60
Return over direct exp per acre	105.22
Overhead Expenses	
Custom hire	1.15
Hired labor	2.58
Machinery & bldg leases	1.77
Farm insurance	2.88
Utilities	2.13
Interest	7.05
Mach & bldg depreciation	10.89
Miscellaneous	5.19
Total overhead expenses per acre	33.65
Total dir & ovhd expenses per acre	212.25
Net return per acre	71.57
Lbr & mgt charge per acre	18.23
Net return over lbr & mgt	53.34
Government payments	-
Net return with govt payments	53.34
Cost of Production	
Total direct expense per ton	28.97
Total dir & ovhd exp per ton	34.43
With labor & management	37.38
Total exp less govt & oth income	37.28
Est. labor hours per acre	1.67

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

CRP on Owned Land

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of fields	26	6	5
Number of farms	25	5	5
Acres	34.06	16.85	42.94
Yield per acre (unit)	89.92	70.95	104.58
Operators share of yield %	100.00	100.00	100.00
Value per unit	1.00	1.00	1.00
Total product return per acre	89.92	70.95	104.58
Miscellaneous income per acre	0.15	-	-
Gross return per acre	90.07	70.95	104.58
Direct Expenses			
Seed	8.81	-	-
Fuel & oil	0.89	1.85	0.37
Repairs	2.22	3.08	2.75
Operating interest	0.37	1.12	0.34
Miscellaneous	0.50	-	-
Total direct expenses per acre	12.79	6.05	3.45
Return over direct exp per acre	77.28	64.90	101.13
Overhead Expenses			
Hired labor	0.53	0.04	1.71
RE & pers. property taxes	11.74	10.24	14.99
Farm insurance	0.46	0.87	0.57
Interest	17.63	53.86	7.80
Mach & bldg depreciation	2.83	2.86	1.89
Miscellaneous	1.61	1.41	1.90
Total overhead expenses per acre	34.81	69.28	28.86
Total dir & ovhd expenses per acre	47.60	75.32	32.32
Net return per acre	42.47	-4.37	72.27
Lbr & mgt charge per acre	3.56	3.81	2.82
Net return over lbr & mgt	38.91	-8.18	69.45
Government payments	-	-	-
Net return with govt payments	38.91	-8.18	69.45
Cost of Production			
Total direct expense per unit	0.14	0.09	0.03
Total dir & ovhd exp per unit	0.53	1.06	0.31
With labor & management	0.57	1.12	0.34
Total exp less govt & oth income	0.57	1.12	0.34
Est. labor hours per acre	0.29	0.32	0.36

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

CRP on Cash Rent

	<u>Avg. Of All Farms</u>
Number of fields	6
Number of farms	5
Acres	10.47
Yield per acre (unit)	102.89
Operators share of yield %	100.00
Value per unit	1.00
Total product return per acre	102.89
Miscellaneous income per acre	-
Gross return per acre	102.89
Direct Expenses	
Fuel & oil	0.92
Repairs	2.17
Land rent	67.83
Operating interest	0.58
Miscellaneous	0.00
Total direct expenses per acre	71.50
Return over direct exp per acre	31.39
Overhead Expenses	
Hired labor	1.65
Machinery & bldg leases	1.04
Farm insurance	0.58
Utilities	0.34
Interest	0.74
Mach & bldg depreciation	2.17
Miscellaneous	0.43
Total overhead expenses per acre	6.95
Total dir & ovhd expenses per acre	78.45
Net return per acre	24.44
Lbr & mgt charge per acre	3.15
Net return over lbr & mgt	21.29
Government payments	-
Net return with govt payments	21.29
Cost of Production	
Total direct expense per unit	0.69
Total dir & ovhd exp per unit	0.76
With labor & management	0.79
Total exp less govt & oth income	0.79
Est. labor hours per acre	0.40

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

Rented Out on Owned Land

	<u>Avg. Of All Farms</u>
Number of fields	15
Number of farms	15
Acres	201.74
Yield per acre (unit)	97.02
Operators share of yield %	100.00
Value per unit	1.00
Total product return per acre	97.02
Miscellaneous income per acre	-
Gross return per acre	97.02
Direct Expenses	
Fuel & oil	0.51
Repairs	2.33
Operating interest	2.27
Total direct expenses per acre	5.10
Return over direct exp per acre	91.92
Overhead Expenses	
Custom hire	0.14
Hired labor	0.08
Machinery & bldg leases	0.13
RE & pers. property taxes	12.77
Farm insurance	2.18
Utilities	0.28
Interest	28.83
Mach & bldg depreciation	4.43
Miscellaneous	0.37
Total overhead expenses per acre	49.22
Total dir & ovhd expenses per acre	54.32
Net return per acre	42.70
Lbr & mgt charge per acre	2.95
Net return over lbr & mgt	39.75
Government payments	0.06
Net return with govt payments	39.80
Cost of Production	
Total direct expense per unit	0.05
Total dir & ovhd exp per unit	0.56
With labor & management	0.59
Total exp less govt & oth income	0.59
Est. labor hours per acre	0.18

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.

Reflecting the statewide trend of decreasing number of farms with livestock, the Association also has fewer farms with livestock. In order to provide information with fewer farms, the livestock enterprise reports include farms from both the Southwestern and Southeastern Associations.

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

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.

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

Hogs, Farrow To Finish -- Average Per Litter

	Avg. Of All Farms	
Number of farms	16	
	Quantity	Value
Raised Hogs sold (lb)	2,025.61	921.51
Cull sales (lb)	167.73	56.60
Butchered (lb)	1.30	0.40
Less purchased (lb)	-51.15	-50.31
Inventory change (lb)	-75.62	-25.48
Total production (lb)	2,067.88	902.71
Other income		-
Gross return		902.71
Direct Expenses		
Corn (bu.)	98.01	165.06
Oats (bu.)	0.81	1.17
Complete Ration (lb.)	638.86	56.09
Protein Vit Minerals (lb.)	1,531.31	216.12
Other feed stuffs	3.61	5.66
Breeding fees		8.99
Veterinary		31.59
Livestock supplies		23.69
Fuel & oil		18.16
Repairs		38.95
Custom hire		5.17
Marketing		8.45
Operating interest		12.51
Total direct expenses		591.60
Return over direct expense		311.11
Overhead Expenses		
Custom hire		18.69
Hired labor		62.69
Machinery & bldg leases		1.62
RE & pers. property taxes		3.99
Farm insurance		15.26
Utilities		28.93
Interest		26.37
Mach & bldg depreciation		43.56
Miscellaneous		11.32
Total overhead expenses		212.43
Total dir & ovhd expenses		804.03
Net return		98.68
Labor & management charge		78.21
Net return over lbr & mgt		20.47
Cost of Production		
Total direct expense per cwt.		28.61
Total dir & ovhd expense per cwt.		38.88
With labor and management		42.66
With other revenue adjustments		42.36
Est. labor hours per unit		11.36
Other Information		
Average number of sows		138.1
Litters farrowed		239
Litters per sow		1.73
Litters per crate		7.18
Pigs born per litter		9.95
Pigs weaned per litter		8.77
Pigs weaned per sow		14.89
Number sold per litter		7.95
Lbs of feed / lb of gain		3.72
Feed cost / cwt. of gain		21.48
Feed cost per litter		444.10
Avg wgt/Raised Hog sold		255
Avg price / cwt		45.49

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

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

	Avg. Of All Farms	
Number of farms	16	
	Quantity	Value
Raised Hogs sold (lb)	97.96	44.56
Cull sales (lb)	8.11	2.74
Butchered (lb)	0.06	0.02
Less purchased (lb)	-2.47	-2.43
Inventory change (lb)	-3.66	-1.23
Total production (lb)	100.00	43.65
Other income		-
Gross return		43.65
Direct Expenses		
Corn (bu.)	4.74	7.98
Oats (bu.)	0.04	0.06
Complete Ration (lb.)	30.89	2.71
Protein Vit Minerals (lb.)	74.05	10.45
Other feed stuffs	0.17	0.27
Breeding fees		0.43
Veterinary		1.53
Livestock supplies		1.15
Fuel & oil		0.88
Repairs		1.88
Custom hire		0.25
Marketing		0.41
Operating interest		0.61
Total direct expenses		28.61
Return over direct expense		15.04
Overhead Expenses		
Custom hire		0.90
Hired labor		3.03
Machinery & bldg leases		0.08
RE & pers. property taxes		0.19
Farm insurance		0.74
Utilities		1.40
Interest		1.28
Mach & bldg depreciation		2.11
Miscellaneous		0.55
Total overhead expenses		10.27
Total dir & ovhd expenses		38.88
Net return		4.77
Labor & management charge		3.78
Net return over lbr & mgt		0.99
Cost of Production		
Total direct expense per cwt.		28.61
Total dir & ovhd expense per cwt.		38.88
With labor and management		42.66
With other revenue adjustments		42.36
Est. labor hours per unit		0.55
Other Information		
Average number of sows		138.1
Litters farrowed		239
Litters per sow		1.73
Litters per crate		7.18
Pigs born per litter		9.95
Pigs weaned per litter		8.77
Pigs weaned per sow		14.89
Number sold per litter		7.95
Lbs of feed / lb of gain		3.72
Feed cost / cwt. of gain		21.48
Feed cost per litter		444.10
Avg wgt/Raised Hog sold		255
Avg price / cwt		45.49

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

Hogs, Finish Feeder Pigs -- Average Per Head

	Avg. Of All Farms	
Number of farms	9	
	Quantity	Value
Finish Hogs sold (lb)	247.52	108.63
Transferred out (lb)	0.14	0.05
Butchered (lb)	0.27	0.13
Less purchased (lb)	-46.84	-48.08
Less transferred in (lb)	-4.58	-4.53
Inventory change (lb)	8.22	5.29
Total production (lb)	204.73	61.50
Other income		-
Gross return		61.50
Direct Expenses		
Corn (bu.)	9.52	15.78
Complete Ration (lb.)	5.59	0.42
Protein Vit Minerals (lb.)	126.28	20.63
Other feed stuffs	0.08	0.57
Veterinary		0.31
Livestock supplies		0.30
Fuel & oil		0.48
Repairs		1.54
Custom hire		0.92
Machinery & bldg leases		0.76
Livestock leases		1.09
Marketing		0.69
Operating interest		1.48
Total direct expenses		44.95
Return over direct expense		16.55
Overhead Expenses		
Hired labor		0.21
Machinery & bldg leases		0.99
RE & pers. property taxes		0.41
Farm insurance		0.71
Utilities		1.49
Dues & professional fees		0.05
Interest		2.02
Mach & bldg depreciation		2.37
Miscellaneous		1.29
Total overhead expenses		9.55
Total dir & ovhd expenses		54.50
Net return		7.00
Labor & management charge		6.60
Net return over lbr & mgt		0.40
Cost of Production		
Total direct expense per cwt.		37.20
Total dir & ovhd expense per cwt.		41.06
With labor and management		43.72
With other revenue adjustments		43.72
Est. labor hours per unit		0.54
Other Information		
No. purchased or trans in		1,297
Number sold or trans out		1,165
Percentage death loss		3.3
Avg. daily gain (lbs)		1.36
Lbs of conc / lb of gain		3.21
Lbs of feed / lb of gain		3.24
Feed cost per cwt of gain		18.26
Feed cost per head		37.39
Average purchase weight		49
Average sales weight		262
Avg purch price / head		50.20
Avg sales price / cwt		43.89

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

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

	Avg. Of All Farms	
Number of farms	9	
	Quantity	Value
Finish Hogs sold (lb)	120.90	53.06
Transferred out (lb)	0.07	0.03
Butchered (lb)	0.13	0.06
Less purchased (lb)	-22.88	-23.48
Less transferred in (lb)	-2.24	-2.21
Inventory change (lb)	4.02	2.59
Total production (lb)	100.00	30.04
Other income		-
Gross return		30.04
Direct Expenses		
Corn (bu.)	4.65	7.71
Complete Ration (lb.)	2.73	0.20
Protein Vit Minerals (lb.)	61.68	10.07
Other feed stuffs	0.04	0.28
Veterinary		0.15
Livestock supplies		0.14
Fuel & oil		0.23
Repairs		0.75
Custom hire		0.45
Machinery & bldg leases		0.37
Livestock leases		0.53
Marketing		0.34
Operating interest		0.72
Total direct expenses		21.96
Return over direct expense		8.08
Overhead Expenses		
Hired labor		0.10
Machinery & bldg leases		0.48
RE & pers. property taxes		0.20
Farm insurance		0.35
Utilities		0.73
Dues & professional fees		0.02
Interest		0.99
Mach & bldg depreciation		1.16
Miscellaneous		0.63
Total overhead expenses		4.67
Total dir & ovhd expenses		26.62
Net return		3.42
Labor & management charge		3.22
Net return over lbr & mgt		0.19
Cost of Production		
Total direct expense per cwt.		37.20
Total dir & ovhd expense per cwt.		41.06
With labor and management		43.72
With other revenue adjustments		43.72
Est. labor hours per unit		0.26
Other Information		
No. purchased or trans in		1,297
Number sold or trans out		1,165
Percentage death loss		3.3
Avg. daily gain (lbs)		1.36
Lbs of conc / lb of gain		3.21
Lbs of feed / lb of gain		3.24
Feed cost per cwt of gain		18.26
Feed cost per head		37.39
Average purchase weight		49
Average sales weight		262
Avg purch price / head		50.20
Avg sales price / cwt		43.89

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

Hogs, Weaning to Finish -- Average Per Head

	Avg. Of All Farms	
Number of farms	14	
	Quantity	Value
Wean-Fin Pig sold (lb)	258.94	118.08
Cull sales (lb)	1.77	0.48
Butchered (lb)	0.04	0.02
Less purchased (lb)	-15.12	-39.91
Less transferred in (lb)	-0.09	-0.30
Inventory change (lb)	2.96	0.86
Total production (lb)	248.50	79.22
Other income		1.11
Gross return		80.33
Direct Expenses		
Corn (bu.)	8.97	15.98
Complete Ration (lb.)	72.85	11.54
Protein Vit Minerals (lb.)	65.80	8.34
Other feed stuffs	0.04	5.88
Veterinary		2.08
Livestock supplies		0.50
Fuel & oil		1.51
Repairs		1.79
Custom hire		1.28
Marketing		0.70
Operating interest		1.04
Total direct expenses		50.64
Return over direct expense		29.70
Overhead Expenses		
Hired labor		3.54
Machinery & bldg leases		7.19
RE & pers. property taxes		0.19
Farm insurance		1.03
Utilities		1.33
Interest		2.38
Mach & bldg depreciation		2.55
Miscellaneous		0.67
Total overhead expenses		18.88
Total dir & ovhd expenses		69.52
Net return		10.81
Labor & management charge		2.85
Net return over lbr & mgt		7.97
Cost of Production		
Total direct expense per cwt.		34.56
Total dir & ovhd expense per cwt.		41.85
With labor and management		42.95
With other revenue adjustments		42.52
Est. labor hours per unit		0.40
Other Information		
No. purchased or trans in		7,978
Number sold or trans out		6,830
Percentage death loss		6.9
Avg. daily gain (lbs)		1.36
Lbs of conc / lb of gain		2.57
Lbs of feed / lb of gain		2.85
Feed cost per cwt of gain		16.79
Feed cost per head		41.73
Average purchase weight		13
Average sales weight		261
Avg purch price / head		34.69
Avg sales price / cwt		45.60

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

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

	Avg. Of All Farms	
Number of farms	14	
	Quantity	Value
Wean-Fin Pig sold (lb)	104.20	47.52
Cull sales (lb)	0.71	0.19
Butchered (lb)	0.01	0.01
Less purchased (lb)	-6.09	-16.06
Less transferred in (lb)	-0.04	-0.12
Inventory change (lb)	1.19	0.35
Total production (lb)	100.00	31.88
Other income		0.45
Gross return		32.33
Direct Expenses		
Corn (bu.)	3.61	6.43
Complete Ration (lb.)	29.32	4.64
Protein Vit Minerals (lb.)	26.48	3.35
Other feed stuffs	0.02	2.37
Veterinary		0.84
Livestock supplies		0.20
Fuel & oil		0.61
Repairs		0.72
Custom hire		0.52
Marketing		0.28
Operating interest		0.42
Total direct expenses		20.38
Return over direct expense		11.95
Overhead Expenses		
Hired labor		1.43
Machinery & bldg leases		2.89
RE & pers. property taxes		0.08
Farm insurance		0.41
Utilities		0.54
Interest		0.96
Mach & bldg depreciation		1.02
Miscellaneous		0.27
Total overhead expenses		7.60
Total dir & ovhd expenses		27.98
Net return		4.35
Labor & management charge		1.15
Net return over lbr & mgt		3.21
Cost of Production		
Total direct expense per cwt.		34.56
Total dir & ovhd expense per cwt.		41.85
With labor and management		42.95
With other revenue adjustments		42.52
Est. labor hours per unit		0.16
Other Information		
No. purchased or trans in		7,978
Number sold or trans out		6,830
Percentage death loss		6.9
Avg. daily gain (lbs)		1.36
Lbs of conc / lb of gain		2.57
Lbs of feed / lb of gain		2.85
Feed cost per cwt of gain		16.79
Feed cost per head		41.73
Average purchase weight		13
Average sales weight		261
Avg purch price / head		34.69
Avg sales price / cwt		45.60

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

Hogs, Contractee -- Average Per Pig Space

	<u>Avg. Of All Farms</u>	
Number of farms	19	
	Quantity	Value
Total production (hd)	0.00	0.00
Other income		35.35
Gross return		35.35
Direct Expenses		
Livestock supplies		1.49
Fuel & oil		0.56
Repairs		1.21
Custom hire		0.72
Machinery & bldg leases		0.78
Utilities		0.43
Operating interest		0.27
Total direct expenses		5.48
Return over direct expense		29.87
Overhead Expenses		
Hired labor		1.30
Machinery & bldg leases		3.11
RE & pers. property taxes		0.40
Farm insurance		0.95
Utilities		1.46
Interest		7.91
Mach & bldg depreciation		6.17
Miscellaneous		0.48
Total overhead expenses		21.78
Total dir & ovhd expenses		27.25
Net return		8.09
Labor & management charge		3.29
Net return over lbr & mgt		4.81
Cost of Production		
Total direct expense per head		-
Total dir & ovhd expense per head		-
With labor and management		-
With other revenue adjustments		-
Est. labor hours per unit		0.40
Other Information		
Number of pigs		5,962
Pigs per pig space (per year)		2.60
Pigs per 100 sq. ft. (per yr)		36.85
Net return per 100 sq. ft.		114.50
Net return per labor hour		20.02
Square feet per pig space		7.07

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

Beef Cow-Calf -- Average Per Cow

	Avg. Of All Farms	
Number of farms	16	
	Quantity	Value
Beef Calves sold (lb)	114.46	108.55
Transferred out (lb)	344.55	328.29
Cull sales (lb)	148.55	84.56
Butchered (lb)	6.31	2.71
Less purchased (lb)	-16.92	-53.37
Less transferred in (lb)	-86.07	-76.96
Inventory change (lb)	123.07	31.33
Total production (lb)	633.95	425.12
Other income		-
Gross return		425.12
Direct Expenses		
Corn (bu.)	2.49	4.18
Corn Silage (lb.)	6,147.40	53.92
Hav, Alfalfa (lb.)	2,390.03	91.05
Hav, Grass & Other (lb.)	2,215.91	40.77
Haylage, Alfalfa (lb.)	42.42	0.74
Pasture (aum)	2.32	40.48
Stover (lb.)	333.83	8.12
Complete Ration (lb.)	17.94	11.04
Protein Vit Minerals (lb.)	69.33	14.12
Other feed stuffs	6.38	0.30
Breeding fees		9.97
Veterinary		19.32
Livestock supplies		5.52
Fuel & oil		9.66
Repairs		21.62
Custom hire		4.19
Bedding		0.57
Operating interest		11.65
Total direct expenses		347.20
Return over direct expense		77.92
Overhead Expenses		
Custom hire		1.77
Hired labor		4.36
Machinery & bldg leases		2.35
RE & pers. property taxes		0.92
Farm insurance		8.91
Utilities		11.12
Interest		6.39
Mach & bldg depreciation		12.50
Miscellaneous		9.25
Total overhead expenses		57.56
Total dir & ovhd expenses		404.76
Net return		20.36
Labor & management charge		65.83
Net return over lbr & mgt		-45.46
Cost of Production		
Total direct expense per cwt.		54.77
Total dir & ovhd expense per cwt.		63.85
With labor and management		74.23
With other revenue adjustments		63.90
Est. labor hours per unit		7.30
Other Information		
Number of cows		58.9
Pregnancy percentage		98.0
Pregnancy loss percentage		3.0
Culling percentage		15.3
Calving percentage		95.1
Weaning percentage		87.9
Calves sold per cow		0.88
Calf death loss percent		7.5
Average weaning weight		524
Lbs weaned/exposed female		460
Feed cost per cow		264.71
Avg wgt/Beef Calf sold		580
Avg price / cwt		94.84

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

Beef, Finish Beef Calves -- Average Per Head

	Avg. Of All Farms		Low 20%		High 20%	
Number of farms	27		5		5	
	Quantity	Value	Quantity	Value	Quantity	Value
Finish Beef sold (lb)	1,145.94	822.69	1,119.21	758.02	989.85	697.84
Transferred out (lb)	3.13	2.29	32.15	24.40	19.00	13.30
Butchered (lb)	3.25	2.25	6.76	4.17	9.70	6.79
Less purchased (lb)	-637.79	-590.94	-609.25	-605.64	-512.61	-425.93
Less transferred in (lb)	-11.80	-10.76	-77.91	-78.17	-96.86	-84.12
Inventory change (lb)	99.55	39.72	225.79	177.72	237.27	153.84
Total production (lb)	602.29	265.24	696.75	280.49	646.35	361.72
Other income		1.24		-		-
Gross return		266.48		280.49		361.72
Direct Expenses						
Corn (bu.)	57.00	98.38	57.83	116.48	73.64	121.65
Corn Silage (lb.)	1,726.55	15.49	4,688.48	42.20	2,057.49	16.66
Corn, Ear (lb.)	215.36	4.35	227.96	5.47	-	-
Hay, Alfalfa (lb.)	249.10	9.48	524.99	19.92	240.54	8.42
Hay, Grass & Other (lb.)	123.83	3.04	30.11	1.13	591.85	12.09
Haylage, Alfalfa (lb.)	57.59	1.54	-	-	659.84	17.91
Sorghum Silage (lb.)	58.45	1.86	534.17	7.88	-	-
Stover (lb.)	22.96	0.40	202.44	4.17	88.58	1.51
Complete Ration (lb.)	345.53	9.09	-	-	-	-
Protein Vit Minerals (lb.)	338.02	36.53	391.55	62.79	210.95	30.04
Other feed stuffs	60.72	1.97	0.21	0.31	0.61	2.12
Veterinary		9.05		20.88		11.34
Livestock supplies		4.31		4.50		1.08
Fuel & oil		3.90		10.30		3.99
Repairs		12.21		13.96		13.39
Machinery & bldg leases		2.85		-		-
Marketing		2.97		13.60		1.77
Operating interest		28.18		38.37		7.67
Total direct expenses		245.61		361.97		249.63
Return over direct expense		20.88		-81.48		112.09
Overhead Expenses						
Custom hire		1.06		1.80		0.07
Hired labor		7.17		12.54		0.70
RE & pers. property taxes		1.38		2.34		0.85
Farm insurance		2.85		11.31		3.41
Utilities		3.57		7.80		4.29
Interest		5.47		3.06		4.36
Mach & bldg depreciation		11.37		14.44		8.22
Miscellaneous		3.88		3.34		3.60
Total overhead expenses		36.74		56.63		25.50
Total dir & ovhd expenses		282.35		418.60		275.12
Net return		-15.86		-138.10		86.60
Labor & management charge		19.21		26.81		37.99
Net return over lbr & mgt		-35.07		-164.91		48.60
Cost of Production						
Total direct expense per cwt.		70.09		75.03		59.38
Total dir & ovhd expense per cwt.		73.28		79.95		61.91
With labor and management		74.95		82.28		65.67
With other revenue adjustments		74.85		82.28		65.67
Est. labor hours per unit		2.37		4.09		3.88
Other Information						
No. purchased or trans in		437		132		200
Number sold or trans out		399		108		155
Percentage death loss		0.6		0.8		1.3
Avg. daily gain (lbs)		2.65		2.07		2.21
Lbs of conc / lb of gain		6.70		5.55		6.93
Lbs of feed / lb of gain		8.55		9.06		9.89
Feed cost per cwt of gain		30.24		37.37		32.55
Feed cost per head		182.14		260.36		210.39
Average purchase weight		677		643		639
Average sales weight		1,295		1,285		1,310
Avg purch price / cwt		92.65		99.41		83.09
Avg sales price / cwt		71.79		67.73		70.50

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

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

	Avg. Of All Farms		Low 20%		High 20%	
Number of farms	27		5		5	
	Quantity	Value	Quantity	Value	Quantity	Value
Finish Beef sold (lb)	190.26	136.59	160.63	108.79	153.15	107.97
Transferred out (lb)	0.52	0.38	4.61	3.50	2.94	2.06
Butchered (lb)	0.54	0.37	0.97	0.60	1.50	1.05
Less purchased (lb)	-105.89	-98.12	-87.44	-86.92	-79.31	-65.90
Less transferred in (lb)	-1.96	-1.79	-11.18	-11.22	-14.99	-13.01
Inventory change (lb)	16.53	6.59	32.41	25.51	36.71	23.80
Total production (lb)	100.00	44.04	100.00	40.26	100.00	55.96
Other income		0.21		-		-
Gross return		44.25		40.26		55.96
Direct Expenses						
Corn (bu.)	9.46	16.34	8.30	16.72	11.39	18.82
Corn Silage (lb.)	286.66	2.57	672.91	6.06	318.33	2.58
Corn, Ear (lb.)	35.76	0.72	32.72	0.79	-	-
Hay, Alfalfa (lb.)	41.36	1.57	75.35	2.86	37.22	1.30
Hay, Grass & Other (lb.)	20.56	0.50	4.32	0.16	91.57	1.87
Haylage, Alfalfa (lb.)	9.56	0.26	-	-	102.09	2.77
Sorghum Silage (lb.)	9.70	0.31	76.67	1.13	-	-
Stover (lb.)	3.81	0.07	29.06	0.60	13.70	0.23
Complete Ration (lb.)	57.37	1.51	-	-	-	-
Protein Vit Minerals (lb.)	56.12	6.07	56.20	9.01	32.64	4.65
Other feed stuffs	10.08	0.33	0.03	0.05	0.09	0.33
Veterinary		1.50		3.00		1.75
Livestock supplies		0.72		0.65		0.17
Fuel & oil		0.65		1.48		0.62
Repairs		2.03		2.00		2.07
Machinery & bldg leases		0.47		-		-
Marketing		0.49		1.95		0.27
Operating interest		4.68		5.51		1.19
Total direct expenses		40.78		51.95		38.62
Return over direct expense		3.47		-11.69		17.34
Overhead Expenses						
Custom hire		0.18		0.26		0.01
Hired labor		1.19		1.80		0.11
RE & pers. property taxes		0.23		0.34		0.13
Farm insurance		0.47		1.62		0.53
Utilities		0.59		1.12		0.66
Interest		0.91		0.44		0.67
Mach & bldg depreciation		1.89		2.07		1.27
Miscellaneous		0.64		0.48		0.56
Total overhead expenses		6.10		8.13		3.94
Total dir & ovhd expenses		46.88		60.08		42.57
Net return		-2.63		-19.82		13.40
Labor & management charge		3.19		3.85		5.88
Net return over lbr & mgt		-5.82		-23.67		7.52
Cost of Production						
Total direct expense per cwt.		70.09		75.03		59.38
Total dir & ovhd expense per cwt.		73.28		79.95		61.91
With labor and management		74.95		82.28		65.67
With other revenue adjustments		74.85		82.28		65.67
Est. labor hours per unit		0.39		0.59		0.60
Other Information						
No. purchased or trans in		437		132		200
Number sold or trans out		399		108		155
Percentage death loss		0.6		0.8		1.3
Avg. daily gain (lbs)		2.65		2.07		2.21
Lbs of conc / lb of gain		6.70		5.55		6.93
Lbs of feed / lb of gain		8.55		9.06		9.89
Feed cost per cwt of gain		30.24		37.37		32.55
Feed cost per head		182.14		260.36		210.39
Average purchase weight		677		643		639
Average sales weight		1,295		1,285		1,310
Avg purch price / cwt		92.65		99.41		83.09
Avg sales price / cwt		71.79		67.73		70.50

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

Dairy -- Average Per Cow

	Avg. Of All Farms		Low 20%		High 20%	
Number of farms	30		6		6	
	Quantity	Value	Quantity	Value	Quantity	Value
Milk sold (lb)	21,644.82	3,200.63	22,015.46	3,107.25	22,020.54	3,389.62
Milk used in home (lb)	10.38	1.21	2.75	0.34	21.02	2.10
Milk fed to animals (lb)	28.09	2.98	59.23	6.89	-	-
Dairy Calves sold (hd)	0.23	30.48	0.46	52.20	-	-
Transferred out (hd)	0.71	78.13	0.37	55.19	0.86	85.92
Cull sales (hd)	0.28	126.81	0.22	84.34	0.24	133.73
Butchered (hd)	0.00	0.43	0.00	0.33	-	-
Less purchased (hd)	-0.16	-224.13	-0.51	-724.95	0.00	-3.89
Less transferred in (hd)	-0.27	-362.61	-0.10	-121.32	-0.36	-466.49
Inventory change (hd)	0.08	122.51	0.35	388.92	0.05	196.78
Total production		2,976.44		2,849.18		3,337.79
Other income		22.92		31.91		20.36
Gross return		2,999.37		2,881.10		3,358.15
Direct Expenses						
Corn (bu.)	92.66	155.78	85.50	155.28	103.37	165.40
Corn Silage (lb.)	12,670.73	95.13	16,047.17	118.98	11,187.67	72.72
Hay, Alfalfa (lb.)	3,039.08	128.15	2,933.02	119.29	2,914.48	114.90
Haylage, Alfalfa (lb.)	6,209.28	125.87	5,320.75	105.72	11,831.10	234.66
Complete Ration (lb.)	409.49	33.80	-	-	-	-
Protein Vit Minerals (lb.)	3,803.35	486.71	5,152.23	601.12	3,704.02	498.62
Other feed stuffs	1,090.75	20.74	558.62	10.95	1.23	1.82
Breeding fees		36.07		39.53		33.25
Veterinary		116.92		130.08		108.46
BST		26.47		22.82		-
Livestock supplies		200.13		213.14		235.56
Fuel & oil		25.27		38.72		16.92
Repairs		109.50		133.60		127.19
Custom hire		54.64		88.25		24.45
Hired labor		61.41		16.98		-
Marketing		33.88		10.00		23.08
Operating interest		10.58		19.24		1.98
Total direct expenses		1,721.03		1,823.70		1,659.01
Return over direct expense		1,278.34		1,057.40		1,699.13
Overhead Expenses						
Custom hire		11.79		16.97		1.42
Hired labor		243.90		347.78		145.98
Machinery & bldg leases		20.37		35.52		15.71
Farm insurance		21.74		24.02		19.62
Utilities		52.94		55.68		45.72
Interest		92.92		242.04		9.02
Mach & bldg depreciation		96.78		80.23		87.58
Miscellaneous		49.42		22.34		28.35
Total overhead expenses		589.88		824.59		353.42
Total dir & ovhd expenses		2,310.91		2,648.29		2,012.43
Net return		688.46		232.81		1,345.72
Labor & management charge		201.35		209.13		288.79
Net return over lbr & mgt		487.12		23.69		1,056.93
Cost of Production						
Total direct expense per cwt.		7.94		8.26		7.53
Total dir & ovhd expense per cwt.		10.66		12.00		9.13
With labor and management		11.59		12.94		10.44
With other revenue adjustments		12.53		14.00		10.59
Est. labor hours per unit		48.11		55.47		42.95
Other Information						
Avg. number of Cows		131.4		176.7		124.3
Milk produced per Cow		21,683		22,077		22,042
Percent butterfat in milk		3.8		3.7		3.8
Culling percentage		27.9		21.8		24.3
Turnover rate		36.5		32.3		30.7
Percent of barn capacity		104.5		96.5		96.6
Lbs. milk/lb grain & conc.		2.2		2.2		2.7
Feed cost per cwt of milk		4.82		5.03		4.94
Feed cost per Cow		1,046.17		1,111.34		1,088.12
Avg. milk price per cwt.		14.79		14.11		15.39

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

Dairy Replacement Heifers -- Average Per Head Sold/Trans

	Avg. Of All Farms		Low 20%		High 20%	
Number of farms	28		5		5	
	Quantity	Value	Quantity	Value	Quantity	Value
Replacements sold (hd)	0.44	141.42	0.41	94.30	0.23	128.00
Transferred out (hd)	0.56	642.93	0.59	665.02	0.77	1,066.67
Cull sales (hd)	0.01	1.93	0.04	10.09	-	-
Butchered (hd)	0.00	0.97	0.00	2.24	0.00	2.08
Less purchased (hd)	-0.13	-100.04	-0.09	-143.16	-	-
Less transferred in (hd)	-1.14	-125.29	-1.44	-175.45	-1.27	-167.26
Inventory change (hd)	0.04	160.40	0.36	325.66	0.04	352.30
Total production (hd)	0.00	722.32	0.00	778.71	0.00	1,381.79
Other income		-		-		-
Gross return		722.32		778.71		1,381.79
Direct Expenses						
Barley (bu.)	0.69	0.98	-	-	3.33	4.67
Corn (bu.)	21.92	35.80	34.36	57.65	25.78	42.39
Corn Silage (lb.)	6,736.48	48.31	8,385.65	64.93	6,650.00	59.67
Hay, Alfalfa (lb.)	2,502.02	96.24	3,565.02	165.54	3,195.83	112.27
Hay, Grass & Other (lb.)	289.70	6.78	266.82	6.67	1,000.00	24.72
Haylage, Alfalfa (lb.)	2,005.49	38.63	3,789.24	67.71	444.44	7.78
Oatlage (lb.)	270.39	1.51	672.65	4.04	388.89	1.94
Oats (bu.)	2.88	2.53	7.13	5.29	2.22	2.22
Pasture (aum)	0.99	9.99	-	1.85	2.18	19.97
Sorghum Silage (lb.)	76.39	1.74	399.10	9.09	-	-
Complete Ration (lb.)	42.92	5.56	-	-	-	-
Milk (lb.)	20.90	1.91	20.45	2.04	49.25	3.78
Protein Vit Minerals (lb.)	659.71	103.85	1,434.84	191.25	413.56	103.31
Other feed stuffs	8.61	0.39	-	-	55.70	2.52
Breeding fees		13.80		7.93		17.83
Veterinary		19.93		52.44		13.34
Livestock supplies		20.57		69.45		11.11
Fuel & oil		6.65		12.24		7.24
Repairs		34.70		71.84		22.03
Custom hire		92.70		26.98		165.22
Operating interest		2.30		0.59		4.13
Total direct expenses		544.88		817.53		626.13
Return over direct expense		177.45		-38.83		755.66
Overhead Expenses						
Hired labor		50.68		131.79		56.11
Machinery & bldg leases		7.03		23.93		1.39
Farm insurance		6.20		8.76		8.83
Utilities		12.18		18.77		11.56
Interest		14.88		46.14		4.70
Mach & bldg depreciation		27.85		48.56		25.07
Miscellaneous		11.29		9.38		27.73
Total overhead expenses		130.12		287.32		135.39
Total dir & ovhd expenses		675.00		1,104.86		761.51
Net return		47.32		-326.15		620.28
Labor & management charge		63.64		63.91		56.40
Net return over lbr & mgt		-16.32		-390.06		563.87
Cost of Production						
Total direct expense per head		606.91		798.15		439.00
Total dir & ovhd expense per head		737.03		1,085.47		574.39
With labor and management		800.67		1,149.38		630.79
With other revenue adjustments		800.67		1,149.38		630.79
Est. labor hours per unit		13.49		18.11		15.74
Other Information						
No. purchased or trans in		105		137		91
Number sold or trans out		83		89		72
Average number of head		121		168		149
Percentage death loss		8.2		5.5		7.5
Feed cost per average head		243.03		305.50		186.15
Feed cost/head sold+trans		354.22		576.07		385.23
Avg. purchase weight		-		-		-
Avg. sales weight		33		-		399
Avg. purch price / head		787.47		1,557.32		-
Avg. sales price / head		323.36		227.34		548.57

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

Dairy and Repl Heifers -- Average Per Cow

	Avg. Of All Farms		Low 20%		High 20%	
Number of farms	27		5		5	
	Quantity	Value	Quantity	Value	Quantity	Value
Milk sold (lb)	21,553.57	3,208.96	21,337.05	3,078.59	22,950.95	3,398.91
Milk used in home (lb)	12.43	1.45	4.72	0.59	23.36	2.64
Milk fed to animals (lb)	33.65	3.57	130.90	14.74	17.51	1.40
Dairy Calves sold (hd)	0.44	116.98	0.36	60.63	0.53	91.64
Transferred out (hd)	1.23	543.55	0.85	320.95	1.16	656.93
Cull sales (hd)	0.29	131.08	0.22	78.48	0.30	152.27
Butchered (hd)	0.00	1.20	0.00	0.57	0.00	0.62
Less purchased (hd)	-0.21	-256.75	-0.68	-965.68	-0.05	-73.27
Less transferred in (hd)	-1.13	-521.94	-0.82	-306.62	-1.16	-657.48
Inventory change (hd)	0.13	265.18	0.89	965.22	0.08	286.96
Total production		3,493.27		3,247.46		3,860.61
Other income		19.91		14.03		15.64
Gross return		3,513.18		3,261.48		3,876.25
Direct Expenses						
Corn (bu.)	115.81	190.08	120.80	200.71	99.47	164.26
Corn Silage (lb.)	16,584.62	126.53	18,972.54	154.19	20,401.65	169.02
Hay, Alfalfa (lb.)	4,980.78	199.95	6,233.93	248.10	6,390.83	256.84
Haylage, Alfalfa (lb.)	7,469.40	150.35	2,436.19	47.91	6,261.59	119.88
Wheat, Spring (bu.)	1.78	8.00	-	-	6.04	27.13
Complete Ration (lb.)	57.79	5.88	161.55	20.92	-	-
Protein Vit Minerals (lb.)	4,440.09	572.58	7,309.95	711.89	4,035.26	503.99
Other feed stuffs	1,709.58	33.35	1,607.40	29.62	433.20	20.56
Breeding fees		48.91		56.13		35.90
Veterinary		130.98		176.53		97.17
BST		27.14		39.07		-
Livestock supplies		208.75		175.89		196.29
Fuel & oil		27.90		46.78		21.45
Repairs		123.67		168.13		103.08
Custom hire		113.77		78.20		112.14
Hired labor		74.48		33.94		-
Marketing		38.79		17.19		81.27
Total direct expenses		2,081.12		2,205.20		1,908.98
Return over direct expense		1,432.06		1,056.28		1,967.28
Overhead Expenses						
Hired labor		258.48		293.68		288.29
Machinery & bldg leases		28.74		66.68		18.56
Farm insurance		27.37		32.18		32.58
Utilities		60.82		68.93		45.33
Interest		80.30		261.69		7.22
Mach & bldg depreciation		128.38		153.43		95.47
Miscellaneous		65.23		24.30		90.15
Total overhead expenses		649.33		900.89		577.60
Total dir & ovhd expenses		2,730.45		3,106.09		2,486.58
Net return		782.73		155.39		1,389.67
Labor & management charge		242.01		264.35		189.11
Net return over lbr & mgt		540.72		-108.95		1,200.57
Cost of Production						
Total direct expense per cwt.		9.63		10.27		8.30
Total dir & ovhd expense per cwt.		12.64		14.47		10.82
With labor and management		13.76		15.70		11.64
With other revenue adjustments		12.38		14.92		9.58
Est. labor hours per unit		56.08		60.14		52.77
Other Information						
Avg. number of Cows		121.9		123.8		194.2
Milk produced per Cow		21,600		21,473		22,992
Percent butterfat in milk		3.8		3.5		3.7
Culling percentage		29.0		22.1		29.9
Turnover rate		38.1		31.8		38.4
Percent of barn capacity		103.2		87.3		93.3
Lbs. milk/lb grain & conc.		1.9		1.5		2.4
Feed cost per cwt of milk		5.96		6.58		5.49
Feed cost per Cow		1,286.74		1,413.33		1,261.67
Avg. milk price per cwt.		14.89		14.43		14.81

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

Dairy Steers -- Average Per Head

	<u>Avg. Of All Farms</u>	
Number of farms	8	
	Quantity	Value
Dairy Steers sold (lb)	1,099.82	721.72
Transferred out (lb)	27.11	19.95
Butchered (lb)	13.96	8.05
Less purchased (lb)	-208.25	-230.79
Less transferred in (lb)	-153.83	-110.11
Inventory change (lb)	255.61	116.90
Total production (lb)	1,034.40	525.73
Other income		-
Gross return		525.73
Direct Expenses		
Corn (bu.)	107.71	179.86
Corn Silage (lb.)	635.16	4.13
Hay, Grass & Other (lb.)	352.21	8.40
Haylage, Alfalfa (lb.)	910.26	17.95
Protein Vit Minerals (lb.)	645.96	118.27
Other feed stuffs	16.18	0.57
Veterinary		19.86
Livestock supplies		12.54
Fuel & oil		9.05
Repairs		19.28
Custom hire		1.17
Marketing		10.15
Operating interest		5.62
Total direct expenses		406.84
Return over direct expense		118.89
Overhead Expenses		
Custom hire		0.91
Hired labor		4.78
Machinery & bldg leases		3.08
RE & pers. property taxes		1.64
Farm insurance		8.46
Utilities		14.69
Interest		1.11
Mach & bldg depreciation		10.65
Miscellaneous		5.50
Total overhead expenses		50.82
Total dir & ovhd expenses		457.66
Net return		68.07
Labor & management charge		54.73
Net return over lbr & mgt		13.34
Cost of Production		
Total direct expense per cwt.		55.26
Total dir & ovhd expense per cwt.		59.77
With labor and management		64.63
With other revenue adjustments		64.63
Est. labor hours per unit		5.27
Other Information		
No. purchased or trans in		72
Number sold or trans out		54
Percentage death loss		2.3
Avg. daily gain (lbs)		2.28
Lbs of conc / lb of gain		6.37
Lbs of feed / lb of gain		7.37
Feed cost per cwt of gain		31.82
Feed cost per head		329.17
Average purchase weight		252
Average sales weight		1,301
Avg purch price / head		278.96
Avg sales price / cwt		65.62

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

Dairy Steers -- Average Per Cwt. Produced

	<u>Avg. Of All Farms</u>	
Number of farms	8	
	Quantity	Value
Dairy Steers sold (lb)	106.32	69.77
Transferred out (lb)	2.62	1.93
Butchered (lb)	1.35	0.78
Less purchased (lb)	-20.13	-22.31
Less transferred in (lb)	-14.87	-10.64
Inventory change (lb)	24.71	11.30
Total production (lb)	100.00	50.82
Other income		-
Gross return		50.82
Direct Expenses		
Corn (bu.)	10.41	17.39
Corn Silage (lb.)	61.40	0.40
Hay, Grass & Other (lb.)	34.05	0.81
Haylage, Alfalfa (lb.)	88.00	1.74
Protein Vit Minerals (lb.)	62.45	11.43
Other feed stuffs	1.56	0.05
Veterinary		1.92
Livestock supplies		1.21
Fuel & oil		0.88
Repairs		1.86
Custom hire		0.11
Marketing		0.98
Operating interest		0.54
Total direct expenses		39.33
Return over direct expense		11.49
Overhead Expenses		
Custom hire		0.09
Hired labor		0.46
Machinery & bldg leases		0.30
RE & pers. property taxes		0.16
Farm insurance		0.82
Utilities		1.42
Interest		0.11
Mach & bldg depreciation		1.03
Miscellaneous		0.53
Total overhead expenses		4.91
Total dir & ovhd expenses		44.24
Net return		6.58
Labor & management charge		5.29
Net return over lbr & mgt		1.29
Cost of Production		
Total direct expense per cwt.		55.26
Total dir & ovhd expense per cwt.		59.77
With labor and management		64.63
With other revenue adjustments		64.63
Est. labor hours per unit		0.51
Other Information		
No. purchased or trans in		72
Number sold or trans out		54
Percentage death loss		2.3
Avg. daily gain (lbs)		2.28
Lbs of conc / lb of gain		6.37
Lbs of feed / lb of gain		7.37
Feed cost per cwt of gain		31.82
Feed cost per head		329.17
Average purchase weight		252
Average sales weight		1,301
Avg purch price / head		278.96
Avg sales price / cwt		65.62

PRICES USED IN ANALYSIS REPORT, 2001
Southwestern Minnesota Farm Business Management Association

Item	Beginning Inventory	Feed	Harvest	Ending Inventory
All Corn/bu.	1.75	1.70	1.75	1.80
Oats/bu.	1.25	1.50	1.50	2.00
All Wheat/bu.	3.00	2.75	2.50	2.40
Soybeans/bu.	4.75	4.25	5.15	4.00
Alfalfa hay/t. 75.00	85.00	85.00	85.00	100.00
Alfalfa haylage/t	42.50	42.50	42.50	50.00
Grass/Mixed hay/r	50.00	50.00	50.00	50.00
Corn silage/t.	18.00	18.00	18.00	18.00
Grass silage/t.	13.00	13.00	13.00	13.00
Oatlage/t.	12.00	12.00	12.00	12.00
Oats straw/bale	1.75	1.75	1.75	2.25
Green chop/t.		10.00	9.00	9.00
Cornstalks/t.		10.00		
CCC Corn Loan Equity	0.00 (cash basis only)			0.10
CCC Soybean Loan Equity	0.00 (cash basis only)			0.00

All commodities are valued on an as fed moisture basis.

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

Other Prices Used:

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

Starting in 2000, depreciation is calculated by using an 8% rate for buildings, 12% for machinery, 20% for beef cattle and sheep and 33% for breeding hogs and dairy cows. The economic depreciation is calculated by taking the beginning basis, plus new purchases (boot), less basis of sold items multiplied by the appropriate percentage rate.

Value of operator's labor is calculated by using this formula: For sole proprietors and partnerships, labor and management should be valued at \$12,000 per operator plus 5% of the value of farm production. A minimum labor and management charge shall be \$30,000 for a full-time farm operator.

Suggested land market value by county: \$/acre

Cottonwood	1500	Nobles	1200
Jackson	1500	Pipestone	700
Faribault	1800	Redwood	1400
Martin	1600	Watsonwan	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 in the Summary by Years. All items are taken from the annual report for that year. Monetary values are left in nominal terms unadjusted for inflation. The one exception is the “Net Farm Income (Constant \$)” using the Consumer Price Index (CPI-U) from the U.S. Department of Commerce. This shows the changes in “buying power” for the farmers, compared to the current year. The CPI used is reported below.

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, on a gross income category basis, by type of farm, and by age of operator. 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>
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	160.5
1998	163.0
1999	166.6
2000	172.3
2001	177.2

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

Row	Items	1982	1983	1984	1985	1986	1987	1988	1989	1990
		----	----	----	----	----	----	----	----	----
1	Number of Farms	180	182	168	180	182	178	202	203	200
	Farm Income Statement									
2	Gross Cash Farm Income	247,413	251,287	259,338	237,875	246,048	254,004	262,229	265,019	291,839
3	Total Cash Farm Expense	205,451	191,634	217,464	185,864	189,097	196,046	206,433	204,939	222,201
4	Inventory Change	*	-1,304	1,234	-15,056	1,798	31,353	20,577	11,788	22,242
5	Depr. & Cap. Adj.	*	-30,286	-33,093	-31,469	-26,656	-25,906	-21,370	-21,709	-26,876
6	Net Farm Income	25,838	27,844	9,872	5,487	32,093	63,404	55,004	50,159	65,004
7	Net Farm Income (Constant \$)	47,446	49,538	16,837	9,036	51,888	98,901	82,390	71,679	88,131
	Profitability and Liquidity Analysis									
8	Labor and Management Earnings	13,491	-35,799	-8,161	-5,860	21,241	51,592	39,866	33,078	47,215
	Rate of return on:									
9	Average Assets (%)	6	6	4	4	9	16	13	10	12
10	Average Equity (%)	3	3	-2	-4	9	24	16	11	15
11	Operating Profit Margin (%)	28	19	11	10	18	26	22	19	23
12	Asset Turnover Rate (%)	22	31	35	40	52	63	58	49	53
13	Value of Farm Production	147,570	201,051	206,568	185,740	211,530	246,235	246,893	233,867	264,282
14	Farm Interest Paid	30,317	27,769	29,498	26,700	21,446	15,993	14,546	15,489	17,126
15	Cash Expense as a % of Income	83	76	84	78	77	77	79	77	76
	Interest Paid as a % of:									
16	Gross Cash Income	12	11	11	11	9	6	6	6	6
17	Total Cash Expenses	15	14	14	14	11	8	7	8	8
18	Yrs. to T/O Non R.E. Debt	*	3.3	7.1	1.7	1.5	1.9	1.4	2.2	1.9
	Comparative Financial Statement (Market Basis)									
19	No. of Sole Proprietors	143	162	147	160	161	164	182	179	180
20	Total Ending Assets	686,198	728,302	669,773	508,552	462,043	439,918	468,616	506,988	557,912
21	Total Ending Liabilities	252,574	281,999	304,940	255,031	211,411	180,785	172,714	186,956	202,626
22	Ending Net Worth	433,624	446,303	364,833	253,521	250,632	259,133	295,902	320,032	355,286
23	Ending Farm C+I Debt to Asset %	45	51	55	51	43	37	35	35	36
24	Ending Total Debt to Asset %	37	39	46	50	46	41	37	37	36
	Acreage Information									
25	Total Acres Owned	244	*	250	249	231	222	222	237	237
26	Total Crop Acres Farmed	480	*	519	552	540	520	525	568	561
27	Crop Acres Owned	206	*	206	212	191	180	186	199	191
28	Crop Acres Cash Rented	*	*	208	237	236	231	238	269	275
29	Crop Acres Share Rented	*	*	104	103	113	108	101	100	95
	Crop Yields									
30	Corn per acre	126	88	113	124	136	138	89	141	128
31	Soybean per acre	40	35	38	35	39	44	32	43	45
	Crop Prices Received (cash sales)									
32	Corn per Bushel	2.23	*	2.88	2.35	2.03	1.53	2.08	2.20	2.30
33	Soybeans per Bushel	5.63	*	7.12	5.38	5.01	4.89	6.80	6.57	5.69
	Household Information									
34	No. Farms Reporting HseHld Info	96	96	89	96	101	102	120	129	126
35	Average Family Size	4.0	*	3.7	3.9	3.6	3.7	3.8	3.9	3.9
36	Total Family Use of Cash	29,981	35,660	29,540	28,701	28,027	30,729	37,556	44,214	46,587
37	Average Net Nonfarm Income	9,385	*	11,262	8,445	8,580	7,787	6,890	11,973	12,135

* Not available.

** Starting with 1993, profitability is analyzed using assets valued on the cost basis and the financial statement uses fair market value. From 1979 through 1992, profitability and solvency are analyzed using land valued with a conservative market value and all other assets valued on a cost basis.

Table 14, continued

1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	Row
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207	201	202	202	216	203	208	210	216	212	207	1
											Change
288,031	301,907	296,705	306,175	346,838	382,502	359,710	369,573	388,731	422,897	433,698	2 10801.0
221,385	236,768	242,616	256,246	277,214	299,610	303,241	305,344	324,802	348,711	358,506	3 9795.0
-10,822	-429	4,474	9,254	16,939	12,231	19,769	-21,057	15,633	25,296	-17,297	4 -42593.0
-26,122	-27,051	-26,997	-27,268	-29,288	-32,424	-35,640	-34,557	-35,800	-17,731	-21,280	5 -3549.0
29,702	37,659	31,567	31,915	57,276	62,699	40,598	8,616	43,762	81,750	36,614	6 -45136.0
38,643	47,564	38,711	38,160	66,597	70,811	44,822	9,367	46,546	84,075	36,614	7 -47460.9
		**	**	**	**	**	**	**	**	**	
11,281	19,467	16,681	16,949	41,326	45,206	23,364	-8,757	26,896	62,532	16,094	8
5	7	5	5	10	10	6	2	7	12	6	9
3	6	2	3	13	12	5	-6	7	19	4	10
12	14	12	12	22	21	14	4	16	27	14	11
43	46	40	41	46	48	44	39	43	45	39	12
225,829	244,243	191,194	207,729	247,690	277,026	262,396	250,717	274,411	313,232	282,583	13
17,061	17,943	15,667	17,837	22,084	22,337	22,282	25,358	27,488	27,002	27,203	14
77	78	82	84	80	78	84	83	84	82	83	15
6	6	5	6	6	6	6	7	7	6	6	16
8	8	6	7	8	7	7	8	8	8	8	17
3.3	2.6	1.8	2.6	1.3	1.2	3.3	2.5	2.5	2.1	2.4	18
		**	**	**	**	**	**	**	**	**	
187	180	178	179	184	173	180	183	185	181	178	19 Change
579,629	596,525	844,030	901,807	944,208	982,750	1,016,308	1,066,565	1,061,579	1,150,838	1,158,071	20 7233.0
216,189	227,131	396,899	431,390	452,253	462,505	490,140	522,994	517,040	545,689	539,918	21 -5771.0
363,440	369,394	447,132	470,418	491,955	520,245	526,168	543,571	544,539	605,149	618,197	22 13048.0
41	44	38	39	38	37	44	45	43	42	45	23
37	38	47	48	48	47	48	49	49	47	47	24
241	251	252	267	256	249	233	250	241	250	252	25
570	586	600	612	625	658	648	697	709	730	759	26
200	203	204	204	211	204	200	219	204	214	214	27
274	286	299	323	340	384	381	402	430	445	468	28
96	96	97	86	74	70	67	76	75	70	77	29
125	126	61	143	119	133	126	161	156	150	128	30
38	38	20	46	43	42	42	49	45	46	42	31
2.26	2.20	2.11	2.24	2.30	3.04	2.39	1.97	1.66	1.68	1.72	32
5.41	5.39	5.84	5.94	5.56	6.84	7.13	5.72	4.59	4.57	4.32	33
145	136	131	134	151	131	123	122	125	120	124	34
4.0	4.1	3.9	3.8	3.7	3.7	3.7	3.6	3.6	3.5	3.5	35
48,911	45,638	45,897	42,179	43,315	47,584	58,051	48,197	50,326	62,349	63,980	36
10,803	12,329	12,354	13,515	16,014	16,954	18,982	17,475	20,275	24,692	23,043	37

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

	<u>Avg. Of All Farms</u>	<u>Brown</u>	<u>Cottonwood</u>	<u>Jackson</u>	<u>Murray</u>	<u>Nobles</u>	<u>Pipestone</u>	<u>Redwood</u>
Number of farms	207	25	38	24	31	39	15	35
Income Statement								
Gross cash farm income	433,698	404,963	509,073	423,336	374,114	390,208	631,078	396,134
Total cash farm expense	358,506	363,975	419,172	348,611	281,899	332,438	531,213	318,402
Net cash farm income	75,191	40,988	89,901	74,725	92,216	57,769	99,865	77,732
Inventory change	-17,297	-12,195	-44,619	-10,753	-16,875	348	-10,429	-18,742
Depreciation and capital adjust	-21,280	-26,272	-24,154	-19,551	-15,116	-22,212	-22,611	-19,631
Net farm income	36,614	2,521	21,128	44,421	60,225	35,905	66,824	39,359
Profitability (cost)								
Labor and management earnings	16,094	-14,878	-5,756	23,437	39,364	20,523	45,521	18,745
Rate of return on assets	5.5 %	1.8 %	3.0 %	6.5 %	9.7 %	5.6 %	10.1 %	6.0 %
Rate of return on equity	3.8 %	-7.5 %	-1.6 %	6.2 %	12.0 %	3.2 %	12.9 %	5.0 %
Operating profit margin	14.1 %	4.7 %	10.4 %	16.7 %	21.7 %	12.4 %	20.9 %	15.3 %
Asset turnover rate	38.9 %	39.3 %	28.6 %	39.2 %	44.7 %	44.9 %	48.2 %	39.5 %
Liquidity								
Term debt coverage ratio	104.4 %	50.5 %	73.0 %	132.1 %	169.0 %	110.2 %	117.7 %	119.5 %
Expense as a percent of income	86.1 %	92.7 %	90.4 %	84.0 %	78.9 %	85.3 %	85.5 %	84.4 %
Interest as a percent of income	6.6 %	8.1 %	7.7 %	5.7 %	5.8 %	6.9 %	3.9 %	6.8 %
Solvency (market)								
Number of sole proprietors	178	21	34	22	27	33	10	31
Ending farm assets	993,859	1,027,970	1,363,761	806,184	737,768	1,022,225	763,383	965,438
Ending farm liabilities	512,651	515,088	722,904	374,568	399,971	584,598	346,224	453,634
Ending total assets	1,158,071	1,182,286	1,487,315	956,849	877,898	1,211,339	1,041,662	1,148,230
Ending total liabilities	539,873	536,305	747,425	403,847	424,193	613,866	365,945	489,283
Ending net worth	618,197	645,981	739,890	553,002	453,705	597,473	675,717	658,948
Net worth change	20,730	11,794	10,066	26,378	25,688	18,531	36,874	27,286
Ending farm debt to asset ratio	52 %	50 %	53 %	46 %	54 %	57 %	45 %	47 %
Beg total debt to asset ratio	47 %	47 %	50 %	44 %	50 %	49 %	38 %	43 %
End total debt to asset ratio	47 %	45 %	50 %	42 %	48 %	51 %	35 %	43 %
Nonfarm Information								
Net nonfarm income	20,082	25,304	17,075	25,894	16,921	23,822	12,500	17,512
Farms reporting living expenses	175	21	32	22	27	33	10	30
Total family living expense	37,473	42,586	38,585	37,902	34,697	40,294	33,778	33,022
Total living, invest, & capital	58,827	62,213	67,806	54,692	51,455	63,819	65,817	48,727
Crop Acres								
Total acres owned	252	235	387	189	280	218	180	207
Total crop acres	759	780	816	694	779	723	662	791
Total crop acres owned	214	204	334	146	228	187	142	183
Total crop acres cash rented	468	559	431	421	445	468	432	513
Total crop acres share rented	77	17	51	127	106	68	88	94

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

	Avg. Of All Farms	40,001 - 100,000	100,001 - 200,000	200,001 - 500,000	500,001 - 1,000,000	Over 1,000,000
Number of farms	207	13	51	94	34	13
Income Statement						
Gross cash farm income	433,698	68,930	151,147	328,676	692,274	2,052,786
Total cash farm expense	358,506	69,803	104,417	261,783	561,941	1,864,166
Net cash farm income	75,191	-873	46,730	66,893	130,333	188,620
Inventory change	-17,297	12,829	-16,065	-20,574	-37,415	19,185
Depreciation and capital adjust	-21,280	-6,340	-7,985	-16,665	-38,566	-79,576
Net farm income	36,614	5,616	22,680	29,653	54,352	128,230
Profitability (cost)						
Labor and management earnings	16,094	-169	7,297	11,672	24,170	77,155
Rate of return on assets	5.5 %	1.3 %	3.8 %	4.4 %	5.9 %	8.8 %
Rate of return on equity	3.8 %	-6.9 %	1.9 %	1.5 %	4.4 %	11.3 %
Operating profit margin	14.1 %	3.4 %	11.7 %	11.3 %	15.7 %	19.7 %
Asset turnover rate	38.9 %	37.8 %	32.2 %	39.2 %	37.8 %	44.6 %
Liquidity						
Term debt coverage ratio	104.4 %	147.4 %	104.1 %	86.0 %	93.8 %	158.6 %
Expense as a percent of income	86.1 %	85.1 %	78.0 %	85.0 %	85.9 %	89.9 %
Interest as a percent of income	6.6 %	10.6 %	7.3 %	7.7 %	7.2 %	4.6 %
Solvency (market)						
Number of sole proprietors	178	11	49	86	24	6
Ending farm assets	993,859	355,393	648,303	936,004	1,760,681	2,979,263
Ending farm liabilities	512,651	163,747	252,462	491,397	968,797	1,906,473
Ending total assets	1,158,071	544,181	833,505	1,082,893	1,940,274	3,145,141
Ending total liabilities	539,873	195,992	284,520	517,307	992,273	1,926,839
Ending net worth	618,197	348,189	548,984	565,586	948,001	1,218,302
Net worth change	20,730	10,884	11,894	18,735	41,692	49,903
Ending farm debt to asset ratio	52 %	46 %	39 %	52 %	55 %	64 %
Beg total debt to asset ratio	47 %	35 %	35 %	48 %	53 %	59 %
End total debt to asset ratio	47 %	36 %	34 %	48 %	51 %	61 %
Nonfarm Information						
Net nonfarm income	20,082	41,793	29,680	19,084	8,744	-1,492
Farms reporting living expenses	175	10	49	85	24	6
Total family living expense	37,473	32,526	32,946	37,497	46,944	46,264
Total living, invest, & capital	58,827	48,673	53,877	54,529	83,556	83,246
Crop Acres						
Total acres owned	252	109	204	238	380	377
Total crop acres	759	262	416	793	1,150	1,437
Total crop acres owned	214	92	157	202	369	272
Total crop acres cash rented	468	154	211	506	672	1,060
Total crop acres share rented	77	16	48	85	110	106

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

	Avg. Of All Farms	Crop	Hog	Beef	Crop and Hog	Crop and Beef	Other
Number of farms	207	107	11	9	22	12	40
Income Statement							
Gross cash farm income	433,698	268,903	1,162,731	1,344,146	567,956	572,700	292,141
Total cash farm expense	358,506	209,754	1,034,512	1,264,971	488,181	494,269	223,856
Net cash farm income	75,191	59,149	128,219	79,174	79,776	78,431	68,284
Inventory change	-17,297	-25,080	25,556	-43,590	-11,573	-38,809	-7,529
Depreciation and capital adjust	-21,280	-14,180	-41,117	-28,449	-31,347	-18,611	-22,816
Net farm income	36,614	19,889	112,658	7,136	36,855	21,011	37,939
Profitability (cost)							
Labor and management earnings	16,094	204	83,893	-10,897	16,134	-4,586	24,705
Rate of return on assets	5.5 %	2.7 %	11.3 %	3.3 %	5.7 %	2.6 %	7.7 %
Rate of return on equity	3.8 %	-0.8 %	18.4 %	-11.0 %	3.4 %	-2.4 %	7.9 %
Operating profit margin	14.1 %	7.5 %	26.6 %	10.2 %	11.7 %	8.3 %	18.7 %
Asset turnover rate	38.9 %	35.9 %	42.4 %	32.0 %	49.1 %	31.7 %	40.9 %
Liquidity							
Term debt coverage ratio	104.4 %	73.3 %	157.4 %	6.1 %	107.6 %	57.0 %	97.9 %
Expense as a percent of income	86.1 %	86.2 %	86.7 %	97.3 %	87.8 %	92.7 %	78.7 %
Interest as a percent of income	6.6 %	7.6 %	4.1 %	5.5 %	6.0 %	6.6 %	10.0 %
Solvency (market)							
Number of sole proprietors	178	95	6	7	19	11	35
Ending farm assets	993,859	875,045	1,362,189	1,941,875	907,515	1,509,475	871,201
Ending farm liabilities	512,651	397,554	743,471	1,304,620	501,463	780,311	497,649
Ending total assets	1,158,071	1,044,368	1,589,906	2,073,650	1,051,525	1,614,652	1,044,460
Ending total liabilities	539,873	428,565	752,710	1,323,042	527,708	795,490	525,170
Ending net worth	618,197	615,803	837,197	750,608	523,818	819,162	519,290
Net worth change	20,730	12,943	71,107	26,444	25,593	39,017	17,361
Ending farm debt to asset ratio	52 %	45 %	55 %	67 %	55 %	52 %	57 %
Beg total debt to asset ratio	47 %	42 %	47 %	66 %	50 %	51 %	52 %
End total debt to asset ratio	47 %	41 %	47 %	64 %	50 %	49 %	50 %
Nonfarm Information							
Net nonfarm income	20,082	23,766	431	5,626	17,234	10,848	25,068
Farms reporting living expenses	175	93	6	7	18	11	35
Total family living expense	37,473	34,746	37,214	47,961	43,001	34,995	41,291
Total living, invest, & capital	58,827	52,337	51,801	84,074	66,717	61,378	63,072
Crop Acres							
Total acres owned	252	250	203	340	183	409	231
Total crop acres	759	787	560	918	939	958	509
Total crop acres owned	214	230	177	292	157	350	150
Total crop acres cash rented	468	478	342	498	695	538	307
Total crop acres share rented	77	79	41	128	87	70	52

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

	Avg. Of All Farms	Less than 31	31 - 40	41 - 50	51 - 60	Over 60
Number of farms	207	10	45	65	62	25
Income Statement						
Gross cash farm income	433,698	189,746	386,931	540,572	437,707	327,640
Total cash farm expense	358,506	158,695	321,589	444,284	353,043	295,408
Net cash farm income	75,191	31,051	65,343	96,288	84,664	32,232
Inventory change	-17,297	-2,662	-16,969	-21,816	-19,174	-7,336
Depreciation and capital adjust	-21,280	-4,908	-18,015	-26,334	-20,980	-21,312
Net farm income	36,614	23,480	30,358	48,139	44,510	3,584
Profitability (cost)						
Labor and management earnings	16,094	18,452	16,842	30,510	15,982	-23,402
Rate of return on assets	5.5 %	5.9 %	5.7 %	7.2 %	5.4 %	1.4 %
Rate of return on equity	3.8 %	4.2 %	3.9 %	7.5 %	4.1 %	-3.4 %
Operating profit margin	14.1 %	9.0 %	12.4 %	16.7 %	15.3 %	5.1 %
Asset turnover rate	38.9 %	66.0 %	45.9 %	42.8 %	35.2 %	26.9 %
Liquidity						
Term debt coverage ratio	104.4 %	115.2 %	97.5 %	104.7 %	135.1 %	35.5 %
Expense as a percent of income	86.1 %	84.9 %	87.0 %	85.5 %	84.4 %	92.4 %
Interest as a percent of income	6.6 %	5.7 %	6.0 %	6.8 %	6.4 %	8.0 %
Solvency (market)						
Number of sole proprietors	178	10	38	56	53	21
Ending farm assets	993,859	307,313	705,805	1,026,174	1,203,579	1,226,560
Ending farm liabilities	512,651	212,632	426,531	610,917	550,089	454,826
Ending total assets	1,158,071	334,892	820,687	1,135,208	1,430,833	1,533,129
Ending total liabilities	539,873	219,860	454,084	626,587	585,110	502,095
Ending net worth	618,197	115,032	366,603	508,621	845,723	1,031,034
Net worth change	20,730	10,246	16,794	34,280	17,841	4,001
Ending farm debt to asset ratio	52 %	69 %	60 %	60 %	46 %	37 %
Beg total debt to asset ratio	47 %	65 %	56 %	56 %	41 %	34 %
End total debt to asset ratio	47 %	66 %	55 %	55 %	41 %	33 %
Nonfarm Information						
Net nonfarm income	20,082	14,144	18,169	19,612	22,168	21,947
Farms reporting living expenses	175	9	37	55	53	21
Total family living expense	37,473	25,772	36,558	41,567	37,499	33,315
Total living, invest, & capital	58,827	32,417	55,397	63,497	58,853	63,893
Crop Acres						
Total acres owned	252	50	113	222	354	410
Total crop acres	759	515	668	847	797	700
Total crop acres owned	214	37	96	191	314	305
Total crop acres cash rented	468	431	525	543	396	365
Total crop acres share rented	77	47	47	112	87	30