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2002

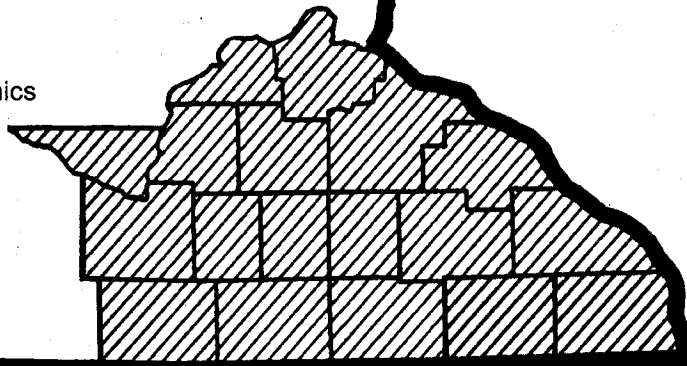
Annual Report

Southeastern Minnesota Farm Business Management Association

COOPERATING AGENCIES:

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

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University of Minnesota
St. Paul, MN 55108
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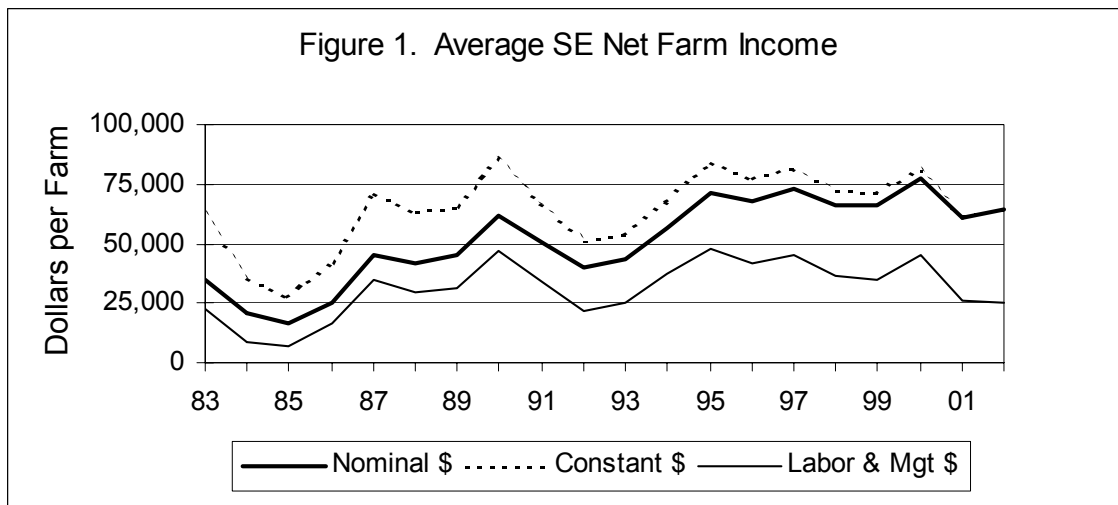
The entire report is available at: http://www.cffm.umn.edu/Pubs/FBMA/SE_MN_FBMA_2002.pdf

EXECUTIVE SUMMARY

2002 ANNUAL REPORT OF THE SOUTHEASTERN MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION

by Dale W. Nordquist, Lorin L. Westman, and Kent D. Olson

The average net farm income was \$64,666 for the 54 farms included in the 2002 annual report of the Southeastern Minnesota Farm Business Management Association. This was an increase of 6% from 2001 (Figure 1). While gross cash farm income increased by 10%, total cash operating expenses increased substantially more, by 19%. This increase in expenses was offset by an increase in the value of inventories resulting primarily from higher crop yields and higher crop prices.

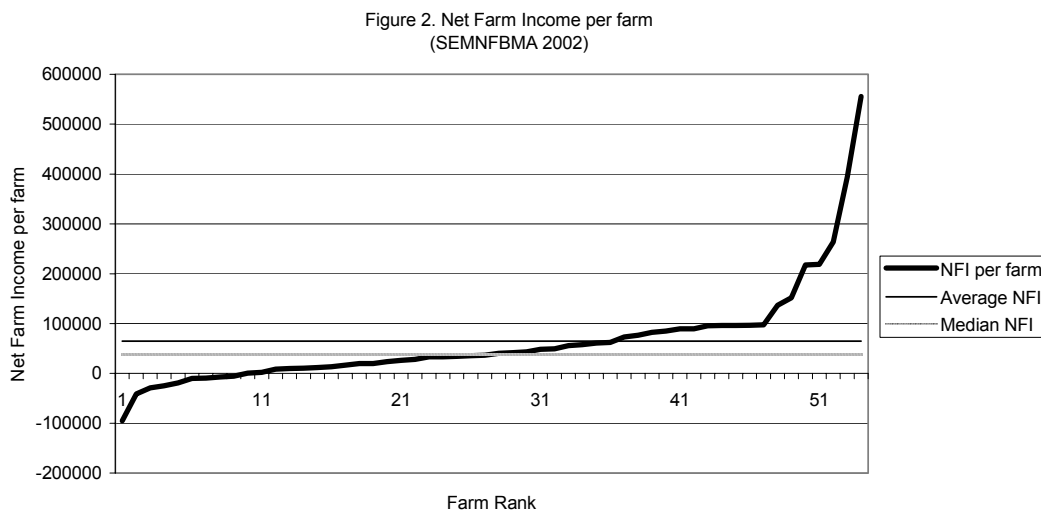


As in previous years, the income levels experienced by individual farms vary greatly from the overall average. When the net farm incomes for the 54 farms in the report were ranked from lowest to highest, the resulting graph shows how much the incomes do vary (Figure 2). Several farms experienced negative incomes, and several experienced very high incomes. The median or middle income was \$33,203, considerably lower than the average. The high 20% of these farms had an average net farm income of \$211,263 in 2002; farms in the low 20% averaged -\$23,373. This was a slight decrease for both groups.

Average gross cash farm income in 2002 was \$402,565 for these 54 farms. This was a 10% increase from 2001. Milk sales were 35% of the average gross cash farm income, down 8% from 2001. These decreases were more than offset by higher corn, soybean, and hog income. Together, milk, corn, and soybean sales amounted to 70% of gross income in 2002 (Figure 4).

Government payments (of all types) averaged \$19,375 in 2002, a 50% reduction from the previous year. This occurred even with the addition of the new Dairy Market Loss payments. Payments were reduced because of lower direct crop payments and higher crop prices, resulting in virtually no LDP payments. Government payments were \$40,227 in 2001, \$50,496 in 2000, \$50,700 in 1999, \$23,322 in 1998, and \$12,907 in 1997. As a percent of gross income, they were 5% in 2002, compared to 11% in 2001, 14% in 2000, 12% in 1999, 7% in 1998, and 4% in 1997.

Entire report is available at: http://www.cffin.umn.edu/Pubs/FBMA/SE_MN_FBMA_2002.pdf



Average total cash expenses were \$328,740 in 2002. This was an increase of 19% from the 2001 average. As a percentage of total expense including depreciation, feed expenses were 17% in 2002, up from 2001 (Figure 6). Seed, fertilizer, and crop chemicals were 14% of the total, down slightly as a percent of the total, but up in actual dollars. Interest expense was 6% of the total and land rental was 9%, both unchanged from 2001.

Rate of return on assets (ROA) and the rate of return to equity (ROE) were almost equal at 5% each, essentially unchanged from 2001 levels (Figure 7). Both were lower than historical averages for Association farms. The fact that they were at the same level indicates that debt capital was earning approximately the same as its cost. These low rates of return would be more of a concern if interest rates were not at historical lows.

Average total equity (of the 45 sole proprietors) was \$667,586 at the end of 2002, an increase of \$32,019 during the year for these farms. (Assets were valued on a cost basis.) Except for a decline during 1993, average equity has improved steadily since 1986 (Figure 8). Even with this increase in equity, the average debt to asset ratio increased slightly, from 34% to 36%.

Average corn and soybean yields were significantly higher for the Association farms (Figure 9). The average corn yield was 163 bushels per acre; the soybean yield was almost 50 bushels per acre.

Results by Type of Farm

The 54 farms in the report were classified as a certain type (e.g., dairy) on the basis of having 70 percent or more of their gross sales from that category. Using this 70 percent rule, there were 15 crop farms, 14 dairy farms, 7 crop/dairy farms, and 5 crop/hog farms. There were 9 farms which did not have a single source (or pair of sources) of income over 70%. The average crop/dairy farm had the highest average net farm income (\$128,925) in 2002 (Figure 10). Crop farms and dairy farms also had net farm incomes higher than the Association average.

In terms of the rate of return to assets (ROA), crop farms and crop/dairy farms had the highest ROA (7%) in 2002 (Figure 11). (Assets are valued on a cost basis.) Dairy farms had an average debt-asset ratio of 28% in 2002; crop farms averaged 40% (Figure 11).

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 year, county, type of farm, sales size class, and age of operator.

Fig. 3 SE 2001 Income Sources

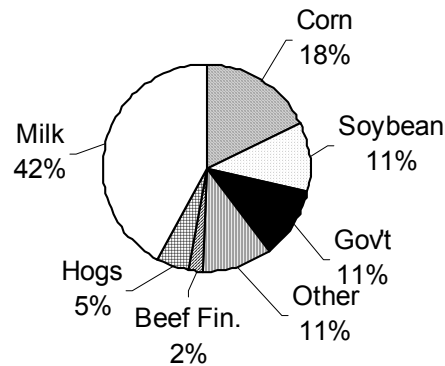


Fig. 4 SE 2002 Income Sources

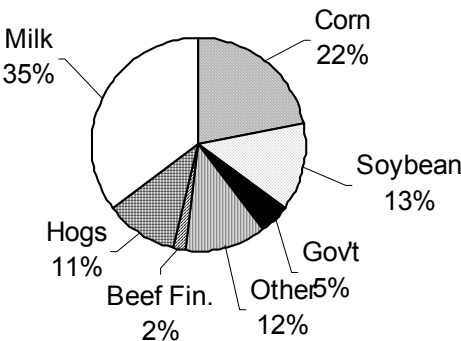


Fig 5. SE 2001 Expense Sources

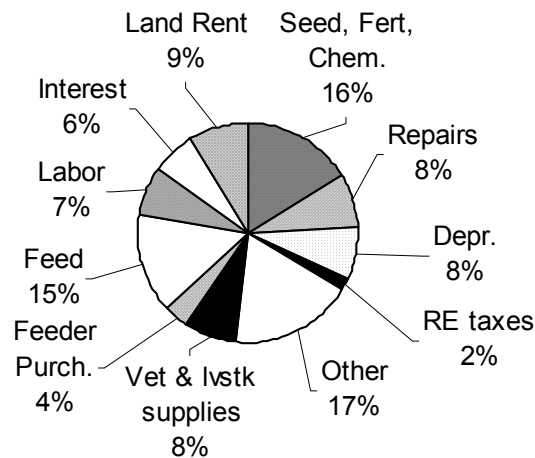


Fig. 6. SE 2002 Expense Sources

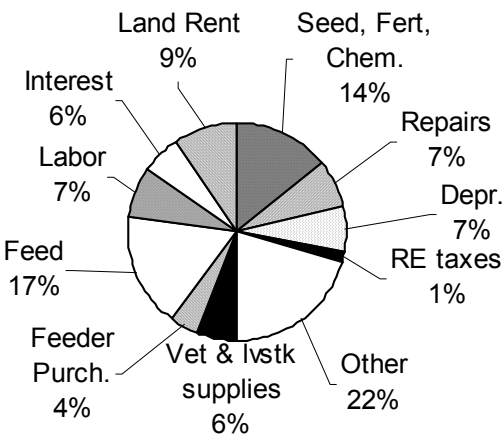


Figure 7. SE Rates of Return on Assets (ROA) and Equity (ROE)

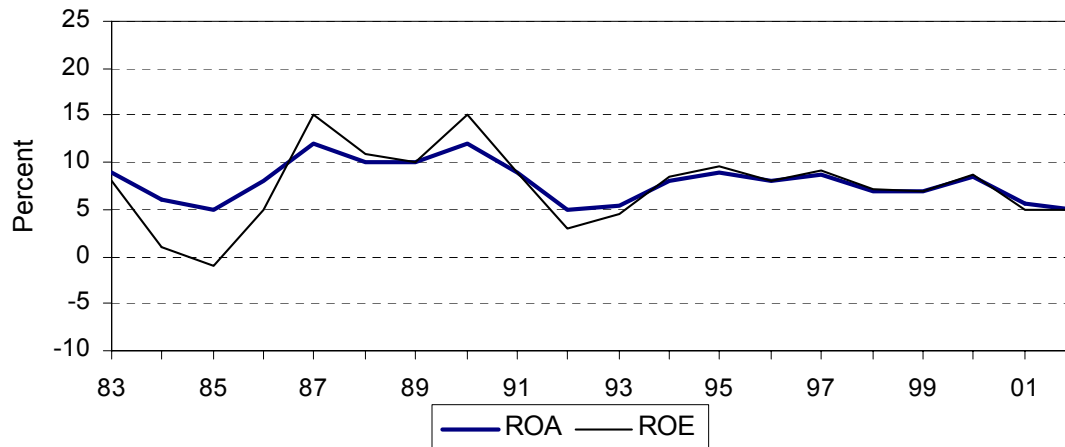


Figure 8. Ending Equity and Ending Debt-Asset Ratio

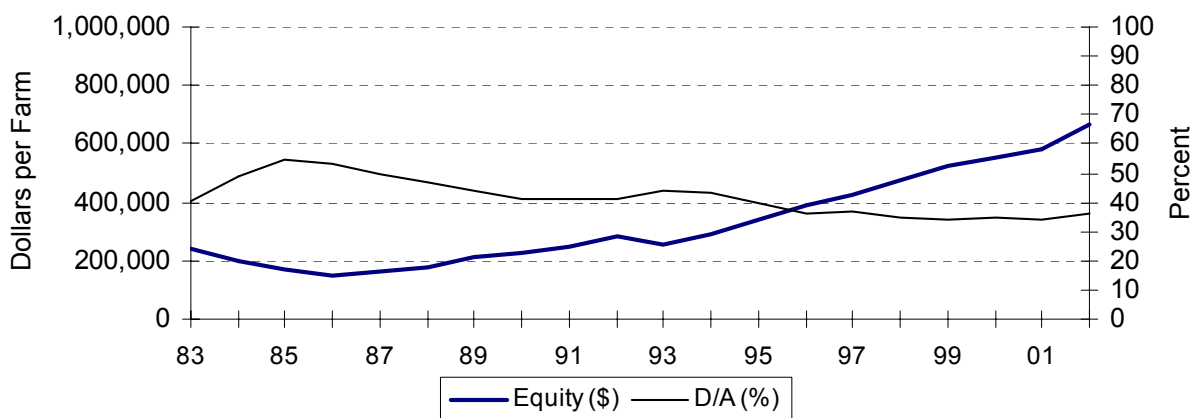


Figure 9. Average Corn & Soybean Yield

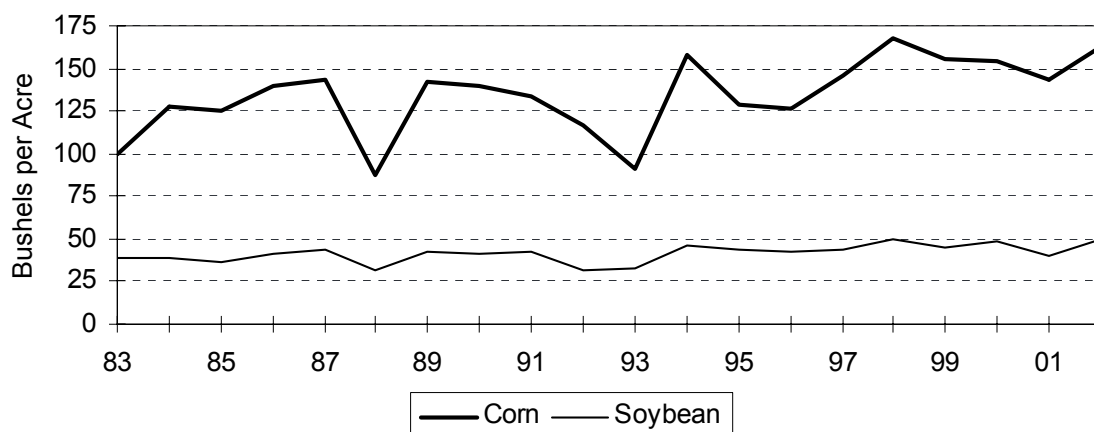


Figure 10. Net Farm Income by Type

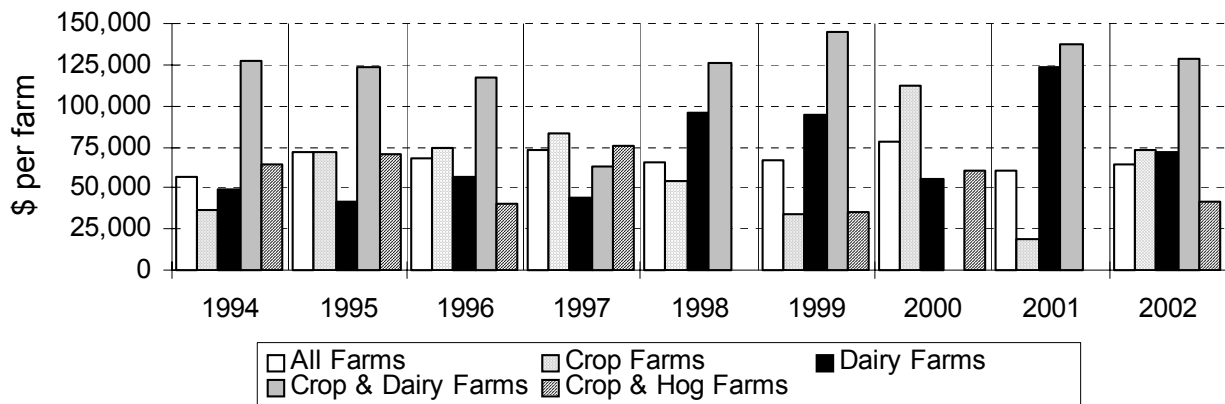


Figure 11. ROA by Type

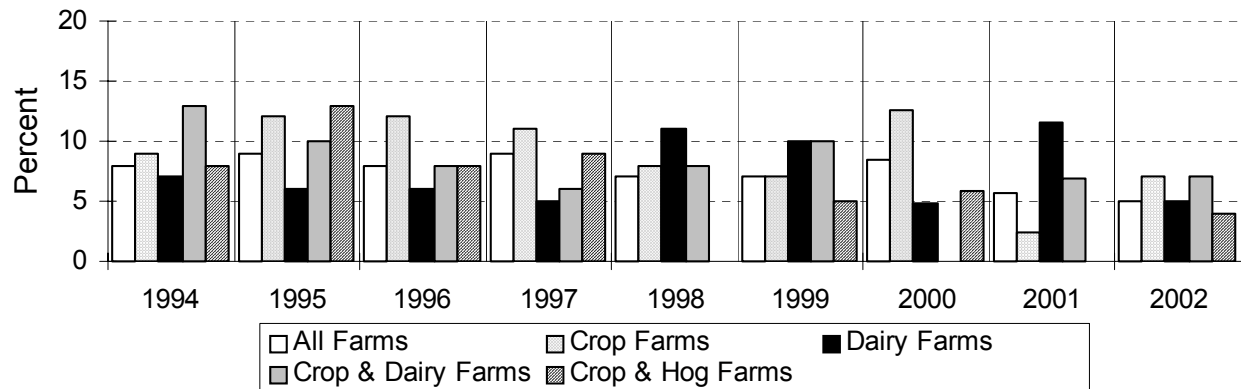
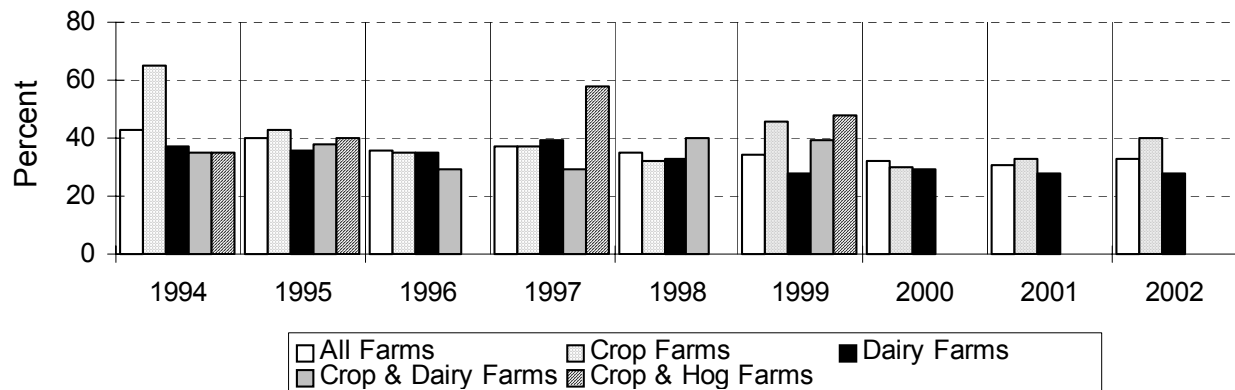


Figure 12. Debt-Asset Ratio by Type



2002 ANNUAL REPORT OF THE SOUTHEASTERN MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION

by
Dale W. Nordquist, Lorin L. Westman, and Kent D. Olson¹

This report summarizes the individual farm records of the members of the Southeastern Minnesota Farm Business Management Association for 2002.

Whole-farm information and enterprise costs and returns are reported. The year-end analysis of the individual farms was performed by the Association fieldman using the FINPACK software from the Center for Farm Financial Management. The individual analyses were summarized at the Department of Applied Economics using RankEm Central. In addition to the average of all farms, the averages for the high and low income groups are also presented. The tables are divided into four major groups: whole-farm information, crop enterprises, livestock enterprises, and summary information. The summary information includes information on the prices used in the analysis, and whole-farm information over time and by county, gross income class, type of farm, debt to asset ratio, and operator age.

Of the 87 farms in the Southeastern Association, the data for 54 farms are included in this report. The rest were omitted because the records were incomplete at the time that this report was prepared.

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.

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

SOUTHEASTERN MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION

DISTRIBUTION OF MEMBERSHIP -- 2002

County	Number of Members	Number of Records Submitted	Association Directors
<hr/>			
Dakota	8	6	Kevin Chamberlain
Dodge	3	3	Marlin Fay
Mower	1	1	
Steele	2	2	
Faribault	2	1	Mike Krenik
Freeborn	1	1	
LeSueur	1	1	
Nicollet	1	1	
Waseca	1	0	
Goodhue	18	11	Shari Chamberlain
Houston	7	2	James Luehmann
Winona	13	7	
Olmsted	14	9	Mike Frost
Fillmore	1	0	
Rice	3	1	Dave Woestehoff
Scott	3	4	
Wabasha	<u>8</u>	<u>4</u>	Richard Bremer
TOTAL	87	54	

Shari Chamberlain, President
Robert Lamprecht, Secretary-Treasurer

SOUTHEASTERN 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 repossessions.

Inventory Changes

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

Depreciation and Other Capital Adjustments

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

Instead of using tax depreciation, an alternative method is used to estimate actual economic depreciation more closely. This method estimates depreciation as one-half of any expensing option used plus 10% of the sum of beginning cost basis plus boot purchases less basis of sales items for machinery and equipment. For buildings and other improvements, the percentage was 5%; 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. The reports includes six measures of profit followed by the values used to calculate the measures.

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

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

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

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

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

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

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

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

“Value of operator's labor and management” is its opportunity cost. It is 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 report.

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

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

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

Liquidity Measures

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

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

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

“Real estate principal payments” are taken from the farmer's data.

“Cash available for intermediate debt service” 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.

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

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

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

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

Profitability

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

The "rate of return on farm equity" represents the interest rate being earned on 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: $\text{Return on Farm Equity} = \text{Net Farm}$

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

“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 operating profit margin. A low net profit margin may be caused by low prices, high operating expenses, or inefficient production.

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

Repayment Capacity

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: $\text{Asset Turnover Rate} = \text{Value of Farm Production} \div \text{Total Farm Assets}$.

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 table.

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

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	54	10	11
Cash Farm Income			
Corn	88,602	26,546	195,965
Hay, Alfalfa	1,514	-	756
Hay, Mixed	19	103	-
Oats	686	-	1,330
Peas	491	-	-
Soybeans	51,918	8,098	111,622
Sweet Corn	1,102	-	-
Wheat, Spring	147	-	-
Miscellaneous crop income	1,150	-	176
Beef Cow-Calf, Beef Calves	129	-	635
Beef, Finish Beef Calves	7,691	1,934	271
Dairy, Milk	142,381	77,003	197,734
Dairy, Dairy Calves	2,242	530	2,766
Dairy Heifers (for sale)	2,933	-	8,671
Dairy Replacement Heifers	1,717	2,628	1,288
Dairy Steers	5,145	4,687	8,733
Hogs, Farrow-Fin, Raised Hogs	35,805	168,677	-
Hogs, Feeder Pigs, Feeder Pigs	1,109	-	-
Hogs, Finish Feeder Pigs	6,565	-	24,197
CCC market loan gain	137	-	-
Cull breeding livestock	8,624	12,906	8,740
Misc. livestock income	2,648	-	-
Direct & CC govt payments	11,667	4,450	27,746
CRP payments	474	-	504
Livestock govt payments	2,498	-	1,843
Other government payments	4,599	4,718	4,736
Custom work income	4,019	-	9,940
Patronage dividends, cash	3,693	2,211	5,922
Insurance income	1,809	633	602
Cash from hedging accts	3,319	-	15,352
Other farm income	7,730	6,619	4,680
Gross Cash Farm Income	402,565	321,743	634,208

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

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	54	10	11
Cash Farm Expense			
Seed	17,922	5,974	36,749
Fertilizer	18,633	4,480	42,643
Crop chemicals	13,204	5,453	27,147
Crop insurance	3,681	1,030	7,710
Drying fuel	3,343	1,237	4,752
Irrigation energy	58	-	284
CCC buyback	869	-	4,267
Crop marketing	815	210	610
Crop miscellaneous	882	223	1,349
Feeder livestock purchase	14,634	12,149	24,712
Purchased feed	60,142	107,187	41,989
Breeding fees	3,543	4,296	2,893
Veterinary	7,600	5,760	8,421
Livestock supplies	15,369	14,644	18,666
DHIA	645	523	1,000
Livestock leases	105	-	-
Livestock marketing	1,621	1,047	1,759
Interest	20,758	22,439	23,329
Fuel & oil	7,812	5,709	10,185
Repairs	25,815	23,371	39,851
Custom hire	22,351	31,651	26,148
Hired labor	25,956	17,433	27,233
Land rent	33,052	10,172	68,739
Machinery & bldg leases	4,487	4,779	3,436
Real estate taxes	4,983	3,259	11,815
Farm insurance	4,795	3,638	6,276
Utilities	6,057	6,012	7,329
Hedging account deposits	5,148	62	15,214
Miscellaneous	4,458	3,312	5,048
Total cash expense	328,740	296,050	469,554
Net cash farm income	73,825	25,693	164,654
Inventory Changes			
Crops and feed	22,374	-7,225	76,972
Market livestock	-4,041	-18,018	-457
Accounts receivable	-498	-60	118
Prepaid expenses and supplies	-3,920	-1,811	-2,470
Accounts payable	461	-36	1,103
Total inventory change	14,376	-27,150	75,266
Net operating profit	88,202	-1,457	239,920
Depreciation and Other Capital Adjustments			
Breeding livestock	-7,443	-8,068	3,295
Machinery and equipment	-12,615	-9,332	-23,410
Buildings and improvements	-5,095	-8,198	-12,387
Other farm capital	1,618	3,683	3,845
Total depr. and other capital adj	-23,536	-21,915	-28,656
Net farm income	64,666	-23,373	211,263

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

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	54	10	11
Net cash farm income	73,825	25,693	164,654
Crops and Feed			
Ending inventory	137,572	44,863	350,974
Beginning inventory	115,198	52,089	274,002
Inventory change	22,374	-7,225	76,972
Market Livestock			
Ending inventory	53,144	69,832	63,092
Beginning inventory	57,185	87,850	63,549
Inventory change	-4,041	-18,018	-457
Accts Receivable & Other Current Assets			
Ending inventory	1,780	-	2,469
Beginning inventory	2,278	60	2,351
Inventory change	-498	-60	118
Prepaid Expenses and Supplies			
Ending inventory	23,184	4,900	70,084
Beginning inventory	27,104	6,711	72,553
Inventory change	-3,920	-1,811	-2,470
Accounts Payable & Accrued Expenses			
Beginning inventory	3,900	2,947	10,033
Ending inventory	3,439	2,983	8,930
Inventory change	461	-36	1,103
Total inventory change	14,376	-27,150	75,266
Net operating profit	88,202	-1,457	239,920

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

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	54	10	11
Net operating profit	88,202	-1,457	239,920
Breeding Livestock			
Ending inventory	64,574	51,738	72,168
Capital sales	-	-	-
Beginning inventory	62,804	56,763	66,106
Capital purchases	9,214	3,044	2,767
Depreciation, capital adjust.	-7,443	-8,068	3,295
Machinery and Equipment			
Ending inventory	197,337	144,056	373,295
Capital sales	4,384	10,075	4,322
Beginning inventory	180,761	150,556	323,482
Capital purchases	33,575	12,907	77,546
Depreciation, capital adjust.	-12,615	-9,332	-23,410
Buildings and Improvements			
Ending inventory	107,167	74,122	181,725
Capital sales	259	-	-
Beginning inventory	100,856	47,377	177,568
Capital purchases	11,665	34,943	16,543
Depreciation, capital adjust.	-5,095	-8,198	-12,387
Other Capital Assets			
Ending inventory	11,108	10,631	32,092
Capital sales	894	100	4,300
Beginning inventory	9,612	7,048	28,752
Capital purchases	773	-	3,795
Depreciation, capital adjust.	1,618	3,683	3,845
Total depreciation, capital adj.	-23,536	-21,915	-28,656
Net farm income	64,666	-23,373	211,263

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

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	54	10	11
Profitability (assets valued at cost)			
Net farm income	64,666	-23,373	211,263
Labor and management earnings	25,398	-44,207	108,504
Rate of return on assets	5.3 %	-4.6 %	8.6 %
Rate of return on equity	4.7 %	-16.0 %	9.2 %
Operating profit margin	15.1 %	-16.6 %	27.8 %
Asset turnover rate	34.8 %	28.0 %	31.0 %
Interest on farm net worth	39,268	20,835	102,759
Farm interest expense	20,399	21,429	22,334
Value of operator lbr and mgmt.	33,994	26,120	53,864
Return on farm assets	51,071	-28,063	179,734
Average farm assets	970,910	604,210	2,085,910
Return on farm equity	30,672	-49,493	157,400
Average farm equity	646,883	309,581	1,712,653
Value of farm production	338,181	169,035	647,435

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	54	10	11
Profitability (assets valued at market)			
Net farm income	69,900	-6,321	209,696
Labor and management earnings	11,370	-43,408	65,396
Rate of return on assets	3.9 %	-1.1 %	5.8 %
Rate of return on equity	3.7 %	-5.2 %	6.5 %
Operating profit margin	16.6 %	-6.5 %	27.5 %
Asset turnover rate	23.6 %	16.2 %	21.2 %
Interest on farm net worth	58,530	37,087	144,299
Farm interest expense	20,399	21,429	22,334
Value of operator lbr and mgmt.	33,994	26,120	53,864
Return on farm assets	56,305	-11,012	178,167
Average farm assets	1,432,773	1,044,755	3,050,108
Return on farm equity	35,906	-32,441	155,832
Average farm equity	975,492	618,119	2,404,988
Value of farm production	338,181	169,035	647,435

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

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	54	10	11
Liquidity (cash)			
Net cash farm income	73,825	25,693	164,654
Net nonfarm income	26,525	34,090	19,622
Family living and taxes	58,916	33,088	107,721
Real estate principal payments	3,037	1,500	741
Cash available for interm. debt	38,398	25,195	75,813
Average intermediate debt	91,327	72,777	110,320
Years to turnover interm. debt	2.4	2.9	1.5
Expense as a % of income	82 %	92 %	74 %
Interest as a % of income	5 %	7 %	4 %
Liquidity (accrual)			
Total accrual farm income	420,400	296,439	710,841
Total accrual operating expense	332,199	297,897	470,922
Net accrual operating income	88,202	-1,457	239,920
Net nonfarm income	26,525	34,090	19,622
Family living and taxes	58,916	33,088	107,721
Real estate principal payments	3,037	1,500	741
Available for intermediate debt	52,774	-1,955	151,079
Average intermediate debt	91,327	72,777	110,320
Years to turnover interm. debt	1.7	**	0.7
Expense as a % of income	79 %	100 %	66 %
Interest as a % of income	5 %	7 %	3 %

** Income insufficient to meet debt servicing requirements

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

	<u>Avg. Of All Farms</u>		<u>Low 20%</u>		<u>High 20%</u>	
	41		6		7	
	<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	16,749	29,455	8,861	18,199	28,481	33,964
Prepaid expenses & supplies	26,762	23,220	6,253	4,781	74,180	78,517
Growing crops	0	0	0	0	0	0
Accounts receivable	2,035	1,491	0	0	1,000	3,043
Hedging accounts	431	711	101	0	0	0
Crops held for sale or feed	96,833	115,167	43,828	35,283	245,026	318,701
Crops under government loan	755	22,768	0	2,118	0	30,589
Market livestock held for sale	54,725	50,536	98,739	71,966	43,199	45,494
Other current assets	61	0	0	0	0	0
Total current farm assets	198,350	243,347	157,780	132,347	391,885	510,308
Intermediate Farm Assets						
Breeding livestock	47,912	48,405	39,407	29,109	40,014	41,179
Machinery and equipment	170,623	183,432	165,830	153,688	275,896	305,964
Other intermediate assets	5,904	7,217	10,414	16,385	14,429	15,821
Total intermediate farm assets	224,440	239,053	215,650	199,182	330,339	362,964
Long Term Farm Assets						
Farm land	277,521	285,867	262,422	262,422	611,938	637,962
Buildings and improvements	80,302	85,815	37,058	69,215	143,037	143,576
Other long-term assets	3,901	3,901	167	167	15,181	15,181
Total long-term farm assets	361,724	375,582	299,646	331,803	770,156	796,719
Total Farm Assets	784,514	857,982	673,077	663,332	1,492,380	1,669,991
Total Nonfarm Assets	178,714	187,946	158,689	169,483	297,209	305,074
Total Assets	963,229	1,045,929	831,766	832,814	1,789,588	1,975,065
Liabilities						
Current Farm Liabilities						
Accrued interest	2,123	1,673	1,682	4	9,200	7,550
Accounts payable	2,458	2,277	1,233	1,017	5,136	6,364
Current notes	62,827	78,006	85,498	77,847	32,605	77,565
Government crop loans	755	17,992	0	1,658	0	25,750
Principal due on term debt	2,232	3,056	4,858	1,367	1,986	3,938
Total current farm liabilities	70,396	103,005	93,272	81,892	48,927	121,167
Total intermediate farm liabs	80,180	85,657	42,032	43,382	154,547	161,895
Total long term farm liabilities	155,088	157,514	140,453	174,700	234,438	224,436
Total farm liabilities	305,664	346,176	275,757	299,974	437,912	507,497
Total nonfarm liabilities	21,999	32,167	6,473	6,543	3,088	2,451
Total liabilities	327,662	378,343	282,230	306,516	441,000	509,949
Net worth (farm and nonfarm)	635,567	667,586	549,536	526,298	1,348,588	1,465,117
Net worth change		32,019		-23,238		116,528
Ratio Analysis						
Current farm liabilities / assets	35 %	42 %	59 %	62 %	12 %	24 %
Curr. & interm farm liab. / assets	36 %	39 %	36 %	38 %	28 %	32 %
Long term farm liab. / assets	43 %	42 %	47 %	53 %	30 %	28 %
Total debt to asset ratio	34 %	36 %	34 %	37 %	25 %	26 %

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

	Avg. Of All Farms		Low 20%		High 20%	
	41		6		7	
	<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	16,749	29,455	8,861	18,199	28,481	33,964
Prepaid expenses & supplies	26,762	23,220	6,253	4,781	74,180	78,517
Growing crops	0	0	0	0	0	0
Accounts receivable	2,035	1,491	0	0	1,000	3,043
Hedging accounts	431	711	101	0	0	0
Crops held for sale or feed	96,833	115,167	43,828	35,283	245,026	318,701
Crops under government loan	755	22,768	0	2,118	0	30,589
Market livestock held for sale	54,725	50,536	98,739	71,966	43,199	45,494
Other current assets	61	0	0	0	0	0
Total current farm assets	198,350	243,347	157,780	132,347	391,885	510,308
Intermediate Farm Assets						
Breeding livestock	47,912	48,405	39,407	29,109	40,014	41,179
Machinery and equipment	213,643	225,357	193,005	173,838	366,929	396,286
Other intermediate assets	5,904	9,168	10,414	16,385	14,429	15,821
Total intermediate farm assets	267,459	282,929	242,825	219,332	421,371	453,286
Long Term Farm Assets						
Farm land	544,036	559,657	451,005	492,221	1,054,781	1,080,805
Buildings and improvements	105,733	112,858	52,328	84,374	162,143	170,143
Other long-term assets	4,599	4,599	167	167	15,967	15,967
Total long-term farm assets	654,367	677,113	503,500	576,762	1,232,890	1,266,915
Total Farm Assets	1,120,177	1,203,390	904,105	928,441	2,046,147	2,230,508
Total Nonfarm Assets	196,415	206,446	194,163	205,712	325,036	333,044
Total Assets	1,316,592	1,409,835	1,098,267	1,134,152	2,371,183	2,563,553
Liabilities						
Current Farm Liabilities						
Accrued interest	2,123	1,673	1,682	4	9,200	7,550
Accounts payable	2,458	2,277	1,233	1,017	5,136	6,364
Current notes	62,827	78,006	85,498	77,847	32,605	77,565
Government crop loans	755	17,992	0	1,658	0	25,750
Principal due on term debt	2,232	3,056	4,858	1,367	1,986	3,938
Total current farm liabilities	70,396	103,005	93,272	81,892	48,927	121,167
Total intermediate farm liabs	80,180	85,657	42,032	43,382	154,547	161,895
Total long term farm liabilities	155,088	157,514	140,453	174,700	234,438	224,436
Total farm liabilities	305,664	346,176	275,757	299,974	437,912	507,497
Total nonfarm liabilities	21,999	32,167	6,473	6,543	3,088	2,451
Total liabs excluding deferreds	327,662	378,343	282,230	306,516	441,000	509,949
Total deferred liabilities	90,511	90,939	66,429	69,114	128,904	128,904
Total liabilities	418,173	469,282	348,659	375,630	569,904	638,853
Retained earnings	635,567	667,586	549,536	526,298	1,348,588	1,465,117
Market valuation equity	262,853	272,968	200,072	232,224	452,690	459,584
Net worth (farm and nonfarm)	898,419	940,553	749,608	758,522	1,801,279	1,924,700
Net worth excluding deferreds	988,930	1,031,493	816,038	827,636	1,930,183	2,053,604
Net worth change		42,134		8,914		123,421
Ratio Analysis						
Current farm liabilities / assets	35 %	42 %	59 %	62 %	12 %	24 %
Curr. & interm farm liab. / assets	32 %	36 %	34 %	36 %	25 %	29 %
Long term farm liab. / assets	24 %	23 %	28 %	30 %	19 %	18 %
Total debt to asset ratio	32 %	33 %	32 %	33 %	24 %	25 %
Debt to assets excl deferreds	25 %	27 %	26 %	27 %	19 %	20 %

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

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	54	10	11
Beginning cash (farm & nonfarm)	23,637	12,143	44,860
Cash From Operating Activities			
Gross cash farm income	402,565	321,743	634,208
Net nonfarm income	26,525	34,090	19,622
Total cash farm expense	-328,740	-296,050	-469,554
Apparent family living expense	-50,291	-22,835	-96,001
Income and social security tax	-8,572	-9,963	-11,720
Cash from operations	41,488	26,985	76,554
Cash From Investing Activities			
Sale of breeding livestock	-	-	-
Sale of machinery & equipment	4,384	10,075	4,322
Sale of farm land	-	-	-
Sale of farm buildings	259	-	-
Sale of other farm assets	894	100	4,300
Sale of nonfarm assets	693	1,000	-
Purchase of breeding livestock	-9,214	-3,044	-2,767
Purchase of machinery & equip.	-33,575	-12,907	-77,546
Purchase of farm land	-12,916	-	-63,404
Purchase of farm buildings	-11,665	-34,943	-16,543
Purchase of other farm assets	-773	-	-3,795
Purchase of nonfarm assets	-9,793	-3,672	-5,413
Cash from investing activities	-71,705	-43,391	-160,846
Cash From Financing Activities			
Money borrowed	122,582	104,838	139,867
Cash gifts and inheritances	2,255	-	2,962
Principal payments	-88,379	-81,439	-69,791
Dividends paid	-54	-290	-
Gifts given	-	-	-
Cash from financing activities	36,404	23,109	73,038
Net change in cash balance	6,188	6,703	-11,254
Ending cash (farm & nonfarm)	29,825	18,846	33,606

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

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	54	10	11
Liquidity			
Current ratio	2.75	2.12	5.60
Working capital	163,409	71,644	440,800
Solvency (market)			
Farm debt to asset ratio	33 %	42 %	22 %
Farm equity to asset ratio	67 %	58 %	78 %
Farm debt to equity ratio	49 %	72 %	28 %
Profitability (cost)			
Rate of return on farm assets	5.3 %	-4.6 %	8.6 %
Rate of return on farm equity	4.7 %	-16.0 %	9.2 %
Operating profit margin	15.1 %	-16.6 %	27.8 %
Net farm income	64,666	-23,373	211,263
Repayment Capacity			
Term debt coverage ratio	273 %	6 %	875 %
Capital replacement margin	14,009	-2,428	38,442
Efficiency			
Asset turnover rate (cost)	34.8 %	28.0 %	31.0 %
Operating expense ratio	74.2 %	93.3 %	63.1 %
Depreciation expense ratio	5.6 %	7.4 %	4.0 %
Interest expense ratio	4.9 %	7.2 %	3.1 %
Net farm income ratio	15.4 %	-7.9 %	29.7 %

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

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	54	10	11
Acreage Summary			
Total acres owned	355	198	799
Total crop acres	634	224	1,388
Crop acres owned	317	103	860
Crop acres cash rented	314	118	527
Crop acres share rented	3	3	-
Total pasture acres	11	16	3
Average Price Received (Cash Sales Only)			
Corn per bushel	2.02	2.01	2.05
Soybeans per bushel	4.90	-	4.77
Oats per bushel	1.79	-	-
Hay, Alfalfa per ton	73.75	-	-
Average Yield Per Acre			
Corn (bushel)	163.00	153.49	163.73
Soybeans (bushel)	49.93	42.69	49.85
Hay, Alfalfa (ton)	4.18	3.72	4.24
Corn Silage (ton)	21.14	-	19.36
Oats (bushel)	76.64	-	75.04

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

	<u>Avg. Of All Farms</u>
Number of farms	16
Average family size	2.8
Family Living Expenses	
Food and meals expense	4,994
Medical care	3,765
Health insurance	3,169
Cash donations	1,877
Household supplies	4,397
Clothing	943
Personal care	1,700
Child / Dependent care	898
Alimony and Child support	-
Gifts	3,836
Education	1,315
Recreation	2,009
Utilities (household share)	1,941
Nonfarm vehicle operating expense	2,586
Household real estate taxes	575
Dwelling rent	8
Household repairs	3,609
Nonfarm interest	1,300
Disability / Long term care insuran	194
Life insurance payments	1,023
Nonfarm property insurance	58
Miscellaneous	796
Total cash family living expense	40,992
Family living from the farm	113
Total family living	41,105
Other Nonfarm Expenditures	
Income taxes	10,378
Furnishing & appliance purchases	-
Nonfarm vehicle purchases	984
Nonfarm real estate purchases	19,688
Other nonfarm capital purchases	250
Nonfarm savings & investments	917
Total other nonfarm expenditures	32,217
Total cash family living investment & nonfarm capital purch	73,210

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

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	54	10	11
Operator Information			
Average number of operators	1.2	1.3	1.5
Average age of operators	51.1	54.9	53.1
Average number of years farming	28.9	34.9	27.6
Results Per Operator			
Working capital	131,702	55,111	303,050
Total assets (market)	1,352,284	957,849	2,337,325
Total liabilities	411,649	341,528	479,739
Net worth (market)	940,635	616,321	1,857,585
Net worth excl deferred liabs	1,048,153	718,427	2,044,491
Gross farm income	338,830	228,030	488,703
Total farm expense	286,711	246,009	343,460
Net farm income	52,119	-17,979	145,243
Net nonfarm income	21,379	26,223	13,490
Family living & tax withdrawals	47,485	25,452	74,058
Total acres owned	286.4	152.5	549.5
Total crop acres	511.4	172.2	954.1
Crop acres owned	255.9	79.1	591.5
Crop acres cash rented	252.8	90.7	362.6
Crop acres share rented	2.7	2.3	-
Total pasture acres	8.8	12.0	2.2
Labor Analysis			
Number of farms	54	10	11
Total unpaid labor hours	3,475	2,970	5,031
Total hired labor hours	1,803	1,344	1,398
Total labor hours per farm	5,278	4,314	6,429
Unpaid hours per operator	2,801	2,285	3,459
Value of farm production / hour	64.07	39.19	100.71
Net farm income / unpaid hour	18.61	-7.87	41.99
Partnerships			
Number of farms	12	3	4
Number of operators	2.0	-	-
Owner withdrawals per farm	97,495	-	-
Withdrawals per operator	46,182	-	-

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

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	54	10	11
Nonfarm Income			
Nonfarm wages & salary	16,646	25,506	2,627
Nonfarm business income	1,806	3,629	549
Nonfarm rental income	1,192	525	1,223
Nonfarm interest income	1,688	2,645	3,631
Nonfarm cash dividends	1	-	-
Tax refunds	270	590	52
Gifts and inheritances	2,255	-	2,962
Other nonfarm income	4,922	1,195	11,540
Total nonfarm income	28,780	34,090	22,584
Nonfarm Assets (market)			
Checking & savings	2,545	3,172	17
Stocks & bonds	13,462	4,068	34,383
Other current assets	14,900	8,099	59,233
Furniture & appliances	6,602	20,300	2,618
Nonfarm vehicles	6,635	7,400	3,432
Cash value of life ins.	14,061	12,305	11,122
Retirement accounts	26,326	21,868	32,640
Other intermediate assets	17,742	11,851	27,161
Nonfarm real estate	70,369	87,700	31,773
Other long term assets	24,045	15,142	34,182
Total nonfarm assets	196,687	191,907	236,560
Nonfarm Liabilities			
Accrued interest	2	-	11
Accounts payable	-	-	-
Current notes	259	-	11
Princ due on term debt	-	-	-
Total current liabilities	259	-	11
Intermediate liabilities	827	-	1,095
Long term liabilities	25,648	3,926	455
Total nonfarm liabilities	26,734	3,926	1,560
Nonfarm net worth	169,953	187,981	235,000
Nonfarm debt to asset ratio	14 %	2 %	1 %

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.

The value per unit for cash crops is the average sales price for crops sold before the end of the year and the average ending inventory value for crops remaining unsold. For feed crops, it is the estimated harvest-time value. LDP payments and other commodity-specific income are added to estimate the total value received for crop production.

The “net return over labor and management” is calculated by allocating the farmer's charge for unpaid labor and management and subtracting it from the “Net return per acre.”

To estimate “Net return with government payments,” government payments are added to “Net return over lbr & mgt” in the appropriate tables. Because direct government payments have been decoupled from actual production, these payments are generally allocated to all crops excluding vegetables and pasture. This is done for each farm by allocating the direct payments from the whole farm to these crops.

The Cost of Production section shows the average cost per unit produced in each cost category. “Total direct and overhead expense per unit” is the breakeven price needed to cover cash costs and depreciation. “With labor and management” is the breakeven price to provide labor and management return for the operator. “Total expense less government and other income” is the final breakeven price if government payments and any miscellaneous income are used to offset some of the expenses.

Rounding of individual items for the report may have caused minor discrepancies with the calculated totals. If fewer than 5 farms have a crop in a 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
Southeast Minnesota Farm Business Management Association
(Farms Sorted By Net Return)

Corn on Owned Land

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of fields	41	8	8
Number of farms	39	7	8
Acres	178.22	113.84	256.09
Yield per acre (bu.)	164.56	156.03	170.13
Operators share of yield %	100.00	100.00	100.00
Value per bu.	2.26	2.18	2.28
Total product return per acre	371.80	339.51	388.00
Miscellaneous income per acre	0.56	2.81	0.70
Gross return per acre	372.36	342.32	388.70
Direct Expenses			
Seed	38.60	37.99	39.99
Fertilizer	44.33	51.96	42.60
Crop chemicals	30.99	34.88	25.05
Crop insurance	5.68	7.22	2.86
Drying fuel	13.51	16.92	10.05
Fuel & oil	10.43	15.78	8.84
Repairs	25.04	31.57	18.07
Custom hire	10.30	3.73	14.63
Utilities	0.35	0.11	0.53
Operating interest	3.37	5.51	0.71
Miscellaneous	0.39	0.33	0.08
Total direct expenses per acre	182.98	205.99	163.42
Return over direct exp per acre	189.38	136.34	225.28
Overhead Expenses			
Custom hire	1.92	1.04	1.24
Hired labor	9.95	11.83	3.89
Machinery & bldg leases	2.17	4.37	1.03
RE & pers. property taxes	12.73	11.10	12.00
Farm insurance	4.34	4.37	3.41
Utilities	2.04	1.23	2.19
Interest	30.85	63.43	3.11
Mach & bldg depreciation	18.57	16.42	24.09
Miscellaneous	3.30	1.92	2.50
Total overhead expenses per acre	85.85	115.71	53.46
Total dir & ovhd expenses per acre	268.83	321.69	216.89
Net return per acre	103.53	20.63	171.81
Lbr & mgt charge per acre	25.88	27.07	23.98
Net return over lbr & mgt	77.64	-6.44	147.83
Government payments	15.43	12.14	16.90
Net return with govt payments	93.08	5.70	164.73
Cost of Production			
Total direct expense per bu.	1.11	1.32	0.96
Total dir & ovhd exp per bu.	1.63	2.06	1.27
With labor & management	1.79	2.24	1.42
Total exp less govt & oth income	1.69	2.14	1.31
Est. labor hours per acre	2.89	3.82	1.99

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

Corn on Cash Rent

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of fields	46	10	12
Number of farms	36	7	8
Acres	175.23	319.00	92.58
Yield per acre (bu.)	161.92	155.30	179.26
Operators share of yield %	100.00	100.00	100.00
Value per bu.	2.25	2.29	2.27
Total product return per acre	364.25	355.12	407.51
Miscellaneous income per acre	4.23	-	7.04
Gross return per acre	368.49	355.12	414.55
Direct Expenses			
Seed	37.77	36.97	40.23
Fertilizer	43.84	41.11	38.42
Crop chemicals	28.51	28.43	23.26
Crop insurance	7.53	10.87	3.86
Drying fuel	14.21	14.19	12.76
Fuel & oil	10.56	10.56	9.75
Repairs	23.27	18.00	28.66
Custom hire	12.20	22.06	5.48
Land rent	102.42	109.76	82.85
Operating interest	5.52	10.14	1.12
Miscellaneous	0.77	0.08	1.67
Total direct expenses per acre	286.61	302.17	248.06
Return over direct exp per acre	81.87	52.96	166.49
Overhead Expenses			
Custom hire	1.00	0.43	1.92
Hired labor	12.24	23.75	2.99
Machinery & bldg leases	5.91	1.21	17.37
Farm insurance	4.67	6.00	5.22
Utilities	1.96	1.74	2.53
Interest	5.86	7.34	8.70
Mach & bldg depreciation	15.75	7.92	15.59
Miscellaneous	3.03	2.86	5.36
Total overhead expenses per acre	50.41	51.25	59.67
Total dir & ovhd expenses per acre	337.02	353.42	307.73
Net return per acre	31.47	1.71	106.82
Lbr & mgt charge per acre	20.09	9.46	23.00
Net return over lbr & mgt	11.38	-7.76	83.82
Government payments	14.81	15.19	14.37
Net return with govt payments	26.19	7.43	98.19
Cost of Production			
Total direct expense per bu.	1.77	1.95	1.38
Total dir & ovhd exp per bu.	2.08	2.28	1.72
With labor & management	2.21	2.34	1.84
Total exp less govt & oth income	2.09	2.24	1.73
Est. labor hours per acre	2.43	1.72	3.00

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

Soybeans on Owned Land

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of fields	32	7	6
Number of farms	30	6	6
Acres	153.52	173.01	256.93
Yield per acre (bu.)	49.15	44.44	52.62
Operators share of yield %	100.00	100.00	100.00
Value per bu.	5.44	5.42	5.49
Total product return per acre	267.19	240.65	288.88
Miscellaneous income per acre	1.29	5.22	-
Gross return per acre	268.48	245.87	288.88
Direct Expenses			
Seed	21.23	20.25	17.16
Fertilizer	6.19	12.84	2.86
Crop chemicals	18.63	16.29	19.03
Crop insurance	5.42	11.64	0.46
Fuel & oil	7.24	7.08	7.44
Repairs	17.14	15.03	13.33
Custom hire	10.52	20.04	0.89
Operating interest	2.45	4.59	0.63
Miscellaneous	0.28	0.37	-
Total direct expenses per acre	89.08	108.12	61.80
Return over direct exp per acre	179.39	137.75	227.08
Overhead Expenses			
Custom hire	2.08	0.57	0.83
Hired labor	5.77	7.79	3.00
Machinery & bldg leases	1.79	4.03	0.00
RE & pers. property taxes	12.64	11.12	13.87
Farm insurance	3.70	3.41	2.74
Utilities	1.27	0.72	1.27
Interest	28.36	59.23	9.26
Mach & bldg depreciation	12.03	7.58	18.33
Miscellaneous	3.05	2.04	2.06
Total overhead expenses per acre	70.69	96.48	51.38
Total dir & ovhd expenses per acre	159.78	204.60	113.18
Net return per acre	108.70	41.27	175.70
Lbr & mgt charge per acre	21.08	16.82	26.85
Net return over lbr & mgt	87.63	24.45	148.85
Government payments	14.78	11.18	17.60
Net return with govt payments	102.40	35.63	166.45
Cost of Production			
Total direct expense per bu.	1.81	2.43	1.17
Total dir & ovhd exp per bu.	3.25	4.60	2.15
With labor & management	3.68	4.98	2.66
Total exp less govt & oth income	3.35	4.61	2.33
Est. labor hours per acre	1.77	1.38	1.66

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

Soybeans on Cash Rent

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of fields	35	9	8
Number of farms	27	5	6
Acres	185.37	227.98	104.63
Yield per acre (bu.)	50.56	45.54	54.97
Operators share of yield %	100.00	100.00	100.00
Value per bu.	5.44	5.57	5.36
Total product return per acre	274.94	253.73	294.77
Miscellaneous income per acre	2.54	1.01	-
Gross return per acre	277.48	254.75	294.77
Direct Expenses			
Seed	20.90	18.76	21.54
Fertilizer	7.47	13.28	0.33
Crop chemicals	18.54	21.67	20.62
Crop insurance	8.18	8.61	6.18
Fuel & oil	8.23	8.47	8.69
Repairs	18.03	12.16	18.05
Custom hire	11.10	28.77	3.13
Land rent	104.36	117.63	87.67
Operating interest	4.29	6.24	1.87
Miscellaneous	0.24	0.74	-
Total direct expenses per acre	201.34	236.33	168.07
Return over direct exp per acre	76.14	18.42	126.70
Overhead Expenses			
Custom hire	0.97	0.56	1.44
Hired labor	8.21	8.05	0.57
Machinery & bldg leases	8.24	9.98	-
Farm insurance	4.26	4.68	2.55
Utilities	1.44	1.39	1.12
Interest	5.06	7.02	3.19
Mach & bldg depreciation	12.28	6.20	14.93
Miscellaneous	2.48	2.00	1.33
Total overhead expenses per acre	42.93	39.88	25.14
Total dir & ovhd expenses per acre	244.27	276.21	193.21
Net return per acre	33.21	-21.46	101.55
Lbr & mgt charge per acre	18.40	14.42	23.72
Net return over lbr & mgt	14.81	-35.88	77.83
Government payments	14.27	11.91	14.02
Net return with govt payments	29.08	-23.98	91.86
Cost of Production			
Total direct expense per bu.	3.98	5.19	3.06
Total dir & ovhd exp per bu.	4.83	6.07	3.52
With labor & management	5.19	6.38	3.95
Total exp less govt & oth income	4.86	6.10	3.69
Est. labor hours per acre	1.83	1.09	1.89

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

Oats on Owned Land

	<u>Avg. Of All Farms</u>
Number of fields	11
Number of farms	11
Acres	21.89
Yield per acre (bu.)	72.41
Operators share of yield %	100.00
Value per bu.	1.83
Total product return per acre	132.31
Miscellaneous income per acre	49.73
Gross return per acre	182.04
Direct Expenses	
Seed	12.34
Fertilizer	2.13
Crop chemicals	1.01
Fuel & oil	8.46
Repairs	23.33
Custom hire	18.96
Machinery & bldg leases	1.31
Operating interest	1.77
Miscellaneous	0.49
Total direct expenses per acre	69.80
Return over direct exp per acre	112.24
Overhead Expenses	
Custom hire	1.85
Hired labor	9.10
Machinery & bldg leases	3.70
RE & pers. property taxes	10.89
Farm insurance	5.40
Utilities	1.70
Interest	22.46
Mach & bldg depreciation	15.50
Miscellaneous	5.05
Total overhead expenses per acre	75.64
Total dir & ovhd expenses per acre	145.45
Net return per acre	36.59
Lbr & mgt charge per acre	21.35
Net return over lbr & mgt	15.25
Government payments	13.91
Net return with govt payments	29.15
Cost of Production	
Total direct expense per bu.	0.96
Total dir & ovhd exp per bu.	2.01
With labor & management	2.30
Total exp less govt & oth income	1.42
Est. labor hours per acre	5.13

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

Oats on Cash Rent

	<u>Avg. Of All Farms</u>
Number of fields	8
Number of farms	7
Acres	16.76
Yield per acre (bu.)	84.23
Operators share of yield %	100.00
Value per bu.	1.55
Total product return per acre	130.41
Miscellaneous income per acre	64.05
Gross return per acre	194.45
Direct Expenses	
Seed	12.27
Fertilizer	6.92
Crop chemicals	3.29
Fuel & oil	7.40
Repairs	16.64
Custom hire	19.83
Land rent	92.91
Operating interest	3.68
Miscellaneous	0.43
Total direct expenses per acre	163.37
Return over direct exp per acre	31.08
Overhead Expenses	
Custom hire	2.08
Hired labor	4.19
Machinery & bldg leases	2.48
Farm insurance	1.99
Utilities	0.59
Interest	1.50
Mach & bldg depreciation	9.53
Miscellaneous	1.38
Total overhead expenses per acre	23.72
Total dir & ovhd expenses per acre	187.09
Net return per acre	7.36
Lbr & mgt charge per acre	19.50
Net return over lbr & mgt	-12.13
Government payments	15.97
Net return with govt payments	3.83
Cost of Production	
Total direct expense per bu.	1.94
Total dir & ovhd exp per bu.	2.22
With labor & management	2.45
Total exp less govt & oth income	1.50
Est. labor hours per acre	1.81

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

Hay, Alfalfa on Owned Land

	<u>Avg. Of All Farms</u>
Number of fields	21
Number of farms	20
Acres	77.08
Yield per acre (ton)	4.19
Operators share of yield %	100.00
Value per ton	79.89
Total product return per acre	334.42
Miscellaneous income per acre	-
Gross return per acre	334.42
Direct Expenses	
Seed	17.52
Fertilizer	12.21
Crop chemicals	8.53
Fuel & oil	11.00
Repairs	40.40
Custom hire	9.50
Operating interest	0.48
Miscellaneous	2.12
Total direct expenses per acre	101.77
Return over direct exp per acre	232.65
Overhead Expenses	
Custom hire	2.13
Hired labor	14.22
Machinery & bldg leases	1.58
RE & pers. property taxes	9.93
Farm insurance	3.56
Utilities	1.79
Interest	18.07
Mach & bldg depreciation	23.95
Miscellaneous	3.11
Total overhead expenses per acre	78.34
Total dir & ovhd expenses per acre	180.11
Net return per acre	154.32
Lbr & mgt charge per acre	34.41
Net return over lbr & mgt	119.90
Government payments	13.69
Net return with govt payments	133.59
Cost of Production	
Total direct expense per ton	24.31
Total dir & ovhd exp per ton	43.03
With labor & management	51.25
Total exp less govt & oth income	47.98
Est. labor hours per acre	5.29

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

Hay, Alfalfa on Cash Rent

	<u>Avg. Of All Farms</u>
Number of fields	19
Number of farms	17
Acres	51.51
Yield per acre (ton)	4.20
Operators share of yield %	100.00
Value per ton	80.00
Total product return per acre	336.20
Miscellaneous income per acre	-
Gross return per acre	336.20
Direct Expenses	
Seed	15.39
Fertilizer	15.32
Crop chemicals	8.19
Fuel & oil	11.45
Repairs	40.52
Custom hire	18.86
Land rent	87.68
Operating interest	1.74
Miscellaneous	0.97
Total direct expenses per acre	200.11
Return over direct exp per acre	136.10
Overhead Expenses	
Custom hire	1.91
Hired labor	18.33
Machinery & bldg leases	4.47
Farm insurance	3.62
Utilities	1.51
Interest	1.26
Mach & bldg depreciation	27.79
Miscellaneous	6.15
Total overhead expenses per acre	65.05
Total dir & ovhd expenses per acre	265.16
Net return per acre	71.04
Lbr & mgt charge per acre	34.36
Net return over lbr & mgt	36.69
Government payments	13.22
Net return with govt payments	49.91
Cost of Production	
Total direct expense per ton	47.62
Total dir & ovhd exp per ton	63.09
With labor & management	71.27
Total exp less govt & oth income	68.12
Est. labor hours per acre	6.74

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

Corn Silage on Owned Land

	<u>Avg. Of All Farms</u>
Number of fields	14
Number of farms	14
Acres	48.46
Yield per acre (ton)	20.47
Operators share of yield %	100.00
Value per ton	17.00
Total product return per acre	347.94
Miscellaneous income per acre	-
Gross return per acre	347.94
Direct Expenses	
Seed	35.37
Fertilizer	28.31
Crop chemicals	34.51
Crop insurance	2.17
Fuel & oil	15.78
Repairs	39.21
Custom hire	48.08
Operating interest	1.99
Miscellaneous	0.74
Total direct expenses per acre	206.16
Return over direct exp per acre	141.78
Overhead Expenses	
Custom hire	9.52
Hired labor	15.14
Machinery & bldg leases	3.81
RE & pers. property taxes	7.83
Farm insurance	4.40
Utilities	2.47
Interest	27.36
Mach & bldg depreciation	17.23
Miscellaneous	4.37
Total overhead expenses per acre	92.13
Total dir & ovhd expenses per acre	298.29
Net return per acre	49.65
Lbr & mgt charge per acre	25.60
Net return over lbr & mgt	24.05
Government payments	11.64
Net return with govt payments	35.68
Cost of Production	
Total direct expense per ton	10.07
Total dir & ovhd exp per ton	14.57
With labor & management	15.83
Total exp less govt & oth income	15.26
Est. labor hours per acre	5.21

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

Corn Silage on Cash Rent

	<u>Avg. Of All Farms</u>
Number of fields	16
Number of farms	15
Acres	24.20
Yield per acre (ton)	22.32
Operators share of yield %	100.00
Value per ton	17.00
Total product return per acre	379.37
Miscellaneous income per acre	-
Gross return per acre	379.37
Direct Expenses	
Seed	41.52
Fertilizer	23.13
Crop chemicals	35.76
Crop insurance	1.29
Fuel & oil	13.16
Repairs	30.90
Custom hire	20.87
Land rent	89.93
Operating interest	2.35
Miscellaneous	0.31
Total direct expenses per acre	259.22
Return over direct exp per acre	120.15
Overhead Expenses	
Custom hire	2.00
Hired labor	5.43
Machinery & bldg leases	6.70
Farm insurance	6.48
Utilities	3.17
Interest	6.62
Mach & bldg depreciation	23.71
Miscellaneous	7.41
Total overhead expenses per acre	61.52
Total dir & ovhd expenses per acre	320.74
Net return per acre	58.63
Lbr & mgt charge per acre	33.59
Net return over lbr & mgt	25.04
Government payments	14.22
Net return with govt payments	39.25
Cost of Production	
Total direct expense per ton	11.62
Total dir & ovhd exp per ton	14.37
With labor & management	15.88
Total exp less govt & oth income	15.24
Est. labor hours per acre	6.67

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

Pasture on Owned Land

	<u>Avg. Of All Farms</u>
Number of fields	7
Number of farms	7
Acres	57.64
Yield per acre (aum)	3.59
Operators share of yield %	100.00
Value per aum	10.00
Total product return per acre	35.85
Miscellaneous income per acre	-
Gross return per acre	35.85
Direct Expenses	
Fuel & oil	2.00
Repairs	5.29
Operating interest	2.04
Total direct expenses per acre	9.34
Return over direct exp per acre	26.52
Overhead Expenses	
Custom hire	0.62
Hired labor	1.16
Machinery & bldg leases	3.14
RE & pers. property taxes	5.16
Farm insurance	2.52
Utilities	0.42
Interest	7.06
Mach & bldg depreciation	4.10
Miscellaneous	1.71
Total overhead expenses per acre	25.90
Total dir & ovhd expenses per acre	35.23
Net return per acre	0.62
Lbr & mgt charge per acre	5.06
Net return over lbr & mgt	-4.43
Government payments	0.75
Net return with govt payments	-3.69
Cost of Production	
Total direct expense per aum	2.60
Total dir & ovhd exp per aum	9.83
With labor & management	11.24
Total exp less govt & oth income	11.03
Est. labor hours per acre	0.80

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

CRP on Owned Land

	<u>Avg. Of All Farms</u>
Number of fields	5
Number of farms	5
Acres	39.78
Yield per acre (\$)	64.83
Operators share of yield %	100.00
Value per \$	1.00
Total product return per acre	64.83
Miscellaneous income per acre	-
Gross return per acre	64.83
Direct Expenses	
Crop chemicals	0.34
Operating interest	8.95
Total direct expenses per acre	9.30
Return over direct exp per acre	55.53
Overhead Expenses	
Custom hire	1.78
Machinery & bldg leases	11.39
RE & pers. property taxes	8.42
Farm insurance	1.20
Utilities	0.81
Interest	0.28
Miscellaneous	1.97
Total overhead expenses per acre	25.85
Total dir & ovhd expenses per acre	35.15
Net return per acre	29.68
Lbr & mgt charge per acre	2.02
Net return over lbr & mgt	27.65
Government payments	-
Net return with govt payments	27.65
Cost of Production	
Total direct expense per \$	0.14
Total dir & ovhd exp per \$	0.54
With labor & management	0.57
Total exp less govt & oth income	0.57
Est. labor hours per acre	0.19

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 pounds of total feed divided by “Total production.” For grains, these pounds per bushel are used: corn, 56; oats, 32; barley, 48; grain sorghum, 56; wheat, 60; and millet, 48. For these forages, the units are converted to pounds and then adjusted by these factors: alfalfa haylage, 0.5; corn silage, 0.33; oatlage, 0.5; sorghum silage, 0.33; and small grain silage, 0.33.

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

The Cost of Production section shows the average cost per unit sold in each cost category. “Total direct and overhead expense per unit” is the breakeven price needed to cover cash costs and depreciation. “With labor and management” is the breakeven price to provide labor and management return for the operator. “With other revenue adjustments” is the final breakeven price adjusted for cull sales, other offspring sales, the cost of replacement stock, and any other miscellaneous income.

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

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

Dairy -- Average Per Cow

	Avg. Of All Farms		Low 20%		High 20%	
Number of farms	28		5		6	
	Quantity	Value	Quantity	Value	Quantity	Value
Milk sold (lb)	22,490.34	2,734.70	20,002.46	2,438.32	22,782.31	2,821.00
Milk used in home (lb)	10.37	1.20	-	-	9.89	1.02
Milk fed to animals (lb)	31.30	1.77	-	-	36.67	3.67
Dairy Calves sold (hd)	0.17	19.22	-	-	-	-
Transferred out (hd)	0.67	74.97	0.83	83.10	0.99	102.19
Cull sales (hd)	0.27	105.66	0.33	87.54	0.28	162.29
Butchered (hd)	0.00	0.20	-	-	-	-
Less purchased (hd)	-0.11	-131.02	-0.23	-138.70	-0.01	-18.66
Less transferred in (hd)	-0.29	-368.15	-0.33	-400.00	-0.34	-398.72
Inventory change (hd)	0.05	2.13	0.01	5.52	0.04	32.77
Total production		2,440.70		2,075.78		2,705.55
Other income		142.80		189.09		160.36
Gross return		2,583.50		2,264.88		2,865.90
Direct Expenses						
Corn (bu.)	88.63	172.79	97.13	190.54	90.53	157.69
Corn Silage (lb.)	12,552.86	111.92	13,358.62	107.96	12,477.61	105.45
Hay, Alfalfa (lb.)	3,045.90	140.42	3,062.07	120.31	3,538.17	145.57
Haylage, Alfalfa (lb.)	6,386.62	127.73	8,964.83	179.30	6,571.43	131.43
Protein Vit Minerals (lb.)	4,747.60	467.28	4,230.34	579.29	3,037.40	401.33
Other feed stuffs	596.26	35.76	524.34	18.62	59.95	18.97
Breeding fees		37.84		61.92		33.65
Veterinary		110.95		157.10		102.40
BST		24.78		12.95		19.82
Livestock supplies		156.22		109.48		184.21
DHIA		8.91		16.50		15.03
Fuel & oil		20.68		34.32		18.93
Repairs		90.14		175.40		121.26
Custom hire		31.45		25.14		21.49
Marketing		31.21		46.77		23.21
Operating interest		20.28		7.00		4.44
Total direct expenses		1,588.35		1,842.60		1,504.88
Return over direct expense		995.15		422.28		1,361.03
Overhead Expenses						
Custom hire		34.35		7.56		8.06
Hired labor		303.72		75.03		178.95
Machinery & bldg leases		13.68		33.64		1.02
RE & pers. property taxes		7.27		17.24		9.21
Farm insurance		22.73		39.45		17.94
Utilities		51.23		80.69		60.03
Interest		76.11		154.40		16.72
Mach & bldg depreciation		105.95		161.13		78.96
Miscellaneous		40.57		19.16		26.10
Total overhead expenses		655.61		588.29		397.00
Total dir & ovhd expenses		2,243.97		2,430.89		1,901.88
Net return		339.53		-166.02		964.02
Labor & management charge		196.23		404.79		290.96
Net return over lbr & mgt		143.31		-570.80		673.06
Cost of Production						
Total direct expense per cwt.		7.05		9.21		6.59
Total dir & ovhd expense per cwt.		9.96		12.15		8.33
With labor and management		10.83		14.18		9.61
With other revenue adjustments		11.51		15.04		9.43
Est. labor hours per unit		45.72		64.14		52.45
Other Information						
Avg. number of Cows		144.6		58.0		78.2
Milk produced per Cow		22,532		20,002		22,829
Culling percentage		26.9		33.1		28.1
Turnover rate		34.3		43.4		30.9
Percent of barn capacity		111.9		101.4		119.3
Lbs. milk/lb grain & conc.		2.3		2.1		3.6
Feed cost per cwt of milk		4.69		5.98		4.21
Feed cost per Cow		1,055.89		1,196.03		960.43
Avg. milk price per cwt.		12.16		12.19		12.38

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	
Number of farms	24	
	Quantity	Value
Replacements sold (hd)	0.52	136.62
Transferred out (hd)	0.48	566.32
Cull sales (hd)	0.01	5.95
Butchered (hd)	0.00	0.89
Less purchased (hd)	-0.04	-47.84
Less transferred in (hd)	-0.94	-95.00
Inventory change (hd)	0.04	-18.55
Total production (hd)	0.00	548.40
Other income		1.30
Gross return		549.70
Direct Expenses		
Corn (bu.)	12.29	24.33
Corn Silage (lb.)	5,179.81	42.43
Hay, Alfalfa (lb.)	1,888.58	78.21
Hay, Grass & Other (lb.)	234.23	7.36
Haylage, Alfalfa (lb.)	1,569.16	31.38
Oatlage (lb.)	248.42	2.94
Pasture (aum)	0.60	6.42
Triticale (bu.)	0.08	6.67
Complete Ration (lb.)	94.64	10.35
Milk (lb.)	24.47	2.54
Protein Vit Minerals (lb.)	383.06	70.58
Other feed stuffs	9.91	2.79
Breeding fees		10.02
Veterinary		13.87
Livestock supplies		11.56
Fuel & oil		3.60
Repairs		20.39
Custom hire		85.35
Total direct expenses		430.78
Return over direct expense		118.92
Overhead Expenses		
Custom hire		4.11
Hired labor		35.01
Machinery & bldg leases		4.20
Farm insurance		4.90
Utilities		8.58
Interest		6.15
Mach & bldg depreciation		15.25
Miscellaneous		8.75
Total overhead expenses		86.93
Total dir & ovhd expenses		517.71
Net return		31.99
Labor & management charge		48.08
Net return over lbr & mgt		-16.09
Cost of Production		
Total direct expense per head		585.33
Total dir & ovhd expense per head		672.26
With labor and management		720.34
With other revenue adjustments		719.03
Est. labor hours per unit		9.82
Other Information		
No. purchased or trans in		104
Number sold or trans out		106
Average number of head		124
Percentage death loss		6.4
Feed cost per average head		243.72
Feed cost/head sold+trans		286.00
Avg. purchase weight		8
Avg. sales weight		36
Avg. purch price / head		1,073.65
Avg. sales price / head		262.67

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	
Number of farms	20	
	Quantity	Value
Milk sold (lb)	22,507.43	2,752.49
Milk used in home (lb)	13.18	1.38
Milk fed to animals (lb)	24.10	2.50
Dairy Calves sold (hd)	0.44	84.07
Transferred out (hd)	1.27	600.80
Cull sales (hd)	0.29	121.41
Butchered (hd)	0.00	0.85
Less purchased (hd)	-0.05	-50.35
Less transferred in (hd)	-1.24	-590.13
Inventory change (hd)	0.11	37.44
Total production		2,960.46
Other income		146.90
Gross return		3,107.36
Direct Expenses		
Corn (bu.)	104.07	199.09
Corn Silage (lb.)	16,597.71	139.67
Hay, Alfalfa (lb.)	4,693.88	199.84
Hay, Grass & Other (lb.)	379.73	11.52
Haylage, Alfalfa (lb.)	8,469.75	169.39
Protein Vit Minerals (lb.)	4,594.65	535.94
Other feed stuffs	773.24	46.32
Breeding fees		50.16
Veterinary		119.84
BST		10.28
Livestock supplies		151.89
DHIA		12.46
Fuel & oil		20.75
Repairs		105.35
Custom hire		106.88
Marketing		33.69
Total direct expenses		1,913.05
Return over direct expense		1,194.32
Overhead Expenses		
Custom hire		38.85
Hired labor		326.69
Machinery & bldg leases		19.24
RE & pers. property taxes		9.22
Farm insurance		30.53
Utilities		63.30
Interest		46.53
Mach & bldg depreciation		115.69
Miscellaneous		55.70
Total overhead expenses		705.75
Total dir & ovhd expenses		2,618.80
Net return		488.57
Labor & management charge		254.42
Net return over lbr & mgt		234.15
Cost of Production		
Total direct expense per cwt.		8.49
Total dir & ovhd expense per cwt.		11.62
With labor and management		12.74
With other revenue adjustments		11.19
Est. labor hours per unit		54.56
Other Information		
Avg. number of Cows		128.8
Milk produced per Cow		22,545
Culling percentage		29.5
Turnover rate		38.8
Percent of barn capacity		107.5
Lbs. milk/lb grain & conc.		2.2
Feed cost per cwt of milk		5.77
Feed cost per Cow		1,301.76
Avg. milk price per cwt.		12.23

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	18	
	Quantity	Value
Beef Calves sold (lb)	59.62	50.96
Transferred out (lb)	414.27	377.05
Cull sales (lb)	78.01	51.03
Butchered (lb)	1.60	1.62
Less purchased (lb)	-100.24	-67.76
Less transferred in (lb)	-128.55	-100.43
Inventory change (lb)	141.05	116.31
Total production (lb)	465.76	428.77
Other income		0.21
Gross return		428.98
Direct Expenses		
Corn (bu.)	4.78	9.38
Corn Silage (lb.)	5,232.36	52.94
Hay, Alfalfa (lb.)	1,962.33	75.39
Hay, Grass & Other (lb.)	1,899.91	43.21
Haylage, Alfalfa (lb.)	89.18	2.07
Pasture (aum)	2.42	36.01
Stover (lb.)	163.69	5.33
Complete Ration (lb.)	164.52	4.83
Protein Vit Minerals (lb.)	72.14	18.50
Other feed stuffs	0.07	0.32
Breeding fees		7.70
Veterinary		17.85
Livestock supplies		10.41
Fuel & oil		11.51
Repairs		20.94
Custom hire		2.57
Operating interest		7.68
Total direct expenses		326.64
Return over direct expense		102.34
Overhead Expenses		
Custom hire		1.83
Hired labor		1.59
RE & pers. property taxes		1.53
Farm insurance		5.28
Utilities		8.27
Dues & professional fees		3.60
Interest		8.53
Mach & bldg depreciation		15.86
Miscellaneous		4.85
Total overhead expenses		51.35
Total dir & ovhd expenses		377.99
Net return		50.99
Labor & management charge		66.28
Net return over lbr & mgt		-15.28
Cost of Production		
Total direct expense per cwt.		70.13
Total dir & ovhd expense per cwt.		81.16
With labor and management		95.38
With other revenue adjustments		75.00
Est. labor hours per unit		8.66
Other Information		
Number of cows		59.1
Pregnancy percentage		94.6
Pregnancy loss percentage		1.9
Culling percentage		8.6
Calving percentage		92.8
Weaning percentage		88.0
Calves sold per cow		0.86
Calf death loss percent		6.9
Average weaning weight		524
Lbs weaned/exposed female		461
Feed cost per cow		247.97
Avg wgt/Beef Calf sold		615
Avg price / cwt		85.46

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	32		6		7	
	Quantity	Value	Quantity	Value	Quantity	Value
Finish Beef sold (lb)	1,394.86	911.76	1,668.41	1,034.46	1,284.73	894.50
Transferred out (lb)	7.65	5.61	-	-	9.11	6.38
Butchered (lb)	3.53	2.33	6.36	3.88	2.52	1.93
Less purchased (lb)	-612.16	-523.75	-232.07	-192.41	-648.74	-545.68
Less transferred in (lb)	-17.82	-16.45	-23.22	-21.56	-40.03	-34.42
Inventory change (lb)	-116.36	-81.34	-678.36	-576.37	40.26	27.21
Total production (lb)	659.71	298.16	741.12	247.99	647.86	349.91
Other income		1.41		-		4.32
Gross return		299.57		247.99		354.24
Direct Expenses						
Corn (bu.)	62.69	119.63	83.55	165.18	66.49	124.52
Corn Silage (lb.)	1,847.42	17.26	4,056.59	35.52	2,266.12	20.83
Corn, Ear (lb.)	185.60	5.06	-	-	-	-
Hay, Alfalfa (lb.)	195.99	7.62	399.02	17.24	484.27	18.39
Hay, Grass & Other (lb.)	147.14	3.62	72.34	1.24	292.31	5.94
Haylage, Alfalfa (lb.)	53.51	1.07	-	-	260.34	5.21
Complete Ration (lb.)	658.54	19.09	-	-	493.10	11.38
Protein Vit Minerals (lb.)	267.90	33.43	325.96	49.68	212.36	25.07
Other feed stuffs	322.91	4.79	54.77	9.11	190.49	2.07
Veterinary		9.94		6.29		12.45
Livestock supplies		3.85		5.72		2.97
Fuel & oil		4.24		7.58		2.75
Repairs		8.48		19.17		9.67
Custom hire		3.06		0.82		1.20
Machinery & bldg leases		2.77		-		-
Marketing		5.09		3.39		6.44
Operating interest		22.51		25.47		19.64
Total direct expenses		271.53		346.43		268.51
Return over direct expense		28.04		-98.43		85.73
Overhead Expenses						
Custom hire		1.65		1.37		4.96
Hired labor		5.18		11.60		0.35
Machinery & bldg leases		2.31		0.04		0.05
Farm insurance		2.30		5.82		1.00
Utilities		3.48		8.24		2.97
Dues & professional fees		0.25		1.54		-
Interest		5.75		6.99		4.15
Mach & bldg depreciation		10.81		13.40		7.51
Miscellaneous		3.45		5.43		3.56
Total overhead expenses		35.17		54.43		24.53
Total dir & ovhd expenses		306.70		400.86		293.04
Net return		-7.13		-152.86		61.19
Labor & management charge		19.64		30.30		32.71
Net return over lbr & mgt		-26.78		-183.16		28.49
Cost of Production						
Total direct expense per cwt.		63.51		67.90		63.34
Total dir & ovhd expense per cwt.		66.02		71.17		65.23
With labor and management		67.42		72.98		67.76
With other revenue adjustments		67.32		72.98		67.43
Est. labor hours per unit		2.19		3.65		2.89
Other Information						
No. purchased or trans in		374		80		223
Number sold or trans out		410		227		215
Percentage death loss		0.9		1.4		0.5
Avg. daily gain (lbs)		2.58		2.27		2.60
Lbs of conc / lb of gain		6.99		7.30		6.87
Lbs of feed / lb of gain		8.77		9.82		9.57
Feed cost per cwt of gain		32.07		37.51		32.94
Feed cost per head		211.58		277.98		213.40
Average purchase weight		652		582		694
Average sales weight		1,316		1,332		1,326
Avg purch price / cwt		85.56		82.91		84.11
Avg sales price / cwt		65.37		62.00		69.63

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	32		6		7	
	Quantity	Value	Quantity	Value	Quantity	Value
Finish Beef sold (lb)	211.44	138.21	225.12	139.58	198.30	138.07
Transferred out (lb)	1.16	0.85	-	-	1.41	0.98
Butchered (lb)	0.53	0.35	0.86	0.52	0.39	0.30
Less purchased (lb)	-92.79	-79.39	-31.31	-25.96	-100.14	-84.23
Less transferred in (lb)	-2.70	-2.49	-3.13	-2.91	-6.18	-5.31
Inventory change (lb)	-17.64	-12.33	-91.53	-77.77	6.22	4.20
Total production (lb)	100.00	45.20	100.00	33.46	100.00	54.01
Other income		0.21		-		0.67
Gross return		45.41		33.46		54.68
Direct Expenses						
Corn (bu.)	9.50	18.13	11.27	22.29	10.26	19.22
Corn Silage (lb.)	280.03	2.62	547.36	4.79	349.79	3.22
Corn, Ear (lb.)	28.13	0.77	-	-	-	-
Hay, Alfalfa (lb.)	29.71	1.16	53.84	2.33	74.75	2.84
Hay, Grass & Other (lb.)	22.30	0.55	9.76	0.17	45.12	0.92
Haylage, Alfalfa (lb.)	8.11	0.16	-	-	40.18	0.80
Complete Ration (lb.)	99.82	2.89	-	-	76.11	1.76
Protein Vit Minerals (lb.)	40.61	5.07	43.98	6.70	32.78	3.87
Other feed stuffs	48.95	0.73	7.39	1.23	29.40	0.32
Veterinary		1.51		0.85		1.92
Livestock supplies		0.58		0.77		0.46
Fuel & oil		0.64		1.02		0.42
Repairs		1.29		2.59		1.49
Custom hire		0.46		0.11		0.18
Machinery & bldg leases		0.42		-		-
Marketing		0.77		0.46		0.99
Operating interest		3.41		3.44		3.03
Total direct expenses		41.16		46.74		41.45
Return over direct expense		4.25		-13.28		13.23
Overhead Expenses						
Custom hire		0.25		0.18		0.77
Hired labor		0.78		1.57		0.05
Machinery & bldg leases		0.35		0.01		0.01
Farm insurance		0.35		0.79		0.15
Utilities		0.53		1.11		0.46
Interest		0.87		0.94		0.64
Mach & bldg depreciation		1.64		1.81		1.16
Miscellaneous		0.56		0.94		0.55
Total overhead expenses		5.33		7.34		3.79
Total dir & ovhd expenses		46.49		54.09		45.23
Net return		-1.08		-20.63		9.45
Labor & management charge		2.98		4.09		5.05
Net return over lbr & mgt		-4.06		-24.71		4.40
Cost of Production						
Total direct expense per cwt.		63.51		67.90		63.34
Total dir & ovhd expense per cwt.		66.02		71.17		65.23
With labor and management		67.42		72.98		67.76
With other revenue adjustments		67.32		72.98		67.43
Est. labor hours per unit		0.33		0.49		0.45
Other Information						
No. purchased or trans in		374		80		223
Number sold or trans out		410		227		215
Percentage death loss		0.9		1.4		0.5
Avg. daily gain (lbs)		2.58		2.27		2.60
Lbs of conc / lb of gain		6.99		7.30		6.87
Lbs of feed / lb of gain		8.77		9.82		9.57
Feed cost per cwt of gain		32.07		37.51		32.94
Feed cost per head		211.58		277.98		213.40
Average purchase weight		652		582		694
Average sales weight		1,316		1,332		1,326
Avg purch price / cwt		85.56		82.91		84.11
Avg sales price / cwt		65.37		62.00		69.63

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

Dairy Steers -- Average Per Head

	Avg. Of All Farms	
Number of farms	7	
	Quantity	Value
Dairy Steers sold (lb)	1,246.30	783.27
Butchered (lb)	17.95	11.03
Less purchased (lb)	-133.59	-165.72
Less transferred in (lb)	-211.92	-153.84
Inventory change (lb)	-108.89	-54.81
Total production (lb)	809.85	419.93
Other income		1.80
Gross return		421.72
Direct Expenses		
Corn (bu.)	83.32	165.47
Corn Silage (lb.)	924.94	8.98
Hay, Alfalfa (lb.)	429.82	14.04
Haylage, Alfalfa (lb.)	1,409.17	28.18
Complete Ration (lb.)	-	45.14
Protein Vit Minerals (lb.)	660.51	84.29
Other feed stuffs	1.63	2.45
Veterinary		26.02
Livestock supplies		10.91
Fuel & oil		2.69
Repairs		15.81
Marketing		5.78
Total direct expenses		409.76
Return over direct expense		11.97
Overhead Expenses		
Custom hire		6.32
Hired labor		12.57
Machinery & bldg leases		2.16
Farm insurance		5.05
Utilities		6.60
Mach & bldg depreciation		9.31
Miscellaneous		6.52
Total overhead expenses		48.53
Total dir & ovhd expenses		458.29
Net return		-36.56
Labor & management charge		35.26
Net return over lbr & mgt		-71.82
Cost of Production		
Total direct expense per cwt.		62.03
Total dir & ovhd expense per cwt.		65.93
With labor and management		68.75
With other revenue adjustments		68.61
Est. labor hours per unit		4.69
Other Information		
No. purchased or trans in		65
Number sold or trans out		58
Percentage death loss		3.7
Avg. daily gain (lbs)		1.83
Lbs of conc / lb of gain		6.49
Lbs of feed / lb of gain		8.27
Feed cost per cwt of gain		43.04
Feed cost per head		348.55
Average purchase weight		159
Average sales weight		1,123
Avg purch price / head		197.14
Avg sales price / cwt		62.85

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

Dairy Steers -- Average Per Cwt. Produced

	Avg. Of All Farms	
Number of farms	7	
	Quantity	Value
Dairy Steers sold (lb)	153.89	96.72
Butchered (lb)	2.22	1.36
Less purchased (lb)	-16.50	-20.46
Less transferred in (lb)	-26.17	-19.00
Inventory change (lb)	-13.45	-6.77
Total production (lb)	100.00	51.85
Other income		0.22
Gross return		52.07
Direct Expenses		
Corn (bu.)	10.29	20.43
Corn Silage (lb.)	114.21	1.11
Hay, Alfalfa (lb.)	53.07	1.73
Haylage, Alfalfa (lb.)	174.00	3.48
Complete Ration (lb.)	-	5.57
Protein Vit Minerals (lb.)	81.56	10.41
Other feed stuffs	0.20	0.30
Veterinary		3.21
Livestock supplies		1.35
Fuel & oil		0.33
Repairs		1.95
Marketing		0.71
Total direct expenses		50.60
Return over direct expense		1.48
Overhead Expenses		
Custom hire		0.78
Hired labor		1.55
Machinery & bldg leases		0.27
RE & pers. property taxes		0.15
Farm insurance		0.62
Utilities		0.81
Mach & bldg depreciation		1.15
Miscellaneous		0.65
Total overhead expenses		5.99
Total dir & ovhd expenses		56.59
Net return		-4.51
Labor & management charge		4.35
Net return over lbr & mgt		-8.87
Cost of Production		
Total direct expense per cwt.		62.03
Total dir & ovhd expense per cwt.		65.93
With labor and management		68.75
With other revenue adjustments		68.61
Est. labor hours per unit		0.58
Other Information		
No. purchased or trans in		65
Number sold or trans out		58
Percentage death loss		3.7
Avg. daily gain (lbs)		1.83
Lbs of conc / lb of gain		6.49
Lbs of feed / lb of gain		8.27
Feed cost per cwt of gain		43.04
Feed cost per head		348.55
Average purchase weight		159
Average sales weight		1,123
Avg purch price / head		197.14
Avg sales price / cwt		62.85

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)	1,844.63	685.68
Cull sales (lb)	85.82	18.60
Butchered (lb)	0.62	0.17
Less purchased (lb)	-54.34	-51.69
Inventory change (lb)	1.04	-40.85
Total production (lb)	1,877.77	611.91
Other income		3.81
Gross return		615.72
Direct Expenses		
Corn (bu.)	77.55	153.95
Oats (bu.)	0.56	0.87
Complete Ration (lb.)	68.01	10.52
Protein Vit Minerals (lb.)	2,095.34	283.12
Other feed stuffs	9.22	0.64
Breeding fees		8.62
Veterinary		23.83
Livestock supplies		18.87
Fuel & oil		12.31
Repairs		24.55
Custom hire		49.92
Marketing		3.57
Operating interest		8.18
Total direct expenses		598.96
Return over direct expense		16.76
Overhead Expenses		
Custom hire		6.75
Hired labor		62.19
Machinery & bldg leases		2.89
RE & pers. property taxes		3.84
Farm insurance		11.17
Utilities		21.00
Interest		19.51
Mach & bldg depreciation		35.52
Miscellaneous		8.51
Total overhead expenses		171.39
Total dir & ovhd expenses		770.34
Net return		-154.62
Labor & management charge		49.93
Net return over lbr & mgt		-204.56
Cost of Production		
Total direct expense per cwt.		31.90
Total dir & ovhd expense per cwt.		41.02
With labor and management		43.68
With other revenue adjustments		45.38
Est. labor hours per unit		6.91
Other Information		
Average number of sows		191.6
Litters farrowed		355
Litters per sow		1.85
Litters per crate		8.80
Pigs born per litter		8.92
Pigs weaned per litter		8.63
Pigs weaned per sow		15.68
Number sold per litter		7.36
Lbs of feed / lb of gain		3.45
Feed cost / cwt. of gain		23.92
Feed cost per litter		449.10
Avg wgt/Raised Hog sold		250
Avg price / cwt		37.17

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)	98.23	36.52
Cull sales (lb)	4.57	0.99
Butchered (lb)	0.03	0.01
Less purchased (lb)	-2.89	-2.75
Inventory change (lb)	0.06	-2.18
Total production (lb)	100.00	32.59
Other income		0.20
Gross return		32.79
Direct Expenses		
Corn (bu.)	4.13	8.20
Oats (bu.)	0.03	0.05
Complete Ration (lb.)	3.62	0.56
Protein Vit Minerals (lb.)	111.59	15.08
Other feed stuffs	0.49	0.03
Breeding fees		0.46
Veterinary		1.27
Livestock supplies		1.00
Fuel & oil		0.66
Repairs		1.31
Custom hire		2.66
Marketing		0.19
Operating interest		0.44
Total direct expenses		31.90
Return over direct expense		0.89
Overhead Expenses		
Custom hire		0.36
Hired labor		3.31
Machinery & bldg leases		0.15
RE & pers. property taxes		0.20
Farm insurance		0.59
Utilities		1.12
Interest		1.04
Mach & bldg depreciation		1.89
Miscellaneous		0.45
Total overhead expenses		9.13
Total dir & ovhd expenses		41.02
Net return		-8.23
Labor & management charge		2.66
Net return over lbr & mgt		-10.89
Cost of Production		
Total direct expense per cwt.		31.90
Total dir & ovhd expense per cwt.		41.02
With labor and management		43.68
With other revenue adjustments		45.38
Est. labor hours per unit		0.37
Other Information		
Average number of sows		191.6
Litters farrowed		355
Litters per sow		1.85
Litters per crate		8.80
Pigs born per litter		8.92
Pigs weaned per litter		8.63
Pigs weaned per sow		15.68
Number sold per litter		7.36
Lbs of feed / lb of gain		3.45
Feed cost / cwt. of gain		23.92
Feed cost per litter		449.10
Avg wgt/Raised Hog sold		250
Avg price / cwt		37.17

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	7	
	Quantity	Value
Finish Hogs sold (lb)	282.78	108.78
Butchered (lb)	0.07	0.03
Less purchased (lb)	-54.11	-49.84
Less transferred in (lb)	-3.07	-2.26
Inventory change (lb)	-20.17	-7.96
Total production (lb)	205.50	48.75
Other income		-
Gross return		48.75
Direct Expenses		
Corn (bu.)	8.61	16.22
Complete Ration (lb.)	6.74	0.66
Protein Vit Minerals (lb.)	160.16	23.21
Other feed stuffs	0.12	0.20
Veterinary		0.60
Livestock supplies		0.72
Fuel & oil		0.41
Repairs		2.32
Machinery & bldg leases		1.13
Marketing		1.29
Operating interest		1.52
Total direct expenses		48.28
Return over direct expense		0.47
Overhead Expenses		
Custom hire		0.31
Machinery & bldg leases		0.90
RE & pers. property taxes		0.28
Farm insurance		0.74
Utilities		1.35
Interest		2.13
Mach & bldg depreciation		2.21
Miscellaneous		0.82
Total overhead expenses		8.75
Total dir & ovhd expenses		57.03
Net return		-8.28
Labor & management charge		6.00
Net return over lbr & mgt		-14.28
Cost of Production		
Total direct expense per cwt.		38.30
Total dir & ovhd expense per cwt.		41.40
With labor and management		43.52
With other revenue adjustments		43.52
Est. labor hours per unit		0.54
Other Information		
No. purchased or trans in		1,620
Number sold or trans out		1,583
Percentage death loss		5.0
Avg. daily gain (lbs)		1.22
Lbs of conc / lb of gain		3.05
Lbs of feed / lb of gain		3.05
Feed cost per cwt of gain		19.60
Feed cost per head		40.28
Average purchase weight		51
Average sales weight		258
Avg purch price / head		46.95
Avg sales price / cwt		38.47

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	7	
	Quantity	Value
Finish Hogs sold (lb)	137.60	52.93
Butchered (lb)	0.04	0.01
Less purchased (lb)	-26.33	-24.25
Less transferred in (lb)	-1.49	-1.10
Inventory change (lb)	-9.81	-3.87
Total production (lb)	100.00	23.72
Other income		-
Gross return		23.72
Direct Expenses		
Corn (bu.)	4.19	7.89
Complete Ration (lb.)	3.28	0.32
Protein Vit Minerals (lb.)	77.94	11.30
Other feed stuffs	0.06	0.10
Veterinary		0.29
Livestock supplies		0.35
Fuel & oil		0.20
Repairs		1.13
Machinery & bldg leases		0.55
Marketing		0.63
Operating interest		0.74
Total direct expenses		23.49
Return over direct expense		0.23
Overhead Expenses		
Custom hire		0.15
Machinery & bldg leases		0.44
RE & pers. property taxes		0.14
Farm insurance		0.36
Utilities		0.66
Interest		1.04
Mach & bldg depreciation		1.08
Miscellaneous		0.40
Total overhead expenses		4.26
Total dir & ovhd expenses		27.75
Net return		-4.03
Labor & management charge		2.92
Net return over lbr & mgt		-6.95
Cost of Production		
Total direct expense per cwt.		38.30
Total dir & ovhd expense per cwt.		41.40
With labor and management		43.52
With other revenue adjustments		43.52
Est. labor hours per unit		0.26
Other Information		
No. purchased or trans in		1,620
Number sold or trans out		1,583
Percentage death loss		5.0
Avg. daily gain (lbs)		1.22
Lbs of conc / lb of gain		3.05
Lbs of feed / lb of gain		3.05
Feed cost per cwt of gain		19.60
Feed cost per head		40.28
Average purchase weight		51
Average sales weight		258
Avg purch price / head		46.95
Avg sales price / cwt		38.47

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	13	
	Quantity	Value
Wean-Fin Pig sold (lb)	260.83	99.78
Transferred out (lb)	0.42	0.22
Butchered (lb)	0.03	0.01
Less purchased (lb)	-14.71	-37.77
Less transferred in (lb)	-0.58	-0.66
Inventory change (lb)	2.79	1.17
Total production (lb)	248.77	62.74
Other income		-2.62
Gross return		60.12
Direct Expenses		
Corn (bu.)	9.23	18.36
Complete Ration (lb.)	31.24	6.62
Protein Vit Minerals (lb.)	63.21	11.05
Other feed stuffs	0.05	5.84
Veterinary		2.32
Livestock supplies		0.64
Contract production exp.		0.65
Fuel & oil		0.95
Repairs		1.32
Custom hire		0.53
Machinery & bldg leases		2.05
Operating interest		0.86
Total direct expenses		51.19
Return over direct expense		8.93
Overhead Expenses		
Custom hire		3.83
Hired labor		1.01
Machinery & bldg leases		3.95
Farm insurance		0.97
Utilities		1.15
Interest		2.04
Mach & bldg depreciation		2.49
Miscellaneous		0.56
Total overhead expenses		16.01
Total dir & ovhd expenses		67.20
Net return		-7.07
Labor & management charge		2.41
Net return over lbr & mgt		-9.49
Cost of Production		
Total direct expense per cwt.		33.85
Total dir & ovhd expense per cwt.		39.98
With labor and management		40.91
With other revenue adjustments		41.91
Est. labor hours per unit		0.33
Other Information		
No. purchased or trans in		8,951
Number sold or trans out		7,922
Percentage death loss		5.8
Avg. daily gain (lbs)		1.41
Lbs of conc / lb of gain		2.47
Lbs of feed / lb of gain		2.76
Feed cost per cwt of gain		16.83
Feed cost per head		41.86
Average purchase weight		13
Average sales weight		259
Avg purch price / head		33.74
Avg sales price / cwt		38.26

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	13	
	Quantity	Value
Wean-Fin Pig sold (lb)	104.85	40.11
Transferred out (lb)	0.17	0.09
Butchered (lb)	0.01	0.00
Less purchased (lb)	-5.91	-15.18
Less transferred in (lb)	-0.23	-0.27
Inventory change (lb)	1.12	0.47
Total production (lb)	100.00	25.22
Other income		-1.05
Gross return		24.17
Direct Expenses		
Corn (bu.)	3.71	7.38
Complete Ration (lb.)	12.56	2.66
Protein Vit Minerals (lb.)	25.41	4.44
Other feed stuffs	0.02	2.35
Veterinary		0.93
Livestock supplies		0.26
Contract production exp.		0.26
Fuel & oil		0.38
Repairs		0.53
Custom hire		0.21
Machinery & bldg leases		0.83
Operating interest		0.35
Total direct expenses		20.58
Return over direct expense		3.59
Overhead Expenses		
Custom hire		1.54
Hired labor		0.41
Machinery & bldg leases		1.59
Farm insurance		0.39
Utilities		0.46
Interest		0.82
Mach & bldg depreciation		1.00
Miscellaneous		0.23
Total overhead expenses		6.43
Total dir & ovhd expenses		27.01
Net return		-2.84
Labor & management charge		0.97
Net return over lbr & mgt		-3.81
Cost of Production		
Total direct expense per cwt.		33.85
Total dir & ovhd expense per cwt.		39.98
With labor and management		40.91
With other revenue adjustments		41.91
Est. labor hours per unit		0.13
Other Information		
No. purchased or trans in		8,951
Number sold or trans out		7,922
Percentage death loss		5.8
Avg. daily gain (lbs)		1.41
Lbs of conc / lb of gain		2.47
Lbs of feed / lb of gain		2.76
Feed cost per cwt of gain		16.83
Feed cost per head		41.86
Average purchase weight		13
Average sales weight		259
Avg purch price / head		33.74
Avg sales price / cwt		38.26

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	16	
	Quantity	Value
Total production (hd)	0.00	0.00
Other income		33.98
Gross return		33.98
Direct Expenses		
Livestock supplies		1.81
Fuel & oil		0.42
Repairs		0.95
Custom hire		0.28
Total direct expenses		3.47
Return over direct expense		30.51
Overhead Expenses		
Custom hire		0.57
Hired labor		1.08
Machinery & bldg leases		2.03
RE & pers. property taxes		0.32
Farm insurance		1.20
Utilities		1.90
Interest		6.98
Mach & bldg depreciation		7.36
Miscellaneous		0.51
Total overhead expenses		21.95
Total dir & ovhd expenses		25.42
Net return		8.56
Labor & management charge		2.61
Net return over lbr & mgt		5.95
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		0.38
Other Information		
Number of pigs		5,909
Pigs per pig space (per year)		2.44
Pigs per 100 sq. ft. (per yr)		33.74
Net return per 100 sq. ft.		118.31
Net return per labor hour		22.60
Square feet per pig space		7.24

PRICES USED IN ANALYSIS - 2002
Southeast Farm Business Management Association

Item	Beginning Inventory Price	Average Feed Price/Year	Crop Enterprise Production	Ending Inventory Price
Corn	\$1.80	\$2.00	Actual	\$2.00
Oats	2.00	1.50	Actual	1.50
Soybeans	4.00	5.00	Actual	5.50
Alfalfa Hay	80.00	80.00	80.00	80.00
Mixed Hay	40.00	40.00	40.00	40.00
Haylage	40.00	40.00	40.00	40.00
Corn Silage	15.00	15.00	17.00	17.00
Oat Silage	12.00	12.00	12.00	12.00
Straw/ton	60.00	--	60.00	60.00
Corn Stalks	10.00	10.00	10.00	10.00
Barley	1.50	1.50	1.50	1.50

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

Value of operator's labor is calculated by using this formula: For sole proprietors and partnerships, labor and management should be valued at \$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.

Board for hired help: \$6.00/day

Homegrown seed - soybeans: \$8.00/bu.

Homegrown seed - oats: \$3.00/bu.

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.

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, by debt to asset ratio, 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>
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	172.2
2001	177.1
2002	179.9

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

Row	Items	1983	1984	1985	1986	1987	1988	1989	1990	1991
		---	---	---	---	---	---	---	---	---
1	Number of Farms	53	57	59	61	62	63	58	65	65
	Farm Income Statement									
2	Gross Cash Farm Income	178,365	187,562	197,842	190,124	190,481	187,712	203,126	219,696	212,943
3	Total Cash Farm Expense	116,369	144,048	151,162	141,090	136,802	135,159	146,353	146,315	144,519
4	Inventory Change	7,628	9,584	415	1,833	9,817	2,922	3,482	8,706	1,827
5	Depr. & Cap. Adj.	-35,150	-32,373	-30,386	-25,685	-18,298	-13,646	-15,010	-20,043	-19,416
6	Net Farm Income	34,473	20,724	16,709	25,180	45,197	41,829	45,244	62,044	50,835
7	Net Farm Income (Constant \$)	62,266	35,883	27,936	41,331	71,575	63,610	65,640	85,400	67,145
	Profitability and Liquidity Analysis									
8	Labor and Management Earnings	22,365	8,630	6,630	16,418	34,905	29,793	31,106	46,923	34,143
	Rate of return on:									
9	Average Assets (%)	9	6	5	8	12	10	10	12	9
10	Average Equity (%)	8	1	-1	5	15	11	10	15	9
11	Operating Profit Margin (%)	20	13	10	16	22	20	19	23	19
12	Asset Turnover Rate (%)	46	45	50	50	54	52	50	53	46
13	Value of Farm Production	170,219	181,517	190,882	173,619	194,420	187,789	199,804	215,976	200,904
14	Farm Interest Paid	17,680	19,863	22,207	21,168	16,542	15,543	15,151	12,963	13,983
15	Cash Expense as a % of Income	65	77	76	74	72	72	72	67	68
	Interest Paid as a % of:									
16	Gross Cash Income	10	11	11	11	9	8	7	6	7
17	Total Cash Expenses	15	14	15	15	12	11	10	9	10
18	Yrs. to T/O Non R.E. Debt	0.5	0.5	1.9	3.6	4.1	3.4	4.5	1.5	1.5
	Comparative Financial Statement (Cost Basis)									
19	No. of Sole Proprietors	49	41	40	46	49	48	44	51	48
20	Total Ending Assets	407,995	391,624	370,853	320,601	326,849	331,420	376,054	384,259	417,616
21	Total Ending Liabilities	163,744	192,733	201,572	170,318	162,013	154,430	164,661	159,333	172,612
22	Ending Net Worth	244,251	198,891	169,281	150,283	164,836	176,990	211,393	224,926	245,004
23	Ending Farm C+I Debt to Asset %	32	42	50	45	38	33	33	31	31
24	Ending Total Debt to Asset %	40	49	54	53	50	47	44	41	41
	Acreage Information									
25	Total Acres Owned	*	264	288	264	268	274	294	280	272
26	Total Crop Acres Farmed	*	363	423	376	365	348	372	350	401
27	Crop Acres Owned	*	210	231	198	225	223	222	210	237
28	Crop Acres Cash Rented	*	140	180	157	123	105	128	124	159
29	Crop Acres Share Rented	*	13	12	21	18	20	22	16	5
	Crop Yields									
30	Corn per acre	100	127	125	140	143	88	142	140	134
31	Soybean per acre	39	39	37	41	44	31	42	41	42
	Crop Prices Received (cash sales)									
32	Corn per Bushel	*	2.99	2.44	2.02	1.77	2.17	2.36	2.39	2.28
33	Soybeans per Bushel	*	7.20	5.06	5.07	4.95	6.87	6.88	5.89	5.33
	Household Information									
34	No. Farms Reporting HseHld Info	13	14	15	15	14	12	11	16	16
35	Average Family Size	*	3.5	3.4	3.5	3.5	3.5	3.7	3.4	3.8
36	Total Family Use of Cash	26,003	24,531	27,308	26,945	35,772	41,392	44,050	49,370	46,635
37	Average Net Nonfarm Income	*	8,108	6,065	8,429	8,788	8,396	9,370	8,403	8,343

* Not available.

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

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	Row
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63	65	64	62	61	64	60	62	58	59	54	1
219,457	236,401	242,784	269,666	291,050	294,687	320,356	411,665	352,354	365,819	402,565	2
153,908	172,893	178,968	198,873	211,486	225,501	239,611	314,644	267,986	274,867	328,740	3
-7,685	2,930	7,424	20,130	3,690	21,010	1,575	-53	19,036	-6,480	14,376	4
-17,897	-23,192	-15,047	-19,541	-15,676	-16,885	-16,580	-30,556	-25,732	-23,494	-23,536	5
39,967	43,246	56,192	71,382	67,579	73,311	65,739	66,412	77,672	60,978	64,666	6
51,248	53,841	68,211	84,263	77,485	82,172	72,555	71,714	81,145	61,942	64,666	7
22,049	25,084	37,384	47,696	41,777	45,620	36,896	35,032	45,373	26,509	25,398	8
5	6	8	9	8	9	7	7	8	6	5	9
3	5	9	10	8	9	7	7	9	5	5	10
11	14	20	22	21	24	19	18	22	17	15	11
42	38	40	40	39	37	36	39	37	34	35	12
198,818	184,576	201,239	239,151	242,598	256,273	268,551	320,367	309,214	287,161	338,181	13
12,509	13,339	14,175	15,370	15,571	18,957	17,964	22,135	22,111	19,291	20,758	14
70	73	74	74	73	77	75	76	76	75	82	15
6	6	6	6	5	6	6	5	6	5	5	16
8	8	8	8	7	8	7	7	8	7	6	17
2.0	1.5	1.3	1.2	1.0	1.4	1.4	1.2	2.1	1.4	2.4	18
46	47	46	44	45	47	45	49	46	45	41	19
474,752	455,144	507,456	571,147	610,645	673,379	735,178	789,710	849,829	878,408	1,045,929	20
192,695	198,475	218,738	227,621	217,061	251,000	260,958	266,181	296,006	295,360	378,343	21
282,057	256,670	288,718	343,526	393,584	422,379	474,219	523,529	553,823	583,049	667,586	22
33	40	38	36	35	37	35	36	37	35	39	23
41	44	43	40	36	37	35	34	35	34	36	24
285	325	335	362	336	325	367	330	342	336	355	25
417	432	430	496	504	513	560	580	576	577	634	26
261	264	258	276	252	266	285	304	301	301	317	27
152	162	163	214	244	241	268	271	266	275	314	28
4	5	8	6	8	7	7	5	9	2	3	29
117	91	158	129	126	146	167	156	154	143	163	30
32	33	46	44	42	44	50	45	49	40	50	31
2.34	1.97	2.22	2.37	3.19	2.54	2.15	1.86	1.85	1.88	2.02	32
5.28	5.98	5.94	5.72	7.00	7.11	5.72	4.59	4.65	4.43	4.90	33
16	19	30	21	18	17	15	16	13	18	16	34
4.0	3.3	3.0	2.1	3.6	3.5	3.7	3.8	4.0	3.6	2.8	35
44,940	32,132	37,652	41,005	36,438	60,231	50,081	61,086	86,083	81,341	73,210	36
10,377	12,192	12,435	14,786	20,634	26,290	20,692	27,419	26,602	29,753	28,780	37

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

	Avg. Of All Farms	Dakota Le Sueur Nicollet Rice Scott Washington	Dodge Faribault Freeborn Mower Steele Waseca	Fillmore Goodhue Houston Olmsted Wabasha Winona
Number of farms	54	13	8	33
Income Statement				
Gross cash farm income	402,565	481,855	221,304	415,272
Total cash farm expense	328,740	416,513	141,481	339,559
Net cash farm income	73,825	65,342	79,824	75,713
Inventory change	14,376	62,802	-9,993	1,207
Depreciation and capital adjust	-23,536	-22,651	-13,919	-26,216
Net farm income	64,666	105,492	55,911	50,705
Profitability (cost)				
Labor and management earnings	25,398	36,668	24,727	21,120
Rate of return on assets	5.3 %	6.2 %	5.2 %	4.6 %
Rate of return on equity	4.7 %	6.3 %	4.8 %	3.3 %
Operating profit margin	15.1 %	19.9 %	19.4 %	11.6 %
Asset turnover rate	34.8 %	31.3 %	26.9 %	39.1 %
Liquidity				
Term debt coverage ratio	273.3 %	183.6 %	219.9 %	302.2 %
Expense as a percent of income	79.0 %	76.1 %	67.7 %	81.9 %
Interest as a percent of income	4.9 %	4.3 %	6.0 %	5.0 %
Solvency (market)				
Number of sole proprietors	41	7	5	29
Ending farm assets	1,203,390	2,049,958	609,431	1,101,452
Ending farm liabilities	437,115	753,428	165,507	407,593
Ending total assets	1,409,835	2,334,370	760,573	1,298,614
Ending total liabilities	469,282	760,773	206,894	444,161
Ending net worth	940,553	1,573,596	553,678	854,453
Net worth change	42,134	96,958	56,907	26,354
Ending farm debt to asset ratio	36 %	37 %	27 %	37 %
Beg total debt to asset ratio	32 %	32 %	30 %	32 %
End total debt to asset ratio	33 %	33 %	27 %	34 %
Nonfarm Information				
Net nonfarm income	26,525	35,740	32,193	21,521
Farms reporting living expenses	38	6	4	28
Total family living expense	34,545	31,932	-	33,884
Total living, invest, & capital	61,821	57,565	-	63,740
Crop Acres				
Total acres owned	355	524	296	304
Total crop acres	634	969	484	539
Total crop acres owned	317	529	299	239
Total crop acres cash rented	314	438	186	296
Total crop acres share rented	3	2	-	5

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

	<u>Avg. Of All Farms</u>	<u>40,001 - 100,000</u>	<u>100,001 - 200,000</u>	<u>200,001 - 500,000</u>	<u>Over 1,000,000</u>
Number of farms	54	10	10	21	7
Income Statement					
Gross cash farm income	402,565	67,523	154,981	362,587	1,329,706
Total cash farm expense	328,740	58,165	114,501	284,989	1,144,888
Net cash farm income	73,825	9,358	40,480	77,598	184,818
Inventory change	14,376	-1,411	10,607	7,038	57,251
Depreciation and capital adjust	-23,536	-4,356	-4,551	-20,449	-79,496
Net farm income	64,666	3,591	46,537	64,187	162,573
Profitability (cost)					
Labor and management earnings	25,398	-8,110	20,190	36,116	39,409
Rate of return on assets	5.3 %	-2.7 %	5.2 %	6.3 %	5.2 %
Rate of return on equity	4.7 %	-6.6 %	4.7 %	6.3 %	4.7 %
Operating profit margin	15.1 %	-11.6 %	19.3 %	16.0 %	14.9 %
Asset turnover rate	34.8 %	23.1 %	27.2 %	39.4 %	35.1 %
Liquidity					
Term debt coverage ratio	273.3 %	138.1 %	135.9 %	231.3 %	399.3 %
Expense as a percent of income	79.0 %	87.8 %	70.4 %	77.6 %	82.6 %
Interest as a percent of income	4.9 %	7.3 %	5.5 %	5.0 %	4.4 %
Solvency (market)					
Number of sole proprietors	41	9	8	15	4
Ending farm assets	1,203,390	541,297	850,434	1,090,275	-
Ending farm liabilities	437,115	166,322	234,049	370,347	-
Ending total assets	1,409,835	768,345	975,962	1,299,911	-
Ending total liabilities	469,282	204,641	263,361	418,912	-
Ending net worth	940,553	563,704	712,601	880,999	-
Net worth change	42,134	27,919	51,172	22,246	-
Ending farm debt to asset ratio	36 %	31 %	28 %	34 %	- %
Beg total debt to asset ratio	32 %	29 %	28 %	30 %	- %
End total debt to asset ratio	33 %	27 %	27 %	32 %	- %
Nonfarm Information					
Net nonfarm income	26,525	50,763	21,115	14,534	32,610
Farms reporting living expenses	38	8	7	14	4
Total family living expense	34,545	43,170	37,007	28,417	-
Total living, invest, & capital	61,821	51,429	51,237	73,532	-
Crop Acres					
Total acres owned	355	220	298	295	729
Total crop acres	634	204	347	532	1,663
Total crop acres owned	317	124	233	219	888
Total crop acres cash rented	314	78	114	309	775
Total crop acres share rented	3	3	-	4	-

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

	<u>Avg. Of All Farms</u>	<u>Crop</u>	<u>Dairy</u>	<u>Crop and Dairy</u>	<u>Crop and Hog</u>	<u>Other</u>
Number of farms	54	15	14	7	5	9
Income Statement						
Gross cash farm income	402,565	390,206	542,902	396,899	269,069	206,212
Total cash farm expense	328,740	334,151	434,320	282,041	236,118	164,546
Net cash farm income	73,825	56,055	108,582	114,859	32,951	41,666
Inventory change	14,376	32,939	8,550	30,163	15,760	-654
Depreciation and capital adjust	-23,536	-15,458	-44,696	-16,097	-7,049	-14,552
Net farm income	64,666	73,536	72,436	128,925	41,662	26,460
Profitability (cost)						
Labor and management earnings	25,398	38,541	35,067	52,962	15,802	-785
Rate of return on assets	5.3 %	7.3 %	5.0 %	6.9 %	4.4 %	2.2 %
Rate of return on equity	4.7 %	8.2 %	4.1 %	6.7 %	2.7 %	0.9 %
Operating profit margin	15.1 %	18.2 %	11.9 %	25.2 %	15.5 %	7.6 %
Asset turnover rate	34.8 %	40.0 %	42.2 %	27.2 %	28.7 %	28.9 %
Liquidity						
Term debt coverage ratio	273.3 %	139.2 %	455.6 %	144.1 %	166.4 %	150.5 %
Expense as a percent of income	79.0 %	79.0 %	78.9 %	66.4 %	83.0 %	80.7 %
Interest as a percent of income	4.9 %	6.3 %	4.0 %	4.4 %	8.0 %	4.6 %
Solvency (market)						
Number of sole proprietors	41	12	10	3	4	8
Ending farm assets	1,203,390	1,442,502	1,106,547	-	-	1,108,261
Ending farm liabilities	437,115	657,860	346,829	-	-	267,937
Ending total assets	1,409,835	1,720,118	1,277,769	-	-	1,326,557
Ending total liabilities	469,282	686,757	358,779	-	-	352,864
Ending net worth	940,553	1,033,361	918,990	-	-	973,694
Net worth change	42,134	82,282	22,834	-	-	20,822
Ending farm debt to asset ratio	36 %	46 %	31 %	- %	- %	24 %
Beg total debt to asset ratio	32 %	38 %	29 %	- %	- %	24 %
End total debt to asset ratio	33 %	40 %	28 %	- %	- %	27 %
Nonfarm Information						
Net nonfarm income	26,525	42,568	11,915	15,059	40,123	32,852
Farms reporting living expenses	38	11	10	2	4	7
Total family living expense	34,545	38,564	34,583	-	-	28,171
Total living, invest, & capital	61,821	57,882	58,429	-	-	79,122
Crop Acres						
Total acres owned	355	389	240	702	307	359
Total crop acres	634	1,127	303	817	531	438
Total crop acres owned	317	443	194	636	273	218
Total crop acres cash rented	314	679	110	181	258	217
Total crop acres share rented	3	5	-	-	-	3

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

	<u>Avg. Of All Farms</u>	<u>Less than 20%</u>	<u>20% - 40%</u>	<u>40% - 60%</u>	<u>60% - 80%</u>
Number of farms	54	18	19	10	6
Income Statement					
Gross cash farm income	402,565	316,989	405,663	535,516	257,692
Total cash farm expense	328,740	209,981	346,703	486,430	220,056
Net cash farm income	73,825	107,007	58,959	49,086	37,636
Inventory change	14,376	28,788	-1,378	33,076	-9,390
Depreciation and capital adjust	-23,536	-16,550	-19,338	-34,100	-8,475
Net farm income	64,666	119,245	38,243	48,063	19,771
Profitability (cost)					
Labor and management earnings	25,398	56,202	2,412	21,499	14,564
Rate of return on assets	5.3 %	7.8 %	2.5 %	5.5 %	4.0 %
Rate of return on equity	4.7 %	8.0 %	0.8 %	4.0 %	-17.3 %
Operating profit margin	15.1 %	28.0 %	7.7 %	12.0 %	8.0 %
Asset turnover rate	34.8 %	27.9 %	32.6 %	45.7 %	50.4 %
Liquidity					
Term debt coverage ratio	273.3 %	1,402.8 %	168.2 %	549.8 %	83.6 %
Expense as a percent of income	79.0 %	60.6 %	86.0 %	85.6 %	89.2 %
Interest as a percent of income	4.9 %	1.1 %	4.3 %	7.1 %	10.3 %
Solvency (market)					
Number of sole proprietors	41	12	16	8	5
Ending farm assets	1,203,390	1,077,864	1,267,099	1,677,355	542,434
Ending farm liabilities	437,115	136,261	445,563	899,018	393,086
Ending total assets	1,409,835	1,333,936	1,438,841	1,965,807	609,622
Ending total liabilities	469,282	145,844	467,586	987,962	421,074
Ending net worth	940,553	1,188,092	971,256	977,845	188,548
Net worth change	42,134	48,612	27,424	85,869	3,684
Ending farm debt to asset ratio	36 %	13 %	35 %	54 %	72 %
Beg total debt to asset ratio	32 %	12 %	31 %	47 %	68 %
End total debt to asset ratio	33 %	11 %	32 %	50 %	69 %
Nonfarm Information					
Net nonfarm income	26,525	23,670	27,701	36,412	19,309
Farms reporting living expenses	38	12	14	8	4
Total family living expense	34,545	33,370	34,683	44,599	-
Total living, invest, & capital	61,821	66,993	56,605	82,325	-
Crop Acres					
Total acres owned	355	454	331	297	256
Total crop acres	634	585	581	961	475
Total crop acres owned	317	410	263	383	121
Total crop acres cash rented	314	175	310	577	351
Total crop acres share rented	3	-	8	-	4

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

	<u>Avg. Of All Farms</u>	<u>31 - 40</u>	<u>41 - 50</u>	<u>51 - 60</u>	<u>Over 60</u>
Number of farms	54	8	12	18	15
Income Statement					
Gross cash farm income	402,565	368,635	487,102	392,637	389,804
Total cash farm expense	328,740	351,078	395,815	309,744	306,749
Net cash farm income	73,825	17,557	91,287	82,893	83,055
Inventory change	14,376	53,588	2,571	15,877	2,023
Depreciation and capital adjust	-23,536	-13,494	-38,943	-26,808	-14,002
Net farm income	64,666	57,651	54,914	71,962	71,075
Profitability (cost)					
Labor and management earnings	25,398	29,484	27,898	20,482	28,269
Rate of return on assets	5.3 %	5.5 %	5.3 %	5.0 %	5.4 %
Rate of return on equity	4.7 %	5.7 %	4.1 %	4.8 %	4.7 %
Operating profit margin	15.1 %	12.3 %	11.9 %	17.7 %	16.6 %
Asset turnover rate	34.8 %	44.9 %	44.5 %	28.5 %	32.5 %
Liquidity					
Term debt coverage ratio	273.3 %	221.1 %	211.4 %	203.2 %	818.7 %
Expense as a percent of income	79.0 %	83.2 %	81.0 %	75.9 %	78.7 %
Interest as a percent of income	4.9 %	4.3 %	5.7 %	4.0 %	5.3 %
Solvency (market)					
Number of sole proprietors	41	8	8	14	10
Ending farm assets	1,203,390	1,023,338	1,144,161	1,233,281	1,453,467
Ending farm liabilities	437,115	455,491	561,773	380,793	430,314
Ending total assets	1,409,835	1,146,501	1,349,141	1,521,770	1,631,045
Ending total liabilities	469,282	474,241	577,653	449,422	437,314
Ending net worth	940,553	672,260	771,488	1,072,349	1,193,731
Net worth change	42,134	47,743	42,222	44,188	36,018
Ending farm debt to asset ratio	36 %	45 %	49 %	31 %	30 %
Beg total debt to asset ratio	32 %	39 %	40 %	29 %	26 %
End total debt to asset ratio	33 %	41 %	43 %	30 %	27 %
Nonfarm Information					
Net nonfarm income	26,525	24,243	23,222	24,390	33,535
Farms reporting living expenses	38	8	8	13	8
Total family living expense	34,545	27,913	42,835	35,145	34,351
Total living, invest, & capital	61,821	47,938	56,662	77,701	60,902
Crop Acres					
Total acres owned	355	160	259	467	425
Total crop acres	634	837	806	606	465
Total crop acres owned	317	199	296	388	335
Total crop acres cash rented	314	630	505	217	129
Total crop acres share rented	3	9	5	1	2