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# 2002

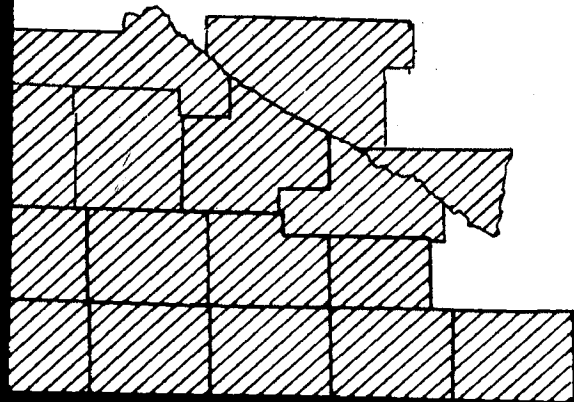
## Annual Report

### Southwestern Minnesota Farm Business Management Association

#### COOPERATING AGENCIES:

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

Staff Paper P03-3  
Department of Applied Economics  
University of Minnesota  
St. Paul, MN 55108  
March 2003



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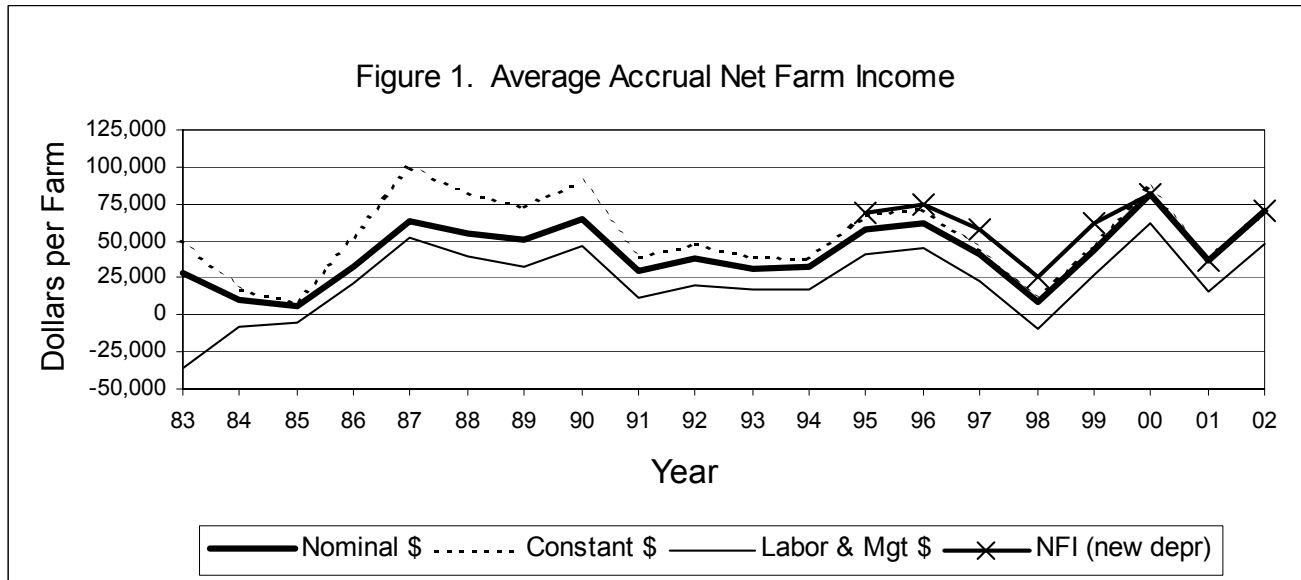
The entire report is available at: [http://www.cffm.umn.edu/Pubs/FBMA/SW\\_MN\\_FBMA\\_2002.pdf](http://www.cffm.umn.edu/Pubs/FBMA/SW_MN_FBMA_2002.pdf)

## EXECUTIVE SUMMARY

### 2002 ANNUAL REPORT OF THE SOUTHWESTERN MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION

by Dale W. Nordquist, Robert D. Anderson, James L. Christensen, James N. Kurtz,  
Garen J. Paulson, and Kent D. Olson

Average net farm income rebounded to \$70,007 in 2002 for the 188 farms included in this annual report of the Southwestern Minnesota Farm Business Management Association. This is a sharp increase (91%) from the average net farm income of \$36,614 in 2001 (Figure 1).



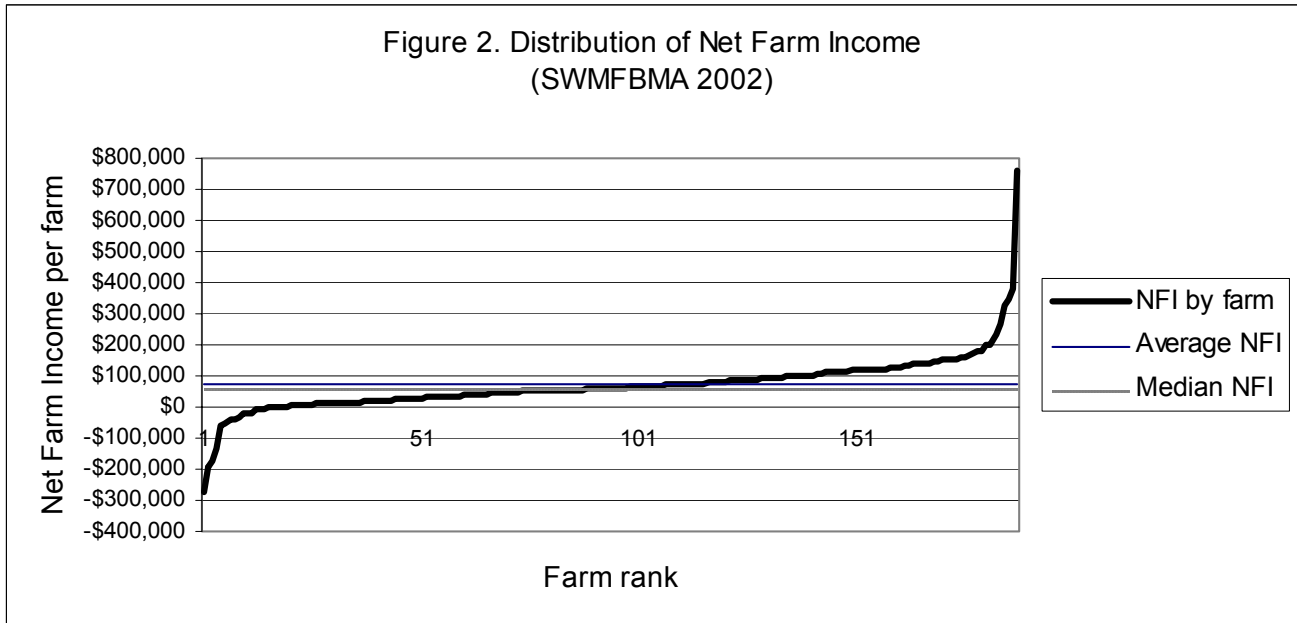
As in previous years, the actual profit levels experienced by individual farms vary greatly from the overall average profit. When the net farm incomes for the 188 farms in the report are ranked from lowest to highest, the resulting graph shows how much the incomes do vary (Figure 2). Nine percent of the farms experienced negative net farm income in 2002; 26% had incomes over \$100,000. The median or middle income was \$61,465. The high 20% of the farms had an average net farm income of \$181,981 which is a 40% increase from 2001. The low 20% of the farms had an average loss of \$-22,998 in 2002.

Most of the added income resulted from crop inventory increases. Average gross cash farm income actually decreased slightly, to \$428,084, a 1% decrease from 2001. Four sources of sales again dominated: hogs, corn, soybeans, and beef finishing (Figures 3 and 4). Corn and soybean income increased by 17% and 11%, respectively, over 2001 levels while hog income was down 6%.

Government payments of all types averaged \$15,927 in 2002, a 67% reduction from the previous year. Payments were reduced because of lower direct crop payments and higher crop prices, resulting in very limited LDP payments. Government payments for the average farm were \$48,208 in 2001, \$50,567 in 2000, \$44,674 in 1999, \$30,021 in 1998, and \$12,257 in 1997. As a percentage of total income, government payments were 4% in 2002, compared to 11% in 2001, 12% in 2000, 11% in 1999, 8% in 1998, and 3% in 1997.

Entire report is available at: [http://www.cffm.umn.edu/Pubs/FBMA/SW\\_MN\\_FBMA\\_2002.pdf](http://www.cffm.umn.edu/Pubs/FBMA/SW_MN_FBMA_2002.pdf)

Figure 2. Distribution of Net Farm Income  
(SWMFBMA 2002)



Cash expenses decreased very slightly (2%) to an average of \$352,995 in 2002. As a percentage of total expenses including depreciation, feeder purchases; feed, seed, fertilizer, and crop chemicals; and land rent continue to be the largest expense items (Figures 5 and 6).

Both the average rate of return on assets (ROA) and the rate of return to equity (ROE) increased in 2002 compared to 2001 (Figure 7). In 2002 ROA averaged 9% and ROE was 11% using assets valued on a cost basis. The fact that ROE exceeded ROA indicates that debt capital was earning more than its cost.

Using a market value basis, average total equity (of the 161 sole proprietors) was \$699,570 at the end of 2002. This was an increase of \$54,147 during the year for these farms (p. 17). Average equity has continued to improve since 1986. The average debt-asset ratio decreased from 47% at the beginning of the year to 45 % at the end of 2002 (Figure 8).

The average corn yield was 151 bushels per acre; soybeans were at 49 bushels per acre (Figure 9). Both were substantially higher than 2001 yields.

### Results by Type of Farm

The 188 farms in the report were classified as a certain type of farm (e.g., hog) on the basis of having 70 percent or more of their gross sales from that category. Using this 70 percent rule in 2002, there were 94 crop farms, 10 hog farms, 15 crop and hog farms, 10 beef farms, and 10 crop and beef farms. (There were 40 farms which did not have a single source (or pair of sources) of income over 70%.)

The beef farms were the most profitable in 2002, after experiencing very low returns in 2001. Crop and crop/beef farms also averaged incomes higher than the Association average. The average hog farm in the Association suffered a substantial loss in (Figure 10). Beef farms, along with crop farms, also had the highest rate of return on assets (ROA) (Figure 11). (Assets are valued on a cost-basis for ROA).

Using assets valued on a market basis, the average crop farm has a debt-to-asset ratio of 42% at the end of 2002 (Figure 12). Only specialized beef farms and hog farms had an average debt-to-asset ratio higher than 50%. The average hog farm's debt to asset ratio increased from 47% to 53% in 2002.

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

Fig. 3 SW -- 2001 Income

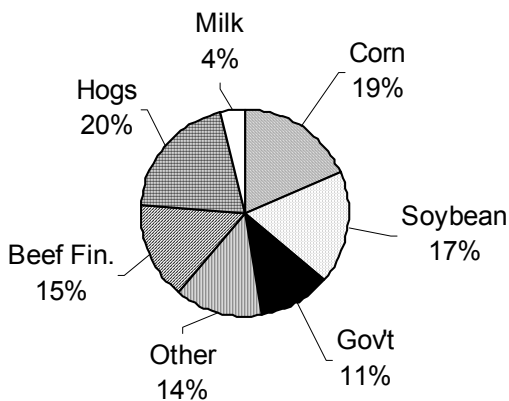


Fig. 4 SW -- 2002 Income

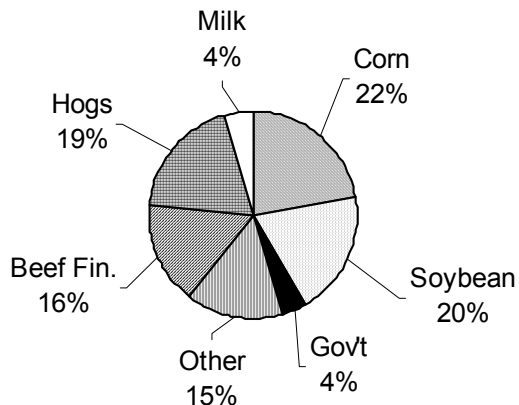


Fig. 5 SW -- 2001 Expenses

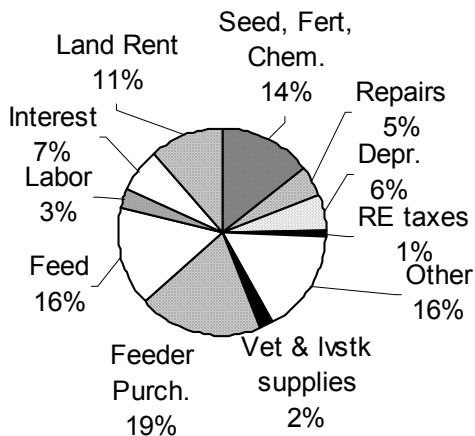


Fig. 6 SW -- 2002 Expenses

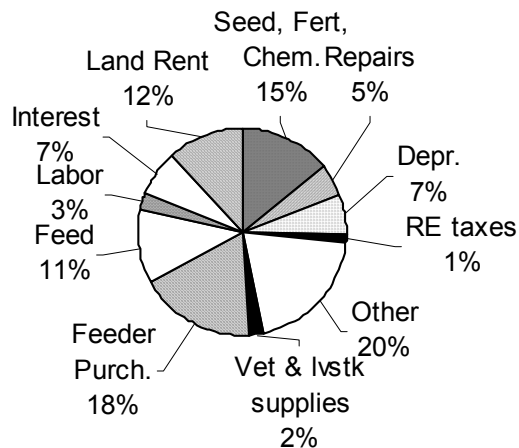


Figure 7. SW Rates of Return on Assets (ROA) and Equity (ROE)

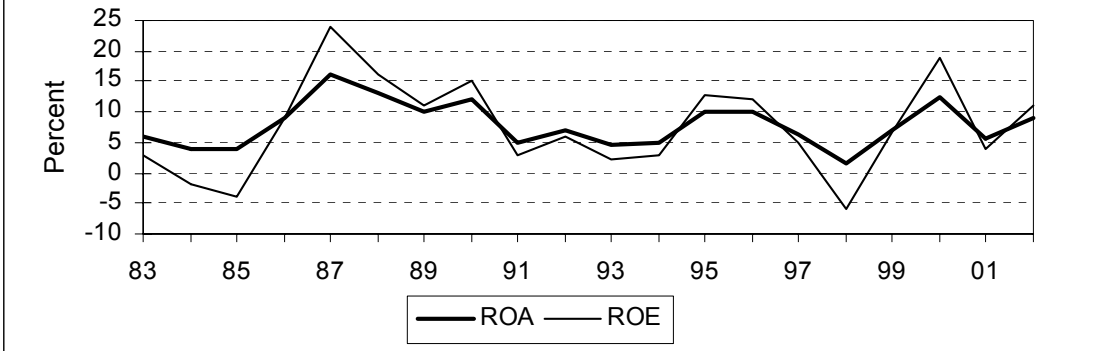


Figure 8. Ending Equity and Ending Debt-Asset Ratio

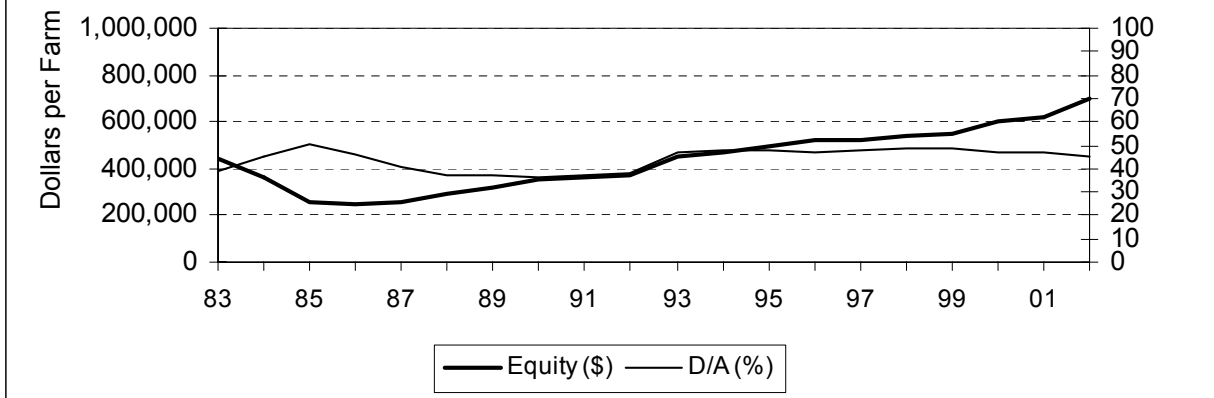


Figure 9. Average Corn & Soybean Yield

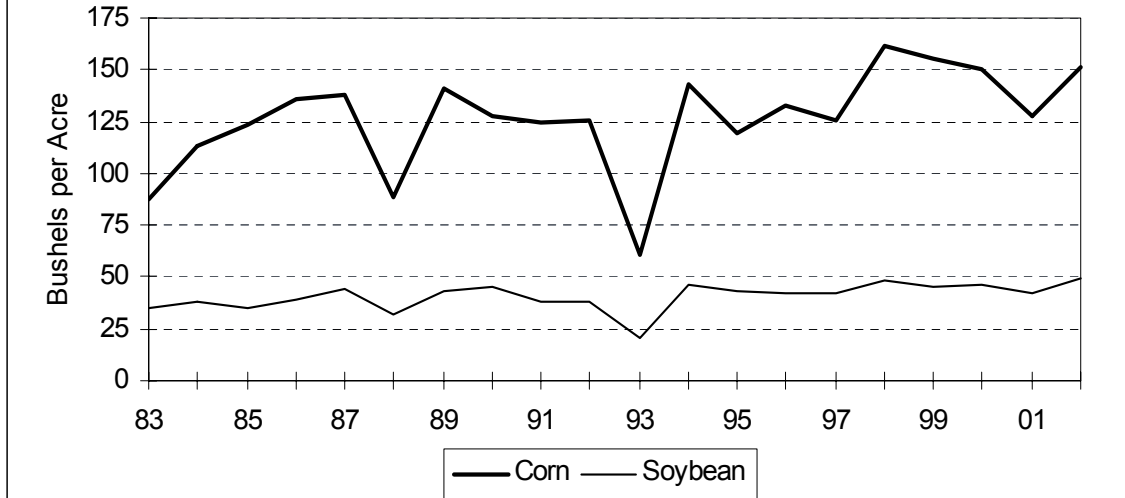


Figure 10. Net Farm Income by Type

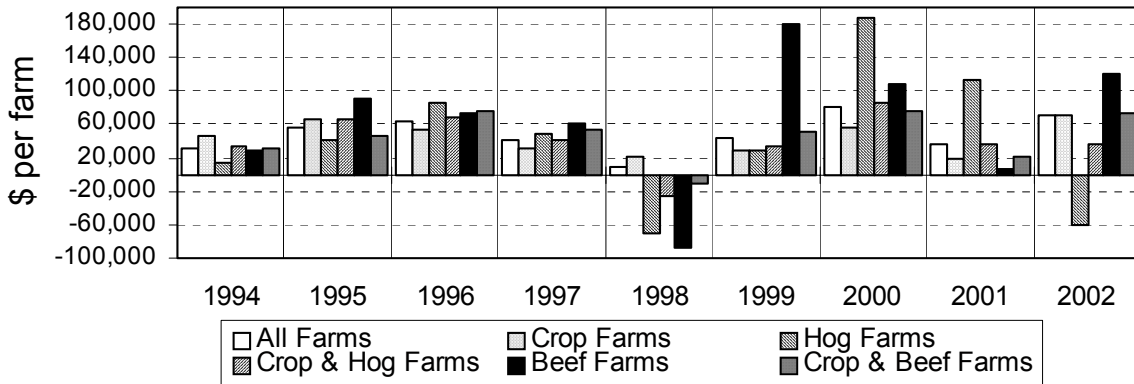


Figure 11. ROA by Type

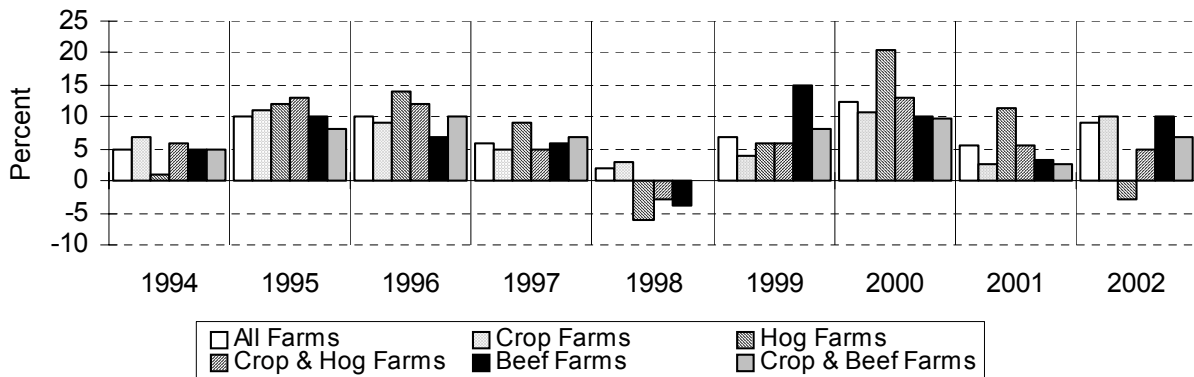
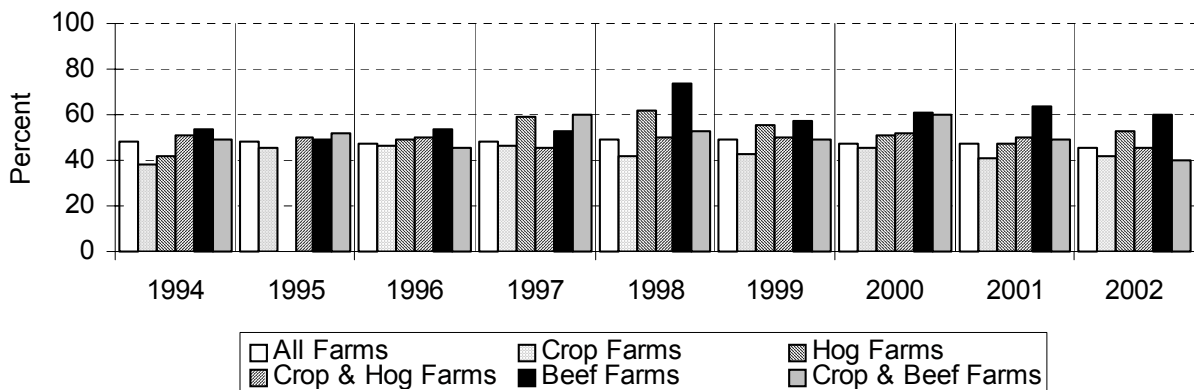


Figure 12. Debt-Asset Ratio by Type







# **2002 ANNUAL REPORT OF THE SOUTHWESTERN MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION**

by

Dale W. Nordquist, Robert D. Anderson, James L. Christensen, James N. Kurtz, Garen J. Paulson,  
and Kent D. Olson<sup>1</sup>

This report summarizes the individual farm records of the members of the Southwestern 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 fieldmen 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 228 farms in the Southwestern Association, the data for 188 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.

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<sup>1</sup>Nordquist is Extension Economist—Center For Farm Financial Management, University of Minnesota, Twin Cities; Anderson, Christensen and Kurtz are Regional Extension Educators--Farm Management and Fieldmen for the Association; Paulson is an Association member and financial analyst 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).

**SOUTHWESTERN MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION**

**DISTRIBUTION OF MEMBERSHIP -- 2002**

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County	Number of Farm Units	Number of Records Submitted
Cottonwood	46	37
Jackson	25	21
Martin	12	12
Murray	31	22
Nobles	40	36
Pipestone	12	13
Redwood	38	31
Watonwan	11	8
Others <sup>2</sup>	<u>11</u>	<u>8</u>
TOTAL	228	188

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Kip Rasmussen, President  
Matt Surprenant, Vice President  
Janet Froslan, Secretary-Treasurer

The directors of the Southwestern Minnesota Farm Business Management Association in 2002 were: Eric Fultz, Michael Landuyt, Mark Loewen, Mark Malecek, Kip Rasmussen, Dan Riley, Harlan Spronk, and Matt Surprenant.

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<sup>2</sup>In 2002 the Association had records submitted from members in Brown, Faribault, Lyon, Rock, and Yellow Medicine counties, in addition to the counties listed individually.

**SOUTHWESTERN MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION**

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## **EXPLANATORY NOTES FOR THE WHOLE-FARM REPORTS**

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

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

### **Farm Income Statement**

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

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

### **Inventory Changes**

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

### **Depreciation and Other Capital Adjustments**

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

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

## Profitability Measures

Profitability is measured using assets valued first at cost and then at market. The reports 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:  $\text{Return on Farm Equity} = \text{Net Farm Income} - \text{Value of Operator's Labor \& Management}$ , and  $\text{Average Farm Net Worth} = (\text{Beginning Farm Net Worth} + \text{Ending Farm Net Worth}) \div 2$ .



“Operating profit margin” is a measure of the operating efficiency of the business. It is calculated as follows:  $\text{Operating Profit Margin} = \text{Return to Farm Assets} \div \text{Value of Farm Production}$ . If expenses are held in line relative to the value of output produced, the farm will have a healthy 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**  
**Southwest Minnesota Farm Business Management Association**  
**(Farms Sorted By Net Farm Income)**

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	188	37	38
<b>Cash Farm Income</b>			
Barley	130	-	72
Beans, Navy	212	-	-
Corn	94,929	61,906	121,455
Hay, Alfalfa	1,425	199	3,035
Hay, Grass	216	106	100
Hay, Mixed	152	-	9
Oats	419	4	533
Peas	618	858	132
Soybeans	83,489	67,080	126,626
Sugar Beets	293	-	-
Sweet Corn	1,061	880	430
Wheat, Spring	606	1,983	689
Miscellaneous crop income	327	291	372
Beef Bulls	103	-	-
Beef Cow-Calf, Beef Calves	2,117	1,167	1,151
Beef, Background Beef	2,615	-	-
Beef, Finish Beef Calves	57,434	37,273	161,487
Beef, Finish Yrlg Steers	8,264	-	40,885
Chickens, Egg Product., Eggs	1,480	-	7,323
Dairy, Milk	19,182	-	48,656
Dairy, Dairy Calves	195	-	66
Dairy Heifers (for sale)	1,973	-	1,483
Dairy Replacement Heifers	311	941	336
Dairy Steers	2,054	3,946	452
Hogs, Farrow-Fin, Raised Hogs	12,868	39,289	8,505
Hogs, Feeder Pigs, Feeder Pigs	356	-	-
Hogs, Finish Feeder Pigs	20,582	94,448	378
Sheep, Market Lambs, Mkt Lambs	1,649	475	2,167
Turkeys	4,064	747	19,379
Hogs, Weaning to Feeder	1,925	-	-
Hogs, Weaning to Finish	45,865	150,382	29,746
CCC market loan gain	336	180	201
Cull breeding livestock	1,342	701	2,678
Misc. livestock income	2,429	0	65
LDP payments	1,400	1,098	1,805
Direct & CC govt payments	8,864	6,357	16,775
CRP payments	1,380	138	4,708
Livestock govt payments	914	103	1,809
Other government payments	3,033	869	8,391
Custom work income	14,044	11,834	23,574
Patronage dividends, cash	3,139	749	7,596
Insurance income	2,957	5,117	4,989
Cash from hedging accts	2,277	904	8,369
Contract livestock income	4,697	2,969	4,967
Other farm income	14,356	14,748	27,727
<b>Gross Cash Farm Income</b>	<b>428,084</b>	<b>507,744</b>	<b>689,122</b>

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

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	188	37	38
<b>Cash Farm Expense</b>			
Seed	21,303	14,787	33,653
Fertilizer	16,547	11,772	27,170
Crop chemicals	16,040	12,692	23,334
Crop insurance	5,702	5,952	7,327
Drying fuel	3,200	2,511	3,111
CCC buyback	14,322	10,399	7,432
Crop marketing	827	477	1,182
Crop miscellaneous	1,818	3,582	2,025
Feeder livestock purchase	69,004	108,615	144,297
Purchased feed	42,485	106,140	49,766
Breeding fees	522	727	777
Veterinary	4,240	9,142	5,612
Livestock supplies	3,395	3,239	5,867
Livestock custom hire	962	405	4,365
Livestock marketing	1,265	1,312	1,374
Interest	26,739	32,813	34,592
Fuel & oil	8,348	9,119	10,544
Repairs	18,291	16,998	23,757
Custom hire	8,587	14,217	15,925
Hired labor	10,661	11,771	18,152
Land rent	44,637	41,842	61,305
Machinery & bldg leases	9,567	26,435	10,813
Real estate taxes	3,388	2,393	6,891
Farm insurance	5,429	6,518	7,484
Utilities	4,991	7,280	6,048
Dues & professional fees	265	576	112
Hedging account deposits	4,161	3,550	11,353
Miscellaneous	6,301	6,580	11,058
Total cash expense	352,995	471,846	535,327
Net cash farm income	75,089	35,898	153,795
<b>Inventory Changes</b>			
Crops and feed	35,409	4,716	87,437
Market livestock	-7,833	-16,790	-11,588
Accounts receivable	3,812	1,168	7,071
Prepaid expenses and supplies	-7,815	-7,726	-16,353
Accounts payable	-4,002	-15,966	-2,941
Total inventory change	19,571	-34,598	63,626
Net operating profit	94,660	1,300	217,421
<b>Depreciation and Other Capital Adjustments</b>			
Breeding livestock	-2,242	-2,132	-1,091
Machinery and equipment	-15,267	-12,443	-23,567
Buildings and improvements	-7,302	-9,311	-10,503
Other farm capital	157	-411	-279
Total depr. and other capital adj	-24,654	-24,297	-35,440
Net farm income	70,007	-22,998	181,981

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

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	188	37	38
Net cash farm income	75,089	35,898	153,795
<b>Crops and Feed</b>			
Ending inventory	168,728	94,512	310,199
Beginning inventory	133,319	89,796	222,761
Inventory change	35,409	4,716	87,437
<b>Market Livestock</b>			
Ending inventory	68,940	111,035	128,616
Beginning inventory	76,773	127,825	140,204
Inventory change	-7,833	-16,790	-11,588
<b>Accts Receivable &amp; Other Current Assets</b>			
Ending inventory	15,848	12,540	30,062
Beginning inventory	12,037	11,372	22,991
Inventory change	3,812	1,168	7,071
<b>Prepaid Expenses and Supplies</b>			
Ending inventory	22,453	10,780	47,177
Beginning inventory	30,268	18,507	63,530
Inventory change	-7,815	-7,726	-16,353
<b>Accounts Payable &amp; Accrued Expenses</b>			
Beginning inventory	15,913	16,473	21,984
Ending inventory	19,915	32,439	24,926
Inventory change	-4,002	-15,966	-2,941
Total inventory change	19,571	-34,598	63,626
Net operating profit	94,660	1,300	217,421

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

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	188	37	38
Net operating profit	94,660	1,300	217,421
<b>Breeding Livestock</b>			
Ending inventory	5,564	4,348	3,905
Capital sales	377	1,078	250
Beginning inventory	5,696	3,670	3,614
Capital purchases	2,486	3,889	1,632
Depreciation, capital adjust.	-2,242	-2,132	-1,091
<b>Machinery and Equipment</b>			
Ending inventory	115,182	93,250	179,289
Capital sales	975	1,242	2,398
Beginning inventory	104,653	87,116	162,077
Capital purchases	26,771	19,820	43,176
Depreciation, capital adjust.	-15,267	-12,443	-23,567
<b>Buildings and Improvements</b>			
Ending inventory	93,954	125,484	135,288
Capital sales	710	375	-
Beginning inventory	89,870	113,104	121,964
Capital purchases	12,096	22,066	23,827
Depreciation, capital adjust.	-7,302	-9,311	-10,503
<b>Other Capital Assets</b>			
Ending inventory	50,430	53,421	94,781
Capital sales	9,989	6,772	8,143
Beginning inventory	58,337	59,006	100,564
Capital purchases	1,925	1,598	2,639
Depreciation, capital adjust.	157	-411	-279
Total depreciation, capital adj.	-24,654	-24,297	-35,440
Net farm income	70,007	-22,998	181,981

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

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	188	37	38
<b>Profitability (assets valued at cost)</b>			
Net farm income	70,007	-22,998	181,981
Labor and management earnings	47,628	-33,612	133,177
Rate of return on assets	8.6 %	-2.2 %	12.5 %
Rate of return on equity	11.4 %	-31.1 %	17.5 %
Operating profit margin	19.7 %	-5.1 %	30.4 %
Asset turnover rate	43.7 %	42.5 %	41.1 %
Interest on farm net worth	22,378	10,615	48,804
Farm interest expense	26,735	33,868	33,474
Value of operator lbr and mgmt.	28,663	25,223	39,909
Return on farm assets	68,078	-14,352	175,547
Average farm assets	791,825	659,233	1,404,908
Return on farm equity	41,343	-48,220	142,073
Average farm equity	362,126	155,156	810,141
Value of farm production	345,743	279,951	576,888

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	188	37	38
<b>Profitability (assets valued at market)</b>			
Net farm income	75,288	-839	174,050
Labor and management earnings	41,309	-20,523	105,281
Rate of return on assets	6.4 %	0.8 %	8.3 %
Rate of return on equity	8.3 %	-8.1 %	11.7 %
Operating profit margin	21.2 %	2.8 %	29.1 %
Asset turnover rate	30.0 %	30.0 %	28.6 %
Interest on farm net worth	33,979	19,684	68,769
Farm interest expense	26,735	33,868	33,474
Value of operator lbr and mgmt.	28,663	25,223	39,909
Return on farm assets	73,360	7,806	167,615
Average farm assets	1,154,049	931,764	2,018,398
Return on farm equity	46,625	-26,062	134,141
Average farm equity	564,299	320,996	1,146,156
Value of farm production	345,743	279,951	576,888

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

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	188	37	38
<b>Liquidity (cash)</b>			
Net cash farm income	75,089	35,898	153,795
Net nonfarm income	20,846	22,864	13,679
Family living and taxes	55,217	35,277	85,267
Real estate principal payments	13,078	12,685	16,950
Cash available for interm. debt	27,640	10,800	65,257
Average intermediate debt	93,382	145,996	86,115
Years to turnover interm. debt	3.4	13.5	1.3
Expense as a % of income	82 %	93 %	78 %
Interest as a % of income	6 %	6 %	5 %
<b>Liquidity (accrual)</b>			
Total accrual farm income	459,472	496,838	772,042
Total accrual operating expense	364,812	495,539	554,621
Net accrual operating income	94,660	1,300	217,421
Net nonfarm income	20,846	22,864	13,679
Family living and taxes	55,217	35,277	85,267
Real estate principal payments	13,078	12,685	16,950
Available for intermediate debt	47,212	-23,798	128,882
Average intermediate debt	93,382	145,996	86,115
Years to turnover interm. debt	2.0	**	0.7
Expense as a % of income	79 %	100 %	72 %
Interest as a % of income	6 %	7 %	4 %

\*\* Income insufficient to meet debt servicing requirements



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

	<u>Avg. Of All Farms</u>		<u>Low 20%</u>		<u>High 20%</u>	
	<u>Beginning</u>	<u>Ending</u>	<u>Beginning</u>	<u>Ending</u>	<u>Beginning</u>	<u>Ending</u>
Number of farms	161		29		27	
<b>Assets</b>						
Current Farm Assets						
Cash and checking balance	13,820	21,135	10,900	15,520	25,013	37,371
Prepaid expenses & supplies	27,328	20,256	15,039	8,600	63,891	50,577
Growing crops	0	62	0	0	0	0
Accounts receivable	8,281	11,560	12,087	10,821	10,170	16,324
Hedging accounts	1,397	1,819	1,000	572	4,909	7,435
Crops held for sale or feed	109,965	134,932	61,947	63,627	182,262	252,100
Crops under government loan	14,351	25,078	20,006	30,457	14,533	25,079
Market livestock held for sale	56,730	48,674	79,349	56,701	124,351	108,351
Other current assets	1,345	1,670	90	147	6,975	8,767
Total current farm assets	233,216	265,185	200,417	186,445	432,105	506,004
Intermediate Farm Assets						
Breeding livestock	5,937	5,594	4,110	4,081	3,125	3,552
Machinery and equipment	91,681	101,858	73,240	84,787	141,850	155,549
Titled vehicles	137	830	759	331	0	1,734
Other intermediate assets	4,244	3,777	7,004	3,119	5,891	5,431
Total intermediate farm assets	101,999	112,058	85,112	92,317	150,866	166,266
Long Term Farm Assets						
Farm land	243,250	251,494	150,832	144,574	494,588	509,442
Buildings and improvements	75,456	80,934	77,187	97,349	89,438	106,844
Other long-term assets	47,287	40,454	18,769	18,236	109,629	99,372
Total long-term farm assets	365,992	372,883	246,788	260,159	693,655	715,658
Total Farm Assets	701,207	750,126	532,318	538,921	1,276,626	1,387,929
Total Nonfarm Assets	136,257	145,136	126,099	147,725	155,005	179,334
Total Assets	837,464	895,261	658,416	686,647	1,431,631	1,567,262
<b>Liabilities</b>						
Current Farm Liabilities						
Accrued interest	7,871	7,385	10,033	9,551	8,257	7,063
Accounts payable	6,236	8,029	5,971	13,422	7,732	9,321
Current notes	117,231	105,743	121,044	119,228	229,476	198,029
Government crop loans	13,996	21,611	19,608	25,929	13,906	21,305
Principal due on term debt	24,599	26,690	27,836	28,566	28,064	27,404
Total current farm liabilities	169,933	169,459	184,493	196,696	287,435	263,121
Total intermediate farm liabs	57,494	56,619	67,459	66,765	53,301	44,360
Total long term farm liabilities	162,282	165,844	153,909	174,440	223,611	240,722
Total farm liabilities	389,710	391,922	405,861	437,901	564,347	548,204
Total nonfarm liabilities	17,111	19,592	16,872	16,745	25,167	40,268
Total liabilities	406,821	411,514	422,732	454,647	589,514	588,471
Net worth (farm and nonfarm)	430,643	483,748	235,684	232,000	842,117	978,791
Net worth change		53,105		-3,684		136,674
<b>Ratio Analysis</b>						
Current farm liabilities / assets	73 %	64 %	92 %	105 %	67 %	52 %
Curr. & interm farm liab. / assets	68 %	60 %	88 %	95 %	58 %	46 %
Long term farm liab. / assets	44 %	44 %	62 %	67 %	32 %	34 %
Total debt to asset ratio	49 %	46 %	64 %	66 %	41 %	38 %

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

	<u>Avg. Of All Farms</u>		<u>Low 20%</u>		<u>High 20%</u>	
	161		29		27	
	<u>Beginning</u>	<u>Ending</u>	<u>Beginning</u>	<u>Ending</u>	<u>Beginning</u>	<u>Ending</u>
Number of farms						
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	13,820	21,135	10,900	15,520	25,013	37,371
Prepaid expenses & supplies	27,328	20,256	15,039	8,600	63,891	50,577
Growing crops	0	62	0	0	0	0
Accounts receivable	8,281	11,560	12,087	10,821	10,170	16,324
Hedging accounts	1,397	1,819	1,000	572	4,909	7,435
Crops held for sale or feed	109,965	134,932	61,947	63,627	182,262	252,100
Crops under government loan	14,351	25,078	20,006	30,457	14,533	25,079
Market livestock held for sale	56,730	48,674	79,349	56,701	124,351	108,351
Other current assets	1,345	1,670	90	147	6,975	8,767
<b>Total current farm assets</b>	<b>233,216</b>	<b>265,185</b>	<b>200,417</b>	<b>186,445</b>	<b>432,105</b>	<b>506,004</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	12,756	13,502	7,306	7,651	14,574	15,276
Machinery and equipment	236,478	240,748	189,111	196,610	366,120	363,952
Titled vehicles	214	1,374	759	376	0	3,007
Other intermediate assets	5,317	4,802	10,597	6,902	5,766	5,135
<b>Total intermediate farm assets</b>	<b>254,765</b>	<b>260,426</b>	<b>207,772</b>	<b>211,538</b>	<b>386,460</b>	<b>387,370</b>
<b>Long Term Farm Assets</b>						
Farm land	373,981	391,684	240,279	245,197	802,885	825,482
Buildings and improvements	124,505	135,287	122,866	149,379	139,720	166,339
Other long-term assets	50,356	45,499	26,934	28,805	129,020	118,542
<b>Total long-term farm assets</b>	<b>548,841</b>	<b>572,470</b>	<b>390,079</b>	<b>423,380</b>	<b>1,071,625</b>	<b>1,110,363</b>
<b>Total Farm Assets</b>	<b>1,036,823</b>	<b>1,098,081</b>	<b>798,269</b>	<b>821,364</b>	<b>1,890,190</b>	<b>2,003,738</b>
<b>Total Nonfarm Assets</b>	<b>174,345</b>	<b>179,742</b>	<b>155,244</b>	<b>175,058</b>	<b>215,013</b>	<b>239,579</b>
<b>Total Assets</b>	<b>1,211,168</b>	<b>1,277,823</b>	<b>953,512</b>	<b>996,421</b>	<b>2,105,203</b>	<b>2,243,317</b>
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	7,871	7,385	10,033	9,551	8,257	7,063
Accounts payable	6,236	8,029	5,971	13,422	7,732	9,321
Current notes	117,231	105,743	121,044	119,228	229,476	198,029
Government crop loans	13,996	21,611	19,608	25,929	13,906	21,305
Principal due on term debt	24,599	26,690	27,836	28,566	28,064	27,404
<b>Total current farm liabilities</b>	<b>169,933</b>	<b>169,459</b>	<b>184,493</b>	<b>196,696</b>	<b>287,435</b>	<b>263,121</b>
<b>Total intermediate farm liabs</b>	<b>57,494</b>	<b>56,619</b>	<b>67,459</b>	<b>66,765</b>	<b>53,301</b>	<b>44,360</b>
<b>Total long term farm liabilities</b>	<b>162,282</b>	<b>165,844</b>	<b>153,909</b>	<b>174,440</b>	<b>223,611</b>	<b>240,722</b>
<b>Total farm liabilities</b>	<b>389,710</b>	<b>391,922</b>	<b>405,861</b>	<b>437,901</b>	<b>564,347</b>	<b>548,204</b>
<b>Total nonfarm liabilities</b>	<b>17,111</b>	<b>19,592</b>	<b>16,872</b>	<b>16,745</b>	<b>25,167</b>	<b>40,268</b>
<b>Total liabs excluding deferreds</b>	<b>406,821</b>	<b>411,514</b>	<b>422,732</b>	<b>454,647</b>	<b>589,514</b>	<b>588,471</b>
<b>Total deferred liabilities</b>	<b>158,925</b>	<b>166,740</b>	<b>123,409</b>	<b>120,272</b>	<b>283,127</b>	<b>301,938</b>
<b>Total liabilities</b>	<b>565,746</b>	<b>578,253</b>	<b>546,142</b>	<b>574,919</b>	<b>872,641</b>	<b>890,409</b>
<b>Retained earnings</b>	<b>430,643</b>	<b>483,748</b>	<b>235,684</b>	<b>232,000</b>	<b>842,117</b>	<b>978,791</b>
<b>Market valuation equity</b>	<b>214,779</b>	<b>215,822</b>	<b>171,687</b>	<b>189,503</b>	<b>390,445</b>	<b>374,117</b>
<b>Net worth (farm and nonfarm)</b>	<b>645,422</b>	<b>699,570</b>	<b>407,371</b>	<b>421,503</b>	<b>1,232,562</b>	<b>1,352,908</b>
<b>Net worth excluding deferreds</b>	<b>804,347</b>	<b>866,309</b>	<b>530,780</b>	<b>541,775</b>	<b>1,515,688</b>	<b>1,654,846</b>
<b>Net worth change</b>		<b>54,147</b>		<b>14,132</b>		<b>120,346</b>
<b>Ratio Analysis</b>						
Current farm liabilities / assets	73 %	64 %	92 %	105 %	67 %	52 %
Curr. & interm farm liab. / assets	47 %	43 %	62 %	66 %	42 %	34 %
Long term farm liab. / assets	30 %	29 %	39 %	41 %	21 %	22 %
Total debt to asset ratio	47 %	45 %	57 %	58 %	41 %	40 %
Debt to assets excl deferreds	34 %	32 %	44 %	46 %	28 %	26 %

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

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	188	37	38
Beginning cash (farm & nonfarm)	17,582	10,879	53,077
<b>Cash From Operating Activities</b>			
Gross cash farm income	428,084	507,744	689,122
Net nonfarm income	20,846	22,864	13,679
Total cash farm expense	-352,995	-471,846	-535,327
Apparent family living expense	-45,843	-31,414	-69,960
Income and social security tax	-9,038	-3,863	-15,307
Cash from operations	41,054	23,485	82,207
<b>Cash From Investing Activities</b>			
Sale of breeding livestock	377	1,078	250
Sale of machinery & equipment	881	769	2,398
Sale of titled vehicles	93	473	-
Sale of farm land	2,793	6,125	619
Sale of farm buildings	710	375	-
Sale of other farm assets	9,989	6,772	8,143
Sale of nonfarm assets	18,026	6,804	15,514
Purchase of breeding livestock	-2,486	-3,889	-1,632
Purchase of machinery & equip.	-25,789	-19,499	-41,250
Purchase of titled vehicles	-981	-321	-1,926
Purchase of farm land	-9,012	-	-10,802
Purchase of farm buildings	-12,096	-22,066	-23,827
Purchase of other farm assets	-1,925	-1,598	-2,639
Purchase of nonfarm assets	-12,391	-8,377	-20,969
Cash from investing activities	-31,811	-33,353	-76,121
<b>Cash From Financing Activities</b>			
Money borrowed	276,392	374,929	435,095
Cash gifts and inheritances	2,186	6,961	1,228
Principal payments	-276,123	-357,888	-434,338
Dividends paid	-336	-	-
Gifts given	-425	-216	-
Cash from financing activities	1,694	23,785	1,985
Net change in cash balance	10,938	13,917	8,071
Ending cash (farm & nonfarm)	28,520	24,796	61,149

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

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	188	37	38
<b>Liquidity</b>			
Current ratio	1.59	1.05	2.05
Working capital	117,135	12,775	301,160
<b>Solvency (market)</b>			
Farm debt to asset ratio	51 %	67 %	42 %
Farm equity to asset ratio	49 %	33 %	58 %
Farm debt to equity ratio	103 %	200 %	74 %
<b>Profitability (cost)</b>			
Rate of return on farm assets	8.6 %	-2.2 %	12.5 %
Rate of return on farm equity	11.4 %	-31.1 %	17.5 %
Operating profit margin	19.7 %	-5.1 %	30.4 %
Net farm income	70,007	-22,998	181,981
<b>Repayment Capacity</b>			
Term debt coverage ratio	159 %	13 %	296 %
Capital replacement margin	28,110	-50,466	104,960
<b>Efficiency</b>			
Asset turnover rate (cost)	43.7 %	42.5 %	41.1 %
Operating expense ratio	73.6 %	92.9 %	67.5 %
Depreciation expense ratio	5.4 %	4.9 %	4.6 %
Interest expense ratio	5.8 %	6.8 %	4.3 %
Net farm income ratio	15.2 %	-4.6 %	23.6 %

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

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	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	188	37	38
<b>Acreage Summary</b>			
Total acres owned	265	146	483
Total crop acres	784	590	1,213
Crop acres owned	226	116	420
Crop acres cash rented	490	431	673
Crop acres share rented	68	43	120
Total pasture acres	7	1	10
<b>Average Price Received (Cash Sales Only)</b>			
Soybeans per bushel	4.57	4.76	4.49
Corn per bushel	1.95	2.01	1.95
Wheat, Spring per bushel	3.79	4.04	-
Hay, Alfalfa per ton	93.47	-	97.61
Oats per bushel	1.97	-	-
Hay, Grass per ton	27.67	-	-
Sweet Corn per ton	42.89	-	-
Peas per lb	0.065	-	-
Barley per bushel	2.77	-	-
<b>Average Yield Per Acre</b>			
Corn (bushel)	151.27	145.02	157.21
Soybeans (bushel)	48.74	48.12	49.41
Hay, Alfalfa (ton)	3.61	3.65	3.66
Corn Silage (ton)	17.69	-	17.50
Oats (bushel)	81.23	-	-
Wheat, Spring (bushel)	36.54	36.12	-
Sweet Corn (ton)	6.50	-	-
Peas (lb)	3,214.86	-	-
Hay, Grass (ton)	2.18	-	-
Barley (bushel)	67.23	-	-

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

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	108	14	20
Average family size	3.6	3.5	3.4
<b>Family Living Expenses</b>			
Food and meals expense	5,799	5,431	4,092
Medical care	3,016	2,776	2,740
Health insurance	3,670	2,501	4,266
Cash donations	2,303	1,555	2,274
Household supplies	4,060	3,277	3,802
Clothing	2,350	1,683	2,747
Personal care	2,000	2,766	1,564
Child / Dependent care	418	1,539	72
Alimony and Child support	56	429	-
Gifts	2,560	2,420	3,832
Education	2,775	2,423	1,918
Recreation	2,560	2,533	2,538
Utilities (household share)	1,770	1,777	1,816
Nonfarm vehicle operating expense	2,513	1,980	2,232
Household real estate taxes	109	103	84
Dwelling rent	73	175	174
Household repairs	895	1,006	626
Nonfarm interest	558	828	503
Disability / Long term care insuran	127	508	42
Life insurance payments	2,105	2,740	2,964
Nonfarm property insurance	155	61	10
Miscellaneous	1,847	2,310	2,553
Total cash family living expense	41,720	40,822	40,848
Family living from the farm	162	271	152
Total family living	41,882	41,093	41,000
<b>Other Nonfarm Expenditures</b>			
Income taxes	10,220	4,968	16,417
Furnishing & appliance purchases	657	1,099	610
Nonfarm vehicle purchases	2,595	1,739	3,412
Nonfarm real estate purchases	3,318	4,861	8,768
Other nonfarm capital purchases	-12,160	-5,684	-18,486
Nonfarm savings & investments	5,477	17,795	4,950
Total other nonfarm expenditures	10,106	24,777	15,672
Total cash family living investment & nonfarm capital purch	51,826	65,600	56,520

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

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	188	37	38
<b>Operator Information</b>			
Average number of operators	1.2	1.2	1.3
Average age of operators	48.2	46.7	51.7
Average number of years farming	25.1	22.0	29.8
<b>Results Per Operator</b>			
Working capital	101,016	10,275	224,393
Total assets (market)	1,166,744	873,026	1,688,755
Total liabilities	545,975	522,894	692,332
Net worth (market)	620,770	350,133	996,424
Net worth excl deferred liabs	768,472	437,651	1,215,764
Gross farm income	396,242	399,631	575,247
Total farm expense	335,869	418,129	439,653
Net farm income	60,373	-18,498	135,594
Net nonfarm income	17,977	18,391	10,192
Family living & tax withdrawals	47,618	28,375	63,532
Total acres owned	228.6	117.4	359.6
Total crop acres	676.0	474.2	903.9
Crop acres owned	195.2	93.1	313.3
Crop acres cash rented	422.5	346.8	501.6
Crop acres share rented	58.3	34.3	89.1
Total pasture acres	6.0	0.5	7.6
<b>Labor Analysis</b>			
Number of farms	188	37	38
Total unpaid labor hours	2,182	1,758	2,356
Total hired labor hours	909	1,504	1,589
Total labor hours per farm	3,091	3,262	3,946
Unpaid hours per operator	1,882	1,414	1,756
Value of farm production / hour	111.85	85.82	146.21
Net farm income / unpaid hour	32.08	-13.08	77.23
<b>Partnerships</b>			
Number of farms	15	4	6
Number of operators	2.2	-	2.5
Owner withdrawals per farm	70,518	-	80,222
Withdrawals per operator	32,054	-	32,089
<b>Corporations</b>			
Number of farms	12	4	5
Number of operators	1.9	-	1.8

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

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	188	37	38
<b>Nonfarm Income</b>			
Nonfarm wages & salary	12,876	12,014	5,060
Nonfarm business income	2,174	3,868	610
Nonfarm rental income	923	1,128	1,227
Nonfarm interest income	742	574	842
Nonfarm cash dividends	127	112	62
Tax refunds	601	1,082	432
Gifts and inheritances	2,186	6,961	1,228
Other nonfarm income	3,454	4,344	5,446
Total nonfarm income	23,083	30,082	14,907
<b>Nonfarm Assets (market)</b>			
Checking & savings	1,782	6,319	-
Stocks & bonds	15,258	7,982	17,909
Other current assets	2,410	4,981	1,875
Furniture & appliances	9,956	10,336	7,513
Nonfarm vehicles	10,522	8,383	10,793
Cash value of life ins.	13,623	14,955	15,338
Retirement accounts	28,091	21,469	35,328
Other intermediate assets	8,828	12,571	6,727
Nonfarm real estate	47,705	30,607	69,317
Other long term assets	18,313	22,031	15,728
Total nonfarm assets	156,487	139,633	180,528
<b>Nonfarm Liabilities</b>			
Accrued interest	69	122	102
Accounts payable	6,440	1,688	11,853
Current notes	7,983	4,969	12,824
Princ due on term debt	1,006	1,412	868
Total current liabilities	7,983	4,969	12,824
Intermediate liabilities	2,984	4,995	2,834
Long term liabilities	6,362	3,120	15,546
Total nonfarm liabilities	17,328	13,084	31,203
Nonfarm net worth	139,159	126,548	149,324
Nonfarm debt to asset ratio	11 %	9 %	17 %





## 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 a 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**  
**Southwest Minnesota Farm Business Management Association**  
**(Farms Sorted By Net Return)**

**Corn on Owned Land**

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of fields	176	37	34
Number of farms	127	26	25
Acres	103.99	96.51	112.55
Yield per acre (bu.)	152.10	136.79	163.24
Operators share of yield %	100.00	100.00	100.00
Value per bu.	2.16	2.15	2.16
Total product return per acre	328.28	293.86	352.63
Miscellaneous income per acre	0.64	0.56	0.09
Gross return per acre	328.92	294.42	352.72
<b>Direct Expenses</b>			
Seed	37.03	34.37	37.36
Fertilizer	38.69	34.73	39.33
Crop chemicals	27.03	29.31	23.77
Crop insurance	7.89	9.35	5.62
Drying fuel	11.78	10.68	9.76
Fuel & oil	9.35	10.37	7.98
Repairs	21.78	23.94	20.16
Custom hire	1.35	1.40	0.43
Machinery & bldg leases	0.27	0.71	0.02
Operating interest	6.80	12.11	2.51
Miscellaneous	1.28	0.45	0.55
Total direct expenses per acre	163.23	167.40	147.47
Return over direct exp per acre	165.68	127.02	205.24
<b>Overhead Expenses</b>			
Custom hire	4.45	6.66	4.72
Hired labor	6.40	6.90	6.83
Machinery & bldg leases	1.90	0.74	1.98
RE & pers. property taxes	11.55	11.43	11.34
Farm insurance	5.01	6.19	5.84
Utilities	3.41	4.86	3.25
Interest	40.66	79.36	8.01
Mach & bldg depreciation	23.14	28.69	20.68
Miscellaneous	5.85	10.85	3.83
Total overhead expenses per acre	102.37	155.67	66.47
Total dir & ovhd expenses per acre	265.61	323.08	213.94
Net return per acre	63.31	-28.66	138.77
Lbr & mgt charge per acre	30.38	30.14	34.93
Net return over lbr & mgt	32.93	-58.80	103.84
Government payments	19.72	20.91	20.14
Net return with govt payments	52.65	-37.88	123.98
<b>Cost of Production</b>			
Total direct expense per bu.	1.07	1.22	0.90
Total dir & ovhd exp per bu.	1.75	2.36	1.31
With labor & management	1.95	2.58	1.52
Total exp less govt & oth income	1.81	2.43	1.40
Est. labor hours per acre	2.64	2.70	2.63

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

**Corn on Cash Rent**

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of fields	294	66	65
Number of farms	142	29	28
Acres	134.28	115.17	108.40
Yield per acre (bu.)	151.99	133.26	165.49
Operators share of yield %	100.00	100.00	100.00
Value per bu.	2.16	2.15	2.17
Total product return per acre	328.01	286.01	359.12
Miscellaneous income per acre	1.01	1.97	0.20
Gross return per acre	329.02	287.98	359.32
<b>Direct Expenses</b>			
Seed	37.53	37.59	37.44
Fertilizer	37.80	38.78	36.79
Crop chemicals	27.38	30.54	24.72
Crop insurance	8.61	9.84	5.83
Drying fuel	11.11	11.37	9.06
Fuel & oil	8.96	9.55	9.40
Repairs	18.22	20.44	15.09
Custom hire	2.40	1.03	1.09
Land rent	94.19	96.66	88.90
Machinery & bldg leases	0.98	0.62	0.03
Operating interest	6.84	9.53	5.51
Miscellaneous	1.06	0.56	0.60
Total direct expenses per acre	255.09	266.51	234.46
Return over direct exp per acre	73.93	21.47	124.87
<b>Overhead Expenses</b>			
Custom hire	3.31	6.21	0.67
Hired labor	4.84	4.78	2.66
Machinery & bldg leases	3.99	2.64	3.05
Farm insurance	4.16	5.31	3.25
Utilities	2.55	3.00	2.00
Dues & professional fees	0.27	0.73	0.06
Interest	5.81	9.26	3.97
Mach & bldg depreciation	17.92	22.91	18.32
Miscellaneous	3.73	2.94	2.84
Total overhead expenses per acre	46.59	57.77	36.83
Total dir & ovhd expenses per acre	301.68	324.28	271.28
Net return per acre	27.35	-36.30	88.04
Lbr & mgt charge per acre	26.99	27.67	28.65
Net return over lbr & mgt	0.35	-63.97	59.39
Government payments	19.41	20.24	19.84
Net return with govt payments	19.76	-43.73	79.23
<b>Cost of Production</b>			
Total direct expense per bu.	1.68	2.00	1.42
Total dir & ovhd exp per bu.	1.98	2.43	1.64
With labor & management	2.16	2.64	1.81
Total exp less govt & oth income	2.03	2.47	1.69
Est. labor hours per acre	2.45	2.46	2.14

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

**Corn on Share Rent**

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of fields	63	15	14
Number of farms	46	9	9
Acres	91.87	91.33	91.45
Yield per acre (bu.)	143.70	123.85	167.65
Operators share of yield %	53.20	54.21	54.16
Value per bu.	2.16	2.15	2.19
Total product return per acre	164.88	144.24	198.45
Miscellaneous income per acre	0.62	0.96	-
Gross return per acre	165.51	145.20	198.45
<b>Direct Expenses</b>			
Seed	26.31	25.17	27.50
Fertilizer	22.22	27.37	20.03
Crop chemicals	16.99	17.22	16.62
Crop insurance	4.00	4.17	4.24
Drying fuel	5.99	4.95	5.12
Fuel & oil	8.61	9.61	7.48
Repairs	18.66	17.17	14.34
Custom hire	0.98	0.16	2.22
Machinery & bldg leases	0.84	0.89	2.83
Marketing	0.13	0.56	-
Operating interest	5.05	6.23	2.00
Miscellaneous	0.86	2.68	0.27
Total direct expenses per acre	110.63	116.17	102.63
Return over direct exp per acre	54.88	29.03	95.82
<b>Overhead Expenses</b>			
Custom hire	2.51	5.12	2.16
Hired labor	5.93	3.62	8.42
Machinery & bldg leases	6.93	21.35	3.70
Farm insurance	4.08	4.13	3.47
Utilities	2.44	2.15	2.18
Dues & professional fees	0.49	1.21	0.20
Interest	3.65	6.21	0.82
Mach & bldg depreciation	15.84	15.81	14.45
Miscellaneous	3.97	4.21	4.26
Total overhead expenses per acre	45.84	63.79	39.67
Total dir & ovhd expenses per acre	156.47	179.96	142.30
Net return per acre	9.04	-34.76	56.15
Lbr & mgt charge per acre	23.61	19.19	25.89
Net return over lbr & mgt	-14.58	-53.95	30.26
Government payments	10.32	10.10	10.57
Net return with govt payments	-4.26	-43.84	40.83
<b>Cost of Production</b>			
Total direct expense per bu.	1.45	1.73	1.13
Total dir & ovhd exp per bu.	2.05	2.68	1.57
With labor & management	2.36	2.97	1.85
Total exp less govt & oth income	2.21	2.80	1.74
Est. labor hours per acre	2.26	1.64	2.30

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

**Soybeans on Owned Land**

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of fields	153	31	33
Number of farms	119	24	24
Acres	110.95	99.29	114.64
Yield per acre (bu.)	49.75	44.72	54.55
Operators share of yield %	100.00	100.00	100.00
Value per bu.	5.39	5.45	5.39
Total product return per acre	268.21	243.62	294.25
Miscellaneous income per acre	0.35	-	-
Gross return per acre	268.56	243.62	294.25
<b>Direct Expenses</b>			
Seed	19.88	20.40	16.81
Fertilizer	10.78	9.53	11.28
Crop chemicals	19.36	19.38	19.43
Crop insurance	7.95	10.25	5.19
Fuel & oil	7.42	7.59	6.76
Repairs	17.06	18.51	13.38
Custom hire	0.71	1.04	0.22
Operating interest	4.84	8.74	1.76
Miscellaneous	0.97	1.03	0.53
Total direct expenses per acre	88.98	96.47	75.37
Return over direct exp per acre	179.58	147.15	218.87
<b>Overhead Expenses</b>			
Custom hire	4.16	8.47	1.75
Hired labor	5.52	5.08	6.66
Machinery & bldg leases	1.58	0.28	0.01
RE & pers. property taxes	11.31	12.33	11.96
Farm insurance	4.06	4.56	4.42
Utilities	2.72	4.05	2.79
Interest	35.95	78.25	9.61
Mach & bldg depreciation	18.86	24.37	18.66
Miscellaneous	4.55	9.73	3.37
Total overhead expenses per acre	88.70	147.14	59.24
Total dir & ovhd expenses per acre	177.69	243.61	134.61
Net return per acre	90.87	0.02	159.64
Lbr & mgt charge per acre	24.96	24.93	28.15
Net return over lbr & mgt	65.91	-24.91	131.48
Government payments	19.62	21.16	19.70
Net return with govt payments	85.53	-3.75	151.19
<b>Cost of Production</b>			
Total direct expense per bu.	1.79	2.16	1.38
Total dir & ovhd exp per bu.	3.57	5.45	2.47
With labor & management	4.07	6.01	2.98
Total exp less govt & oth income	3.67	5.53	2.62
Est. labor hours per acre	2.17	2.04	2.18

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

**Soybeans on Cash Rent**

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of fields	306	54	57
Number of farms	146	29	29
Acres	129.26	138.31	110.38
Yield per acre (bu.)	48.67	43.85	52.82
Operators share of yield %	100.00	100.00	100.00
Value per bu.	5.37	5.38	5.41
Total product return per acre	261.56	235.76	285.77
Miscellaneous income per acre	2.02	3.02	4.50
Gross return per acre	263.58	238.78	290.27
<b>Direct Expenses</b>			
Seed	20.24	22.35	19.95
Fertilizer	10.06	9.67	7.53
Crop chemicals	18.95	20.60	16.48
Crop insurance	8.55	11.34	7.54
Fuel & oil	7.21	9.02	6.77
Repairs	14.61	15.82	12.13
Custom hire	2.28	1.30	1.59
Land rent	93.19	97.93	85.74
Machinery & bldg leases	0.74	0.83	1.78
Marketing	0.57	0.77	0.23
Operating interest	5.58	8.89	4.74
Miscellaneous	0.51	0.56	0.91
Total direct expenses per acre	182.50	199.09	165.39
Return over direct exp per acre	81.08	39.69	124.88
<b>Overhead Expenses</b>			
Custom hire	2.71	4.45	1.12
Hired labor	3.77	4.11	3.38
Machinery & bldg leases	3.57	3.35	6.55
Farm insurance	3.38	3.63	2.49
Utilities	2.03	2.40	0.98
Interest	4.60	7.29	2.65
Mach & bldg depreciation	14.46	18.26	10.69
Miscellaneous	3.27	3.25	3.99
Total overhead expenses per acre	37.79	46.75	31.84
Total dir & ovhd expenses per acre	220.29	245.83	197.23
Net return per acre	43.29	-7.06	93.05
Lbr & mgt charge per acre	21.68	23.26	18.05
Net return over lbr & mgt	21.61	-30.31	75.00
Government payments	19.29	20.03	18.35
Net return with govt payments	40.89	-10.28	93.35
<b>Cost of Production</b>			
Total direct expense per bu.	3.75	4.54	3.13
Total dir & ovhd exp per bu.	4.53	5.61	3.73
With labor & management	4.97	6.14	4.08
Total exp less govt & oth income	4.53	5.61	3.64
Est. labor hours per acre	1.96	2.01	1.70

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

**Soybeans on Share Rent**

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of fields	61	10	9
Number of farms	43	8	9
Acres	85.77	84.23	72.97
Yield per acre (bu.)	45.99	43.25	52.07
Operators share of yield %	52.88	48.53	59.16
Value per bu.	5.35	5.31	5.41
Total product return per acre	130.05	111.47	166.79
Miscellaneous income per acre	1.71	-	-
Gross return per acre	131.75	111.47	166.79
<b>Direct Expenses</b>			
Seed	14.59	10.89	11.36
Fertilizer	4.54	5.93	3.60
Crop chemicals	12.13	9.37	14.00
Crop insurance	4.60	5.02	3.74
Fuel & oil	7.22	8.00	8.00
Repairs	15.76	14.38	14.53
Custom hire	0.67	0.03	0.86
Machinery & bldg leases	0.60	3.73	-
Marketing	0.11	0.62	-
Operating interest	4.08	4.12	1.09
Miscellaneous	0.37	-	1.02
Total direct expenses per acre	64.67	62.09	58.19
Return over direct exp per acre	67.09	49.38	108.59
<b>Overhead Expenses</b>			
Custom hire	2.64	9.12	0.35
Hired labor	4.35	4.84	2.43
Machinery & bldg leases	3.24	3.01	3.06
Farm insurance	3.27	3.48	3.56
Utilities	2.07	2.22	1.98
Interest	2.74	2.85	1.42
Mach & bldg depreciation	13.08	15.36	12.99
Miscellaneous	3.38	4.52	4.21
Total overhead expenses per acre	34.77	45.39	30.02
Total dir & ovhd expenses per acre	99.43	107.48	88.21
Net return per acre	32.32	3.99	78.57
Lbr & mgt charge per acre	19.11	18.66	27.00
Net return over lbr & mgt	13.21	-14.68	51.57
Government payments	10.24	9.26	11.18
Net return with govt payments	23.45	-5.42	62.75
<b>Cost of Production</b>			
Total direct expense per bu.	2.66	2.96	1.89
Total dir & ovhd exp per bu.	4.09	5.12	2.86
With labor & management	4.87	6.01	3.74
Total exp less govt & oth income	4.38	5.57	3.38
Est. labor hours per acre	1.80	1.94	2.02



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

**Oats on Owned Land**

	<b>Avg. Of All Farms</b>
Number of fields	10
Number of farms	10
Acres	15.82
Yield per acre (bu.)	78.28
Operators share of yield %	100.00
Value per bu.	1.71
Other product return per acre	7.48
Total product return per acre	141.40
Miscellaneous income per acre	68.73
Gross return per acre	210.13
<b>Direct Expenses</b>	
Seed	9.39
Fertilizer	5.45
Crop chemicals	2.08
Crop insurance	1.12
Fuel & oil	6.72
Repairs	12.94
Custom hire	3.39
Operating interest	2.40
Miscellaneous	0.38
Total direct expenses per acre	43.86
Return over direct exp per acre	166.27
<b>Overhead Expenses</b>	
Custom hire	1.92
Hired labor	9.37
Machinery & bldg leases	0.90
RE & pers. property taxes	8.23
Farm insurance	3.04
Utilities	2.61
Interest	23.86
Mach & bldg depreciation	15.22
Miscellaneous	2.89
Total overhead expenses per acre	68.03
Total dir & ovhd expenses per acre	111.89
Net return per acre	98.24
Lbr & mgt charge per acre	17.00
Net return over lbr & mgt	81.23
Government payments	16.83
Net return with govt payments	98.06
<b>Cost of Production</b>	
Total direct expense per bu.	0.56
Total dir & ovhd exp per bu.	1.43
With labor & management	1.65
Total exp less govt & oth income	0.46
Est. labor hours per acre	2.12

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

**Oats on Cash Rent**

	<u><b>Avg. Of All Farms</b></u>
Number of fields	9
Number of farms	8
Acres	31.98
Yield per acre (bu.)	82.05
Operators share of yield %	100.00
Value per bu.	1.84
Other product return per acre	9.78
Total product return per acre	160.82
Miscellaneous income per acre	76.13
Gross return per acre	236.95
<b>Direct Expenses</b>	
Seed	11.75
Fertilizer	19.31
Crop chemicals	3.98
Crop insurance	1.50
Fuel & oil	6.20
Repairs	15.24
Custom hire	9.55
Land rent	90.32
Operating interest	4.03
Miscellaneous	0.69
Total direct expenses per acre	162.58
Return over direct exp per acre	74.37
<b>Overhead Expenses</b>	
Custom hire	1.64
Hired labor	0.60
Machinery & bldg leases	7.33
Farm insurance	3.72
Utilities	1.18
Interest	4.22
Mach & bldg depreciation	6.54
Miscellaneous	1.69
Total overhead expenses per acre	26.92
Total dir & ovhd expenses per acre	189.50
Net return per acre	47.46
Lbr & mgt charge per acre	13.80
Net return over lbr & mgt	33.65
Government payments	15.72
Net return with govt payments	49.37
<b>Cost of Production</b>	
Total direct expense per bu.	1.98
Total dir & ovhd exp per bu.	2.31
With labor & management	2.48
Total exp less govt & oth income	1.24
Est. labor hours per acre	1.29

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

**Wheat, Spring on Owned Land**

	<b>Avg. Of All Farms</b>
Number of fields	6
Number of farms	6
Acres	22.17
Yield per acre (bu.)	39.91
Operators share of yield %	100.00
Value per bu.	3.78
Other product return per acre	8.90
Total product return per acre	159.87
Miscellaneous income per acre	52.56
Gross return per acre	212.42
<b>Direct Expenses</b>	
Seed	13.86
Fertilizer	8.38
Crop chemicals	1.04
Crop insurance	4.41
Fuel & oil	6.00
Repairs	16.44
Operating interest	2.75
Miscellaneous	1.26
Total direct expenses per acre	54.14
Return over direct exp per acre	158.29
<b>Overhead Expenses</b>	
Custom hire	0.68
Hired labor	4.38
Machinery & bldg leases	6.73
RE & pers. property taxes	11.76
Farm insurance	4.30
Utilities	2.34
Interest	22.92
Mach & bldg depreciation	16.78
Miscellaneous	4.56
Total overhead expenses per acre	74.45
Total dir & ovhd expenses per acre	128.58
Net return per acre	83.84
Lbr & mgt charge per acre	19.80
Net return over lbr & mgt	64.04
Government payments	21.39
Net return with govt payments	85.42
<b>Cost of Production</b>	
Total direct expense per bu.	1.36
Total dir & ovhd exp per bu.	3.22
With labor & management	3.72
Total exp less govt & oth income	1.64
Est. labor hours per acre	2.31

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

**Wheat, Spring on Cash Rent**

	<b>Avg. Of All Farms</b>
Number of fields	11
Number of farms	9
Acres	43.50
Yield per acre (bu.)	35.67
Operators share of yield %	100.00
Value per bu.	4.21
Total product return per acre	150.31
Miscellaneous income per acre	40.69
Gross return per acre	191.00
<b>Direct Expenses</b>	
Seed	15.07
Fertilizer	16.66
Crop chemicals	6.35
Crop insurance	2.55
Fuel & oil	6.62
Repairs	10.25
Land rent	76.69
Marketing	0.90
Operating interest	6.69
Miscellaneous	0.16
Total direct expenses per acre	141.95
Return over direct exp per acre	49.05
<b>Overhead Expenses</b>	
Custom hire	5.43
Hired labor	7.51
Machinery & bldg leases	4.45
Farm insurance	1.80
Utilities	1.58
Dues & professional fees	1.14
Interest	8.00
Mach & bldg depreciation	11.00
Miscellaneous	2.91
Total overhead expenses per acre	43.83
Total dir & ovhd expenses per acre	185.78
Net return per acre	5.23
Lbr & mgt charge per acre	19.56
Net return over lbr & mgt	-14.34
Government payments	19.26
Net return with govt payments	4.92
<b>Cost of Production</b>	
Total direct expense per bu.	3.98
Total dir & ovhd exp per bu.	5.21
With labor & management	5.76
Total exp less govt & oth income	4.08
Est. labor hours per acre	1.71

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

**Corn Silage on Owned Land**

	<b>Avg. Of All Farms</b>
Number of fields	19
Number of farms	17
Acres	39.21
Yield per acre (ton)	16.33
Operators share of yield %	100.00
Value per ton	19.94
Total product return per acre	325.57
Miscellaneous income per acre	10.66
Gross return per acre	336.23
<b>Direct Expenses</b>	
Seed	40.03
Fertilizer	37.61
Crop chemicals	29.34
Crop insurance	6.78
Fuel & oil	11.22
Repairs	22.83
Custom hire	32.86
Operating interest	4.90
Miscellaneous	0.12
Total direct expenses per acre	185.70
Return over direct exp per acre	150.54
<b>Overhead Expenses</b>	
Custom hire	1.86
Hired labor	12.63
Machinery & bldg leases	1.82
RE & pers. property taxes	10.15
Farm insurance	3.13
Utilities	2.50
Interest	24.61
Mach & bldg depreciation	26.02
Miscellaneous	4.78
Total overhead expenses per acre	87.50
Total dir & ovhd expenses per acre	273.19
Net return per acre	63.04
Lbr & mgt charge per acre	20.10
Net return over lbr & mgt	42.94
Government payments	17.86
Net return with govt payments	60.81
<b>Cost of Production</b>	
Total direct expense per ton	11.37
Total dir & ovhd exp per ton	16.73
With labor & management	17.96
Total exp less govt & oth income	16.22
Est. labor hours per acre	2.15

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

**Corn Silage on Cash Rent**

	<b>Avg. Of All Farms</b>
Number of fields	16
Number of farms	16
Acres	52.03
Yield per acre (ton)	18.74
Operators share of yield %	100.00
Value per ton	19.88
Total product return per acre	372.62
Miscellaneous income per acre	1.85
Gross return per acre	374.47
<b>Direct Expenses</b>	
Seed	37.05
Fertilizer	33.96
Crop chemicals	26.13
Crop insurance	5.17
Fuel & oil	13.05
Repairs	21.82
Custom hire	4.42
Land rent	81.11
Operating interest	8.02
Miscellaneous	1.76
Total direct expenses per acre	232.51
Return over direct exp per acre	141.96
<b>Overhead Expenses</b>	
Custom hire	3.39
Hired labor	7.42
Machinery & bldg leases	1.74
Farm insurance	3.49
Utilities	1.58
Interest	4.78
Mach & bldg depreciation	17.34
Miscellaneous	6.56
Total overhead expenses per acre	46.29
Total dir & ovhd expenses per acre	278.79
Net return per acre	95.68
Lbr & mgt charge per acre	25.09
Net return over lbr & mgt	70.59
Government payments	17.86
Net return with govt payments	88.45
<b>Cost of Production</b>	
Total direct expense per ton	12.41
Total dir & ovhd exp per ton	14.88
With labor & management	16.21
Total exp less govt & oth income	15.16
Est. labor hours per acre	2.79

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

**Hay, Alfalfa on Owned Land**

	<b>Avg. Of All Farms</b>
Number of fields	19
Number of farms	17
Acres	23.32
Yield per acre (ton)	3.15
Operators share of yield %	100.00
Value per ton	95.23
Total product return per acre	300.09
Miscellaneous income per acre	19.74
Gross return per acre	319.83
<b>Direct Expenses</b>	
Seed	1.26
Fertilizer	21.53
Crop insurance	1.02
Fuel & oil	10.33
Repairs	14.72
Custom hire	2.03
Operating interest	4.23
Miscellaneous	1.62
Total direct expenses per acre	56.74
Return over direct exp per acre	263.09
<b>Overhead Expenses</b>	
Custom hire	2.53
Hired labor	12.51
Machinery & bldg leases	1.64
RE & pers. property taxes	9.97
Farm insurance	4.24
Utilities	3.01
Interest	22.10
Mach & bldg depreciation	18.39
Miscellaneous	3.06
Total overhead expenses per acre	77.46
Total dir & ovhd expenses per acre	134.20
Net return per acre	185.63
Lbr & mgt charge per acre	20.31
Net return over lbr & mgt	165.33
Government payments	17.92
Net return with govt payments	183.25
<b>Cost of Production</b>	
Total direct expense per ton	18.01
Total dir & ovhd exp per ton	42.59
With labor & management	49.03
Total exp less govt & oth income	37.08
Est. labor hours per acre	2.27

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

**Hay, Alfalfa on Cash Rent**

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of fields	32	5	9
Number of farms	25	5	5
Acres	54.15	18.94	32.71
Yield per acre (ton)	3.73	2.32	4.82
Operators share of yield %	100.00	100.00	100.00
Value per ton	89.29	92.52	88.38
Total product return per acre	332.97	214.75	426.04
Miscellaneous income per acre	3.15	-	-
Gross return per acre	336.11	214.75	426.04
<b>Direct Expenses</b>			
Seed	3.76	-	-
Fertilizer	23.57	-	27.62
Crop chemicals	3.10	-	1.66
Crop insurance	1.94	-	0.57
Fuel & oil	12.45	9.01	16.36
Repairs	24.27	34.30	30.92
Custom hire	4.81	13.89	-
Land rent	80.17	97.19	70.51
Machinery & bldg leases	1.49	-	-
Operating interest	8.14	18.60	16.83
Miscellaneous	4.71	3.21	2.05
Total direct expenses per acre	168.41	176.20	166.51
Return over direct exp per acre	167.70	38.55	259.53
<b>Overhead Expenses</b>			
Custom hire	2.10	7.96	1.17
Hired labor	5.69	3.53	0.12
Machinery & bldg leases	7.91	2.67	5.41
Farm insurance	4.16	3.30	2.50
Utilities	2.05	2.91	2.03
Interest	6.11	4.18	8.96
Mach & bldg depreciation	17.01	22.25	20.54
Miscellaneous	5.11	2.91	5.52
Total overhead expenses per acre	50.14	49.71	46.25
Total dir & ovhd expenses per acre	218.55	225.91	212.76
Net return per acre	117.57	-11.16	213.27
Lbr & mgt charge per acre	27.06	28.07	28.02
Net return over lbr & mgt	90.51	-39.23	185.26
Government payments	16.73	19.24	23.48
Net return with govt payments	107.25	-19.98	208.73
<b>Cost of Production</b>			
Total direct expense per ton	45.16	75.91	34.54
Total dir & ovhd exp per ton	58.60	97.33	44.14
With labor & management	65.86	109.42	49.95
Total exp less govt & oth income	60.53	101.13	45.08
Est. labor hours per acre	2.76	2.29	3.31



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

**Pasture on Owned Land**

	<b>Avg. Of All Farms</b>
Number of fields	10
Number of farms	9
Acres	27.49
Yield per acre (aum)	2.48
Operators share of yield %	100.00
Value per aum	9.32
Total product return per acre	23.15
Miscellaneous income per acre	-
Gross return per acre	23.15
<b>Direct Expenses</b>	
Fertilizer	1.81
Crop chemicals	4.72
Fuel & oil	0.97
Repairs	2.03
Miscellaneous	0.44
Total direct expenses per acre	9.96
Return over direct exp per acre	13.18
<b>Overhead Expenses</b>	
Hired labor	1.20
RE & pers. property taxes	6.35
Farm insurance	0.39
Utilities	0.27
Interest	15.51
Mach & bldg depreciation	1.39
Miscellaneous	0.78
Total overhead expenses per acre	25.89
Total dir & ovhd expenses per acre	35.86
Net return per acre	-12.71
Lbr & mgt charge per acre	2.36
Net return over lbr & mgt	-15.07
Government payments	-
Net return with govt payments	-15.07
<b>Cost of Production</b>	
Total direct expense per aum	4.01
Total dir & ovhd exp per aum	14.45
With labor & management	15.40
Total exp less govt & oth income	15.40
Est. labor hours per acre	0.37

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

**Pasture on Cash Rent**

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	<b>Avg. Of All Farms</b>
Number of fields	10
Number of farms	9
Acres	87.78
Yield per acre (aum)	2.36
Operators share of yield %	100.00
Value per aum	10.30
Total product return per acre	24.31
Miscellaneous income per acre	-
Gross return per acre	24.31
<b>Direct Expenses</b>	
Crop chemicals	5.65
Fuel & oil	0.84
Repairs	1.71
Land rent	7.94
Operating interest	0.57
Miscellaneous	0.12
Total direct expenses per acre	16.84
Return over direct exp per acre	7.47
<b>Overhead Expenses</b>	
Machinery & bldg leases	0.23
Interest	0.38
Mach & bldg depreciation	0.98
Miscellaneous	1.60
Total overhead expenses per acre	3.20
Total dir & ovhd expenses per acre	20.03
Net return per acre	4.27
Lbr & mgt charge per acre	1.78
Net return over lbr & mgt	2.50
Government payments	-
Net return with govt payments	2.50
<b>Cost of Production</b>	
Total direct expense per aum	7.14
Total dir & ovhd exp per aum	8.49
With labor & management	9.24
Total exp less govt & oth income	9.24
Est. labor hours per acre	0.23

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

**Peas on Owned Land**

	<b>Avg. Of All Farms</b>
Number of fields	6
Number of farms	5
Acres	34.67
Yield per acre (lb.)	3,774.85
Operators share of yield %	100.00
Value per lb.	0.06
Total product return per acre	236.24
Miscellaneous income per acre	24.84
Gross return per acre	261.08
<b>Direct Expenses</b>	
Seed	0.49
Fertilizer	23.67
Crop chemicals	12.22
Crop insurance	8.62
Fuel & oil	3.81
Repairs	11.78
Operating interest	3.34
Miscellaneous	0.56
Total direct expenses per acre	64.50
Return over direct exp per acre	196.58
<b>Overhead Expenses</b>	
Custom hire	0.61
Hired labor	1.77
RE & pers. property taxes	12.30
Farm insurance	3.18
Utilities	2.28
Interest	43.86
Mach & bldg depreciation	14.67
Miscellaneous	2.83
Total overhead expenses per acre	81.50
Total dir & ovhd expenses per acre	145.99
Net return per acre	115.09
Lbr & mgt charge per acre	14.76
Net return over lbr & mgt	100.33
Government payments	-
Net return with govt payments	100.33
<b>Cost of Production</b>	
Total direct expense per lb.	0.02
Total dir & ovhd exp per lb.	0.04
With labor & management	0.04
Total exp less govt & oth income	0.04
Est. labor hours per acre	1.13

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

**Peas on Cash Rent**

	<b>Avg. Of All Farms</b>
Number of fields	6
Number of farms	6
Acres	47.08
Yield per acre (lb.)	2,802.56
Operators share of yield %	100.00
Value per lb.	0.08
Total product return per acre	212.71
Miscellaneous income per acre	51.26
Gross return per acre	263.97
<b>Direct Expenses</b>	
Seed	2.69
Fertilizer	15.51
Crop chemicals	13.63
Crop insurance	4.77
Fuel & oil	3.59
Repairs	7.73
Land rent	102.24
Operating interest	4.22
Total direct expenses per acre	154.39
Return over direct exp per acre	109.58
<b>Overhead Expenses</b>	
Custom hire	2.99
Hired labor	2.28
Farm insurance	1.30
Utilities	1.44
Interest	2.69
Mach & bldg depreciation	8.08
Miscellaneous	2.84
Total overhead expenses per acre	21.62
Total dir & ovhd expenses per acre	176.02
Net return per acre	87.95
Lbr & mgt charge per acre	10.40
Net return over lbr & mgt	77.55
Government payments	-
Net return with govt payments	77.55
<b>Cost of Production</b>	
Total direct expense per lb.	0.06
Total dir & ovhd exp per lb.	0.06
With labor & management	0.07
Total exp less govt & oth income	0.05
Est. labor hours per acre	1.13

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

**Sweet Corn on Owned Land**

	<b>Avg. Of All Farms</b>
Number of fields	6
Number of farms	6
Acres	37.32
Yield per acre (ton)	6.28
Operators share of yield %	100.00
Value per ton	47.55
Total product return per acre	298.67
Miscellaneous income per acre	-
Gross return per acre	298.67
<b>Direct Expenses</b>	
Fertilizer	39.76
Crop chemicals	21.29
Crop insurance	7.22
Fuel & oil	6.14
Repairs	17.95
Operating interest	4.23
Miscellaneous	0.65
Total direct expenses per acre	97.24
Return over direct exp per acre	201.43
<b>Overhead Expenses</b>	
Custom hire	0.30
Hired labor	0.62
Machinery & bldg leases	2.53
RE & pers. property taxes	9.64
Farm insurance	4.69
Utilities	2.68
Interest	25.87
Mach & bldg depreciation	15.88
Miscellaneous	2.84
Total overhead expenses per acre	65.05
Total dir & ovhd expenses per acre	162.28
Net return per acre	136.39
Lbr & mgt charge per acre	22.20
Net return over lbr & mgt	114.19
Government payments	-
Net return with govt payments	114.19
<b>Cost of Production</b>	
Total direct expense per ton	15.48
Total dir & ovhd exp per ton	25.83
With labor & management	29.37
Total exp less govt & oth income	29.37
Est. labor hours per acre	1.98

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

**Sweet Corn on Cash Rent**

	<b>Avg. Of All Farms</b>
Number of fields	7
Number of farms	7
Acres	52.59
Yield per acre (ton)	6.60
Operators share of yield %	100.00
Value per ton	43.14
Total product return per acre	284.60
Miscellaneous income per acre	-
Gross return per acre	284.60
<b>Direct Expenses</b>	
Fertilizer	25.72
Crop chemicals	24.37
Crop insurance	2.94
Fuel & oil	8.12
Repairs	17.32
Land rent	93.00
Operating interest	6.64
Miscellaneous	0.38
Total direct expenses per acre	178.49
Return over direct exp per acre	106.11
<b>Overhead Expenses</b>	
Custom hire	1.01
Hired labor	1.60
Machinery & bldg leases	0.30
Farm insurance	2.47
Utilities	2.89
Interest	8.29
Mach & bldg depreciation	13.09
Miscellaneous	4.00
Total overhead expenses per acre	33.65
Total dir & ovhd expenses per acre	212.14
Net return per acre	72.47
Lbr & mgt charge per acre	17.97
Net return over lbr & mgt	54.50
Government payments	-
Net return with govt payments	54.50
<b>Cost of Production</b>	
Total direct expense per ton	27.05
Total dir & ovhd exp per ton	32.15
With labor & management	34.88
Total exp less govt & oth income	34.88
Est. labor hours per acre	1.33

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

**CRP on Owned Land**

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	<b>Avg. Of All Farms</b>
Number of fields	24
Number of farms	23
Acres	32.33
Yield per acre (\$)	85.24
Operators share of yield %	100.00
Value per \$	1.00
Total product return per acre	85.24
Miscellaneous income per acre	1.09
Gross return per acre	86.33
<b>Direct Expenses</b>	
Seed	1.69
Crop chemicals	1.31
Fuel & oil	0.55
Repairs	1.61
Operating interest	0.54
Miscellaneous	0.03
Total direct expenses per acre	5.74
Return over direct exp per acre	80.59
<b>Overhead Expenses</b>	
RE & pers. property taxes	10.12
Farm insurance	0.47
Interest	20.66
Mach & bldg depreciation	2.01
Miscellaneous	1.53
Total overhead expenses per acre	34.80
Total dir & ovhd expenses per acre	40.54
Net return per acre	45.79
Lbr & mgt charge per acre	3.06
Net return over lbr & mgt	42.73
Government payments	-
Net return with govt payments	42.73
<b>Cost of Production</b>	
Total direct expense per \$	0.07
Total dir & ovhd exp per \$	0.48
With labor & management	0.51
Total exp less govt & oth income	0.50
Est. labor hours per acre	0.22

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

**Rented Out on Owned Land**

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	<b>Avg. Of All Farms</b>
Number of fields	11
Number of farms	10
Acres	176.21
Yield per acre (\$)	81.57
Operators share of yield %	100.00
Value per \$	1.00
Total product return per acre	81.57
Miscellaneous income per acre	-
Gross return per acre	81.57
<b>Direct Expenses</b>	
Repairs	3.01
Operating interest	0.96
Miscellaneous	0.14
Total direct expenses per acre	4.12
Return over direct exp per acre	77.45
<b>Overhead Expenses</b>	
Hired labor	1.33
RE & pers. property taxes	9.21
Farm insurance	0.95
Utilities	0.36
Interest	16.07
Mach & bldg depreciation	3.04
Miscellaneous	0.82
Total overhead expenses per acre	31.77
Total dir & ovhd expenses per acre	35.89
Net return per acre	45.69
Lbr & mgt charge per acre	3.40
Net return over lbr & mgt	42.29
Government payments	-
Net return with govt payments	42.29
<b>Cost of Production</b>	
Total direct expense per \$	0.05
Total dir & ovhd exp per \$	0.44
With labor & management	0.48
Total exp less govt & oth income	0.48
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**  
**Southwest & Southeast Minnesota Farm Business Management Associations**  
**(Farms Sorted By Net Return Per Unit)**

**Hogs, Farrow To Finish -- Average Per Litter**

	<u>Avg. Of All Farms</u>	
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
<b>Direct Expenses</b>		
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
<b>Overhead Expenses</b>		
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
<b>Cost of Production</b>		
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
<b>Other Information</b>		
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**  
**Southwest & Southeast Minnesota Farm Business Management Associations**  
**(Farms Sorted By Net Return Per Unit)**

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

	<b>Avg. Of All Farms</b>	
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
<b>Direct Expenses</b>		
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
<b>Overhead Expenses</b>		
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
<b>Cost of Production</b>		
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
<b>Other Information</b>		
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**  
**Southwest & Southeast Minnesota Farm Business Management Associations**  
**(Farms Sorted By Net Return Per Unit)**

**Hogs, Finish Feeder Pigs -- Average Per Head**

	<b>Avg. Of All Farms</b>	
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
<b>Direct Expenses</b>		
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
<b>Overhead Expenses</b>		
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
<b>Cost of Production</b>		
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
<b>Other Information</b>		
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**  
**Southwest & Southeast Minnesota Farm Business Management Associations**  
**(Farms Sorted By Net Return Per Unit)**

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

	<b>Avg. Of All Farms</b>	
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
<b>Direct Expenses</b>		
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
<b>Overhead Expenses</b>		
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
<b>Cost of Production</b>		
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
<b>Other Information</b>		
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**  
**Southwest & Southeast Minnesota Farm Business Management Associations**  
**(Farms Sorted By Net Return Per Unit)**

**Hogs, Weaning to Finish -- Average Per Head**

	<b>Avg. Of All Farms</b>	
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
<b>Direct Expenses</b>		
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
<b>Overhead Expenses</b>		
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
<b>Cost of Production</b>		
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
<b>Other Information</b>		
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**  
**Southwest & Southeast Minnesota Farm Business Management Associations**  
**(Farms Sorted By Net Return Per Unit)**

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

	<b>Avg. Of All Farms</b>	
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
<b>Direct Expenses</b>		
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
<b>Overhead Expenses</b>		
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
<b>Cost of Production</b>		
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
<b>Other Information</b>		
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**  
**Southwest & Southeast Minnesota Farm Business Management Associations**  
**(Farms Sorted By Net Return Per Unit)**

**Hogs, Contractee -- Average Per Pig Space**

	<b>Avg. Of All Farms</b>	
Number of farms	16	
	Quantity	Value
Total production (hd)	0.00	0.00
Other income		33.98
Gross return		33.98
<b>Direct Expenses</b>		
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
<b>Overhead Expenses</b>		
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
<b>Cost of Production</b>		
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
<b>Other Information</b>		
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

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

**Beef Cow-Calf -- Average Per Cow**

	<b>Avg. Of All Farms</b>	
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
<b>Direct Expenses</b>		
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
<b>Overhead Expenses</b>		
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
<b>Cost of Production</b>		
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
<b>Other Information</b>		
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**  
**Southwest & Southeast Minnesota Farm Business Management Associations**  
**(Farms Sorted By Net Return Per Unit)**

**Beef, Finish Beef Calves -- Average Per Head**

	<u>Avg. Of All Farms</u>		<u>Low 20%</u>		<u>High 20%</u>	
	32		6		7	
	Quantity	Value	Quantity	Value	Quantity	Value
Number of farms						
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
<b>Direct Expenses</b>						
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
<b>Overhead Expenses</b>						
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
<b>Cost of Production</b>						
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
<b>Other Information</b>						
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**  
**Southwest & Southeast Minnesota Farm Business Management Associations**  
**(Farms Sorted By Net Return Per Unit)**

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

	<u>Avg. Of All Farms</u>		<u>Low 20%</u>		<u>High 20%</u>	
	32		6		7	
	Quantity	Value	Quantity	Value	Quantity	Value
Number of farms						
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
<b>Direct Expenses</b>						
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
<b>Overhead Expenses</b>						
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
<b>Cost of Production</b>						
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
<b>Other Information</b>						
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**  
**Southwest & Southeast Minnesota Farm Business Management Associations**  
**(Farms Sorted By Net Return Per Unit)**

**Dairy -- Average Per Cow**

	<u>Avg. Of All Farms</u>		<u>Low 20%</u>		<u>High 20%</u>	
	28		5		6	
	Quantity	Value	Quantity	Value	Quantity	Value
Number of farms						
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
<b>Direct Expenses</b>						
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
<b>Overhead Expenses</b>						
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
<b>Cost of Production</b>						
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
<b>Other Information</b>						
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**  
**Southwest & Southeast Minnesota Farm Business Management Associations**  
**(Farms Sorted By Net Return Per Unit)**

**Dairy Replacement Heifers -- Average Per Head Sold/Trans**

	<b>Avg. Of All Farms</b>	
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
<b>Direct Expenses</b>		
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
<b>Overhead Expenses</b>		
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
<b>Cost of Production</b>		
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
<b>Other Information</b>		
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**  
**Southwest & Southeast Minnesota Farm Business Management Associations**  
**(Farms Sorted By Net Return Per Unit)**

**Dairy and Repl Heifers -- Average Per Cow**

	<u>Avg. Of All Farms</u>	
Number of farms	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
<b>Direct Expenses</b>		
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
<b>Overhead Expenses</b>		
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
<b>Cost of Production</b>		
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
<b>Other Information</b>		
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**  
**Southwest & Southeast Minnesota Farm Business Management Associations**  
**(Farms Sorted By Net Return Per Unit)**

**Dairy Steers -- Average Per Head**

	<b>Avg. Of All Farms</b>	
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
<b>Direct Expenses</b>		
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
<b>Overhead Expenses</b>		
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
<b>Cost of Production</b>		
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
<b>Other Information</b>		
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**  
**Southwest & Southeast Minnesota Farm Business Management Associations**  
**(Farms Sorted By Net Return Per Unit)**

**Dairy Steers -- Average Per Cwt. Produced**

	<u>Avg. Of All Farms</u>	
Number of farms	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
<b>Direct Expenses</b>		
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
<b>Overhead Expenses</b>		
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
<b>Cost of Production</b>		
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
<b>Other Information</b>		
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

**PRICES USED IN ANALYSIS REPORT, 2002**  
**Southwestern Minnesota Farm Business Management Association**

Item	Beginning Inventory	Feed	Crop Enterprise Production	Ending Inventory
All Corn/bu.	1.80	1.97	Actual	2.15
Oats/bu.	2.00	1.50	Actual	1.40
All Wheat/bu.	2.40	3.00	Actual	3.80
Soybeans/bu.	4.00	4.82	Actual	5.40
Alfalfa hay/t. 75.00	100.00	100.00	100.00	100.00
Alfalfa haylage/t	50.00	45.00	50.00	50.00
Grass/Mixed hay/r	50.00	50.00	80.00	80.00
Corn silage/t.	18.00	18.00	20.00	20.00
Grass silage/t.	13.00	13.00	13.00	13.00
Oatlage/t.	12.00	12.00	12.00	12.00
Oats straw/bale	2.25	2.25	2.25	2.25
Green chop/t.		10.00	9.00	9.00
Cornstalks/t.		10.00		
CCC Corn Loan Equity	0.00 (cash basis only)			0.35
CCC Soybean Loan Equity	0.00 (cash basis only)			0.60

Actual prices estimated by using actual selling price if sold or contracted, inventory price for balance.  
 All commodities are valued on an as fed moisture basis.  
 To correct for low-test weights on corn use: Bu. x test weight/56 lbs.

**Other Prices Used:**

Pasture Costs \$/Head/Mo.

Cows	7.00	Sheep	1.00
Calves	3.50	Lambs	.60

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

Value of milk used in home \$ .40/qt or \$1.60/gallon

Value of milk fed calves \$ 1.50/gallon

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

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

**Suggested land market value by county: \$/acre**

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

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



## EXPLANATORY NOTES FOR SUMMARY TABLES

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

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  
Southwestern 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	182	168	180	182	178	202	203	200	207
Farm Income Statement										
2	Gross Cash Farm Income	251,287	259,338	237,875	246,048	254,004	262,229	265,019	291,839	288,031
3	Total Cash Farm Expense	191,634	217,464	185,864	189,097	196,046	206,433	204,939	222,201	221,385
4	Inventory Change	-1,304	1,234	-15,056	1,798	31,353	20,577	11,788	22,242	-10,822
5	Depr. & Cap. Adj.	-30,286	-33,093	-31,469	-26,656	-25,906	-21,370	-21,709	-26,876	-26,122
6	Net Farm Income	27,844	9,872	5,487	32,093	63,404	55,004	50,159	65,004	29,702
7	Net Farm Income (Constant \$)	50,293	17,093	9,174	52,678	100,408	83,645	72,771	89,474	39,232
Profitability and Liquidity Analysis										
8	Labor and Management Earnings	-35,799	-8,161	-5,860	21,241	51,592	39,866	33,078	47,215	11,281
Rate of return on:										
9	Average Assets (%)	6	4	4	9	16	13	10	12	5
10	Average Equity (%)	3	-2	-4	9	24	16	11	15	3
11	Operating Profit Margin (%)	19	11	10	18	26	22	19	23	12
12	Asset Turnover Rate (%)	31	35	40	52	63	58	49	53	43
13	Value of Farm Production	201,051	206,568	185,740	211,530	246,235	246,893	233,867	264,282	225,829
14	Farm Interest Paid	27,769	29,498	26,700	21,446	15,993	14,546	15,489	17,126	17,061
15	Cash Expense as a % of Income	76	84	78	77	77	79	77	76	77
Interest Paid as a % of:										
16	Gross Cash Income	11	11	11	9	6	6	6	6	6
17	Total Cash Expenses	14	14	14	11	8	7	8	8	8
18	Yrs. to T/O Non R.E. Debt	3.3	7.1	1.7	1.5	1.9	1.4	2.2	1.9	3.3
Comparative Financial Statement (Market Basis)										
19	No. of Sole Proprietors	162	147	160	161	164	182	179	180	187
20	Total Ending Assets	728,302	669,773	508,552	462,043	439,918	468,616	506,988	557,912	579,629
21	Total Ending Liabilities	281,999	304,940	255,031	211,411	180,785	172,714	186,956	202,626	216,189
22	Ending Net Worth	446,303	364,833	253,521	250,632	259,133	295,902	320,032	355,286	363,440
23	Ending Farm C+I Debt to Asset %	51	55	51	43	37	35	35	36	41
24	Ending Total Debt to Asset %	39	46	50	46	41	37	37	36	37
Acreage Information										
25	Total Acres Owned	*	250	249	231	222	222	237	237	241
26	Total Crop Acres Farmed	*	519	552	540	520	525	568	561	570
27	Crop Acres Owned	*	206	212	191	180	186	199	191	200
28	Crop Acres Cash Rented	*	208	237	236	231	238	269	275	274
29	Crop Acres Share Rented	*	104	103	113	108	101	100	95	96
Crop Yields										
30	Corn per acre	88	113	124	136	138	89	141	128	125
31	Soybean per acre	35	38	35	39	44	32	43	45	38
Crop Prices Received (cash sales)										
32	Corn per Bushel	*	2.88	2.35	2.03	1.53	2.08	2.20	2.30	2.26
33	Soybeans per Bushel	*	7.12	5.38	5.01	4.89	6.80	6.57	5.69	5.41
Household Information										
34	No. Farms Reporting HseHld Info	96	89	96	101	102	120	129	126	145
35	Average Family Size	*	3.7	3.9	3.6	3.7	3.8	3.9	3.9	4.0
36	Total Family Use of Cash	35,660	29,540	28,701	28,027	30,729	37,556	44,214	46,587	48,911
37	Average Net Nonfarm Income	*	11,262	8,445	8,580	7,787	6,890	11,973	12,135	10,803

\* Not available.

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

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

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	Row
----	----	----	----	----	----	----	----	----	----	----	----
201	202	202	216	203	208	210	216	212	207	188	1
301,907	296,705	306,175	346,838	382,502	359,710	369,573	388,731	422,897	433,698	428,084	2
236,768	242,616	256,246	277,214	299,610	303,241	305,344	324,802	348,711	358,506	352,995	3
-429	4,474	9,254	16,939	12,231	19,769	-21,057	15,633	25,296	-17,297	19,571	4
-27,051	-26,997	-27,268	-29,288	-32,424	-35,640	-34,557	-35,800	-17,731	-21,280	-24,654	5
37,659	31,567	31,915	57,276	62,699	40,598	8,616	43,762	81,750	36,614	70,007	6
48,288	39,300	38,742	67,611	71,890	45,505	9,509	47,256	85,405	37,193	70,007	7
	**	**	**	**	**	**	**	**	**	**	
19,467	16,681	16,949	41,326	45,206	23,364	-8,757	26,896	62,532	16,094	47,628	8
7	5	5	10	10	6	2	7	12	6	9	9
6	2	3	13	12	5	-6	7	19	4	11	10
14	12	12	22	21	14	4	16	27	14	20	11
46	40	41	46	48	44	39	43	45	39	44	12
244,243	191,194	207,729	247,690	277,026	262,396	250,717	274,411	313,232	282,583	345,743	13
17,943	15,667	17,837	22,084	22,337	22,282	25,358	27,488	27,002	27,203	26,739	14
78	82	84	80	78	84	83	84	82	83	82	15
6	5	6	6	6	6	7	7	6	6	6	16
8	6	7	8	7	7	8	8	8	8	8	17
2.6	1.8	2.6	1.3	1.2	3.3	2.5	2.5	2.1	2.4	3.4	18
	**	**	**	**	**	**	**	**	**	**	
180	178	179	184	173	180	183	185	181	178	161	19
596,525	844,030	901,807	944,208	982,750	1,016,308	1,066,565	1,061,579	1,150,838	1,158,071	1,277,823	20
227,131	396,899	431,390	452,253	462,505	490,140	522,994	517,040	545,689	539,918	578,253	21
369,394	447,132	470,418	491,955	520,245	526,168	543,571	544,539	605,149	618,197	699,570	22
44	38	39	38	37	44	45	43	42	45	43	23
38	47	48	48	47	48	49	49	47	47	45	24
251	252	267	256	249	233	250	241	250	252	265	25
586	600	612	625	658	648	697	709	730	759	784	26
203	204	204	211	204	200	219	204	214	214	226	27
286	299	323	340	384	381	402	430	445	468	490	28
96	97	86	74	70	67	76	75	70	77	68	29
126	61	143	119	133	126	161	156	150	128	151	30
38	20	46	43	42	42	49	45	46	42	49	31
2.20	2.11	2.24	2.30	3.04	2.39	1.97	1.66	1.68	1.72	1.95	32
5.39	5.84	5.94	5.56	6.84	7.13	5.72	4.59	4.57	4.32	4.57	33
136	131	134	151	131	123	122	125	120	124	108	34
4.1	3.9	3.8	3.7	3.7	3.7	3.6	3.6	3.5	3.5	3.6	35
45,638	45,897	42,179	43,315	47,584	58,051	48,197	50,326	62,349	63,980	51,826	36
12,329	12,354	13,515	16,014	16,954	18,982	17,475	20,275	24,692	23,043	23,083	37

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

	<u>Avg. Of All Farms</u>	<u>Brown Faribault Martin Watowan</u>	<u>Cottonwood</u>	<u>Jackson</u>	<u>Lyon Murray</u>	<u>Nobles</u>	<u>Pipestone Rock Yellow Med</u>	<u>Redwood</u>
Number of farms	188	24	37	21	24	36	15	31
<b>Income Statement</b>								
Gross cash farm income	428,084	419,565	476,435	417,521	377,415	400,562	568,852	387,204
Total cash farm expense	352,995	356,529	387,610	342,825	287,951	340,503	485,192	316,733
Net cash farm income	75,089	63,036	88,825	74,696	89,465	60,058	83,660	70,471
Inventory change	19,571	35,835	32,201	-11,294	19,840	25,520	-9,883	19,950
Depreciation and capital adjust	-24,654	-29,334	-27,158	-19,165	-18,625	-28,227	-22,860	-23,146
Net farm income	70,007	69,538	93,868	44,237	90,680	57,352	50,916	67,275
<b>Profitability (cost)</b>								
Labor and management earnings	47,628	51,141	64,467	21,195	65,433	40,710	29,694	45,645
Rate of return on assets	8.6 %	9.4 %	9.0 %	5.4 %	11.7 %	8.0 %	6.7 %	8.7 %
Rate of return on equity	11.4 %	15.2 %	12.9 %	4.1 %	15.5 %	10.2 %	6.8 %	11.8 %
Operating profit margin	19.7 %	20.1 %	25.3 %	12.2 %	23.8 %	16.5 %	14.2 %	19.7 %
Asset turnover rate	43.7 %	46.9 %	35.8 %	44.4 %	48.9 %	48.2 %	47.0 %	44.1 %
<b>Liquidity</b>								
Term debt coverage ratio	159.3 %	171.5 %	207.2 %	101.2 %	153.9 %	162.5 %	57.4 %	170.7 %
Expense as a percent of income	79.4 %	78.2 %	77.0 %	85.7 %	72.8 %	80.3 %	87.1 %	78.3 %
Interest as a percent of income	5.8 %	6.5 %	6.8 %	5.7 %	4.6 %	6.1 %	4.0 %	5.6 %
<b>Solvency (market)</b>								
Number of sole proprietors	161	20	33	19	21	30	11	27
Ending farm assets	1,098,081	1,132,583	1,431,832	891,840	828,563	1,106,166	853,626	1,109,971
Ending farm liabilities	548,959	562,384	727,574	418,552	430,105	590,734	388,164	524,012
Ending total assets	1,277,823	1,316,341	1,564,664	1,064,843	960,776	1,301,939	1,159,695	1,316,504
Ending total liabilities	578,253	582,248	756,440	451,429	458,200	621,054	412,052	560,286
Ending net worth	699,570	734,092	808,223	613,414	502,576	680,885	747,642	756,219
Net worth change	54,147	71,198	66,835	19,512	48,752	41,855	73,911	60,186
Ending farm debt to asset ratio	50 %	50 %	51 %	47 %	52 %	53 %	45 %	47 %
Beg total debt to asset ratio	47 %	45 %	51 %	42 %	51 %	48 %	38 %	43 %
End total debt to asset ratio	45 %	44 %	48 %	42 %	48 %	48 %	36 %	43 %
<b>Nonfarm Information</b>								
Net nonfarm income	20,846	23,688	16,955	23,935	15,684	26,905	18,968	19,065
Farms reporting living expenses	157	20	31	19	20	30	10	27
Total family living expense	38,215	40,910	37,014	39,434	40,920	38,359	41,945	33,195
Total living, invest, & capital	45,271	67,540	45,675	47,206	18,001	46,402	56,110	41,879
<b>Crop Acres</b>								
Total acres owned	265	249	402	195	314	221	175	219
Total crop acres	784	789	893	746	889	717	553	782
Total crop acres owned	226	214	375	146	234	185	128	203
Total crop acres cash rented	490	556	474	489	548	480	320	506
Total crop acres share rented	68	19	44	111	108	52	104	73

**Financial Summary**  
**Southwest 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>500,001 - 1,000,000</u>	<u>Over 1,000,000</u>
Number of farms	188	12	49	82	29	14
<b>Income Statement</b>						
Gross cash farm income	428,084	74,901	148,822	318,001	673,221	1,901,481
Total cash farm expense	352,995	56,932	112,975	252,523	563,901	1,644,269
Net cash farm income	75,089	17,969	35,847	65,477	109,320	257,211
Inventory change	19,571	15,695	16,670	35,036	10,533	-36,941
Depreciation and capital adjust	-24,654	-5,886	-9,623	-21,052	-40,395	-85,052
Net farm income	70,007	27,778	42,894	79,461	79,458	135,218
<b>Profitability (cost)</b>						
Labor and management earnings	47,628	21,557	28,697	56,197	53,083	81,827
Rate of return on assets	8.6 %	10.4 %	8.4 %	9.9 %	7.7 %	7.2 %
Rate of return on equity	11.4 %	16.4 %	9.7 %	13.6 %	9.8 %	8.8 %
Operating profit margin	19.7 %	25.5 %	21.6 %	21.6 %	18.0 %	16.3 %
Asset turnover rate	43.7 %	40.8 %	38.6 %	45.6 %	43.0 %	44.5 %
<b>Liquidity</b>						
Term debt coverage ratio	159.3 %	284.8 %	126.4 %	212.0 %	137.5 %	105.3 %
Expense as a percent of income	79.4 %	62.8 %	68.8 %	72.2 %	82.8 %	88.6 %
Interest as a percent of income	5.8 %	8.3 %	7.3 %	5.7 %	6.6 %	4.8 %
<b>Solvency (market)</b>						
Number of sole proprietors	161	10	46	78	20	5
Ending farm assets	1,098,081	385,814	709,843	1,097,978	1,807,400	3,525,728
Ending farm liabilities	548,959	187,028	296,655	522,754	1,078,860	2,057,411
Ending total assets	1,277,823	495,843	931,135	1,261,061	1,972,577	3,702,448
Ending total liabilities	578,253	197,751	328,365	550,969	1,119,278	2,066,273
Ending net worth	699,570	298,092	602,770	710,093	853,299	1,636,174
Net worth change	54,147	23,973	47,650	57,224	41,646	190,170
Ending farm debt to asset ratio	50 %	48 %	42 %	48 %	60 %	58 %
Beg total debt to asset ratio	47 %	35 %	37 %	45 %	58 %	59 %
End total debt to asset ratio	45 %	40 %	35 %	44 %	57 %	56 %
<b>Nonfarm Information</b>						
Net nonfarm income	20,846	27,111	25,057	21,949	12,987	5,910
Farms reporting living expenses	157	9	44	77	20	5
Total family living expense	38,215	21,711	34,389	40,158	44,441	46,022
Total living, invest, & capital	45,271	39,312	40,398	46,210	53,683	57,051
<b>Crop Acres</b>						
Total acres owned	265	99	207	270	346	428
Total crop acres	784	232	416	844	1,155	1,526
Total crop acres owned	226	82	151	243	320	353
Total crop acres cash rented	490	126	223	529	724	1,085
Total crop acres share rented	68	24	42	72	111	88



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

	<u>Avg. Of All Farms</u>	<u>Crop</u>	<u>Hog</u>	<u>Beef</u>	<u>Crop and Hog</u>	<u>Crop and Beef</u>	<u>Other</u>
Number of farms	188	94	10	10	15	10	40
<b>Income Statement</b>							
Gross cash farm income	428,084	271,857	1,201,152	1,172,720	479,475	601,186	308,885
Total cash farm expense	352,995	225,991	1,120,803	1,038,424	413,751	399,247	236,711
Net cash farm income	75,089	45,866	80,349	134,296	65,724	201,939	72,174
Inventory change	19,571	44,671	-89,886	12,282	-5,213	-103,226	26,741
Depreciation and capital adjust	-24,654	-18,491	-50,719	-24,778	-23,452	-25,388	-23,635
Net farm income	70,007	72,047	-60,255	121,800	37,059	73,325	75,280
<b>Profitability (cost)</b>							
Labor and management earnings	47,628	50,799	-91,879	100,068	14,725	45,701	59,921
Rate of return on assets	8.6 %	9.7 %	-3.3 %	10.3 %	4.8 %	7.4 %	11.5 %
Rate of return on equity	11.4 %	13.3 %	-18.8 %	24.2 %	2.8 %	8.5 %	20.4 %
Operating profit margin	19.7 %	20.6 %	-9.2 %	28.7 %	10.5 %	17.9 %	26.6 %
Asset turnover rate	43.7 %	47.1 %	35.8 %	35.9 %	45.8 %	41.6 %	43.2 %
<b>Liquidity</b>							
Term debt coverage ratio	159.3 %	214.5 %	-5.9 %	231.8 %	83.2 %	179.1 %	139.4 %
Expense as a percent of income	79.4 %	72.0 %	100.8 %	87.8 %	87.8 %	80.5 %	70.6 %
Interest as a percent of income	5.8 %	5.8 %	4.4 %	4.8 %	5.1 %	5.8 %	9.1 %
<b>Solvency (market)</b>							
Number of sole proprietors	161	85	6	9	12	7	34
Ending farm assets	1,098,081	1,017,189	1,475,068	1,891,514	841,181	1,356,258	1,017,406
Ending farm liabilities	548,959	464,558	897,393	1,172,614	443,169	554,024	542,555
Ending total assets	1,277,823	1,197,901	1,688,677	1,998,196	1,019,398	1,474,429	1,232,025
Ending total liabilities	578,253	499,432	898,215	1,190,093	459,899	590,355	572,796
Ending net worth	699,570	698,469	790,462	808,103	559,499	884,074	659,229
Net worth change	54,147	57,710	-42,384	98,067	-6,438	95,028	55,981
Ending farm debt to asset ratio	50 %	46 %	61 %	62 %	53 %	41 %	53 %
Beg total debt to asset ratio	47 %	42 %	48 %	64 %	44 %	50 %	49 %
End total debt to asset ratio	45 %	42 %	53 %	60 %	45 %	40 %	46 %
<b>Nonfarm Information</b>							
Net nonfarm income	20,846	24,286	12,177	10,057	19,153	9,719	23,199
Farms reporting living expenses	157	83	6	9	12	7	32
Total family living expense	38,215	35,550	38,003	51,305	37,829	35,554	43,680
Total living, invest, & capital	45,271	41,215	52,346	35,047	52,542	34,321	55,938
<b>Crop Acres</b>							
Total acres owned	265	259	216	404	190	400	234
Total crop acres	784	848	630	899	783	1,051	553
Total crop acres owned	226	240	175	346	148	351	173
Total crop acres cash rented	490	540	425	451	573	642	328
Total crop acres share rented	68	67	30	102	63	59	52

**Financial Summary**  
**Southwest 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>	<u>Over 80%</u>
Number of farms	188	20	48	60	42	18
<b>Income Statement</b>						
Gross cash farm income	428,084	291,122	282,602	502,422	533,762	473,846
Total cash farm expense	352,995	159,873	207,427	424,167	469,666	446,289
Net cash farm income	75,089	131,249	75,175	78,255	64,097	27,557
Inventory change	19,571	14,608	19,031	18,692	25,357	15,959
Depreciation and capital adjust	-24,654	-21,460	-14,794	-26,963	-36,245	-19,751
Net farm income	70,007	124,397	79,411	69,984	53,208	23,766
<b>Profitability (cost)</b>						
Labor and management earnings	47,628	77,321	48,664	47,316	43,289	23,039
Rate of return on assets	8.6 %	12.2 %	9.3 %	8.0 %	7.9 %	6.1 %
Rate of return on equity	11.4 %	12.5 %	10.6 %	10.5 %	14.5 %	8.3 %
Operating profit margin	19.7 %	34.3 %	25.1 %	18.4 %	16.0 %	9.9 %
Asset turnover rate	43.7 %	35.6 %	37.0 %	43.2 %	49.6 %	61.5 %
<b>Liquidity</b>						
Term debt coverage ratio	159.3 %	393.2 %	270.5 %	164.7 %	121.7 %	61.4 %
Expense as a percent of income	79.4 %	53.4 %	69.7 %	81.8 %	84.6 %	91.1 %
Interest as a percent of income	5.8 %	0.7 %	3.4 %	6.1 %	7.5 %	7.8 %
<b>Solvency (market)</b>						
Number of sole proprietors	161	18	41	55	35	12
Ending farm assets	1,098,081	1,169,603	1,019,993	1,258,953	1,045,715	673,000
Ending farm liabilities	548,959	199,020	324,085	681,851	750,900	644,106
Ending total assets	1,277,823	1,599,236	1,240,832	1,400,120	1,144,862	749,357
Ending total liabilities	578,253	237,073	359,777	708,599	772,494	672,531
Ending net worth	699,570	1,362,163	881,055	691,521	372,369	76,826
Net worth change	54,147	107,338	48,565	68,182	31,483	-4,783
Ending farm debt to asset ratio	50 %	17 %	32 %	54 %	72 %	96 %
Beg total debt to asset ratio	47 %	18 %	31 %	53 %	67 %	88 %
End total debt to asset ratio	45 %	15 %	29 %	51 %	67 %	90 %
<b>Nonfarm Information</b>						
Net nonfarm income	20,846	26,656	22,953	21,347	18,490	12,599
Farms reporting living expenses	157	18	41	53	35	10
Total family living expense	38,215	37,467	34,673	40,318	35,889	51,078
Total living, invest, & capital	45,271	48,451	42,454	49,664	42,822	36,384
<b>Crop Acres</b>						
Total acres owned	265	392	301	291	210	72
Total crop acres	784	630	613	869	903	850
Total crop acres owned	226	299	224	283	184	63
Total crop acres cash rented	490	241	305	535	654	727
Total crop acres share rented	68	90	84	51	65	60

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

	<u>Avg. Of All Farms</u>	<u>Less than 31</u>	<u>31 - 40</u>	<u>41 - 50</u>	<u>51 - 60</u>	<u>Over 60</u>
Number of farms	188	7	37	64	57	23
<b>Income Statement</b>						
Gross cash farm income	428,084	215,549	354,372	476,082	438,974	450,805
Total cash farm expense	352,995	194,985	283,039	400,804	350,042	387,909
Net cash farm income	75,089	20,563	71,334	75,278	88,932	62,896
Inventory change	19,571	22,383	10,349	15,635	23,419	34,971
Depreciation and capital adjust	-24,654	-6,499	-21,315	-28,650	-24,446	-24,945
Net farm income	70,007	36,448	60,368	62,262	87,904	72,921
<b>Profitability (cost)</b>						
Labor and management earnings	47,628	28,175	47,265	43,911	56,570	42,316
Rate of return on assets	8.6 %	8.1 %	10.5 %	8.1 %	8.7 %	7.8 %
Rate of return on equity	11.4 %	10.9 %	17.3 %	11.2 %	11.0 %	9.1 %
Operating profit margin	19.7 %	15.6 %	19.8 %	17.1 %	21.9 %	21.7 %
Asset turnover rate	43.7 %	52.0 %	53.0 %	47.4 %	39.5 %	36.1 %
<b>Liquidity</b>						
Term debt coverage ratio	159.3 %	261.1 %	190.4 %	137.9 %	157.5 %	184.8 %
Expense as a percent of income	79.4 %	82.8 %	78.1 %	82.1 %	76.3 %	80.1 %
Interest as a percent of income	5.8 %	5.2 %	5.8 %	5.9 %	5.8 %	5.7 %
<b>Solvency (market)</b>						
Number of sole proprietors	161	7	30	58	47	19
Ending farm assets	1,098,081	423,603	734,568	1,057,993	1,310,196	1,518,206
Ending farm liabilities	548,959	293,194	438,861	606,724	586,182	548,616
Ending total assets	1,277,823	443,627	834,420	1,190,036	1,562,856	1,848,166
Ending total liabilities	578,253	301,921	457,547	630,079	620,378	608,239
Ending net worth	699,570	141,707	376,873	559,956	942,478	1,239,927
Net worth change	54,147	26,744	46,720	55,439	59,854	57,911
Ending farm debt to asset ratio	50 %	69 %	60 %	57 %	45 %	36 %
Beg total debt to asset ratio	47 %	68 %	57 %	55 %	41 %	34 %
End total debt to asset ratio	45 %	68 %	55 %	53 %	40 %	33 %
<b>Nonfarm Information</b>						
Net nonfarm income	20,846	7,698	19,916	22,261	21,083	21,819
Farms reporting living expenses	157	7	29	56	46	19
Total family living expense	38,215	21,881	34,454	43,801	37,485	35,276
Total living, invest, & capital	45,271	28,802	42,767	49,718	45,165	42,312
<b>Crop Acres</b>						
Total acres owned	265	85	109	214	373	448
Total crop acres	784	539	620	828	870	786
Total crop acres owned	226	74	90	186	331	344
Total crop acres cash rented	490	424	495	545	471	395
Total crop acres share rented	68	41	35	96	68	47