



**AgEcon** SEARCH  
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

*The World's Largest Open Access Agricultural & Applied Economics Digital Library*

**This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.**

**Help ensure our sustainability.**

Give to AgEcon Search

AgEcon Search  
<http://ageconsearch.umn.edu>  
[aesearch@umn.edu](mailto:aesearch@umn.edu)

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

# 2001

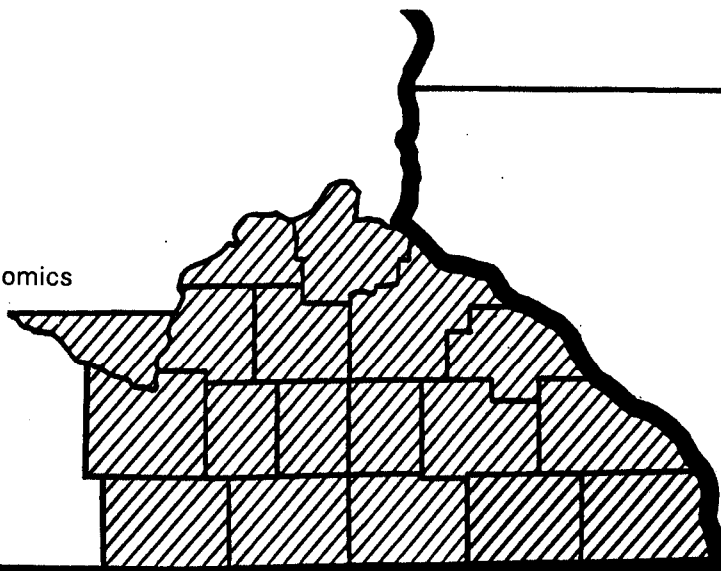
## Annual Report

### Southeastern Minnesota Farm Business Management Association

#### COOPERATING AGENCIES:

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

Staff Paper P02-4  
Department of Applied Economics  
University of Minnesota  
St. Paul, MN 55108  
April 2002



---

The University of Minnesota is committed to the policy that all persons shall have equal access to its programs, facilities, and employment without regard to race, color, creed, religion, national origin, sex, age, marital status, disability, public assistance status, veteran status, or sexual orientation.

Information on other titles in this series may be obtained from Waite Library, University of Minnesota, Department of Applied Economics, 1994 Buford Avenue, 232 ClaOff, St. Paul, MN 55108-6040, U.S.A. The Waite Library e-mail address is: [lletnes@umn.edu](mailto:lletnes@umn.edu). This paper is available electronically from AgEcon Search at <http://agecon.lib.umn.edu>.

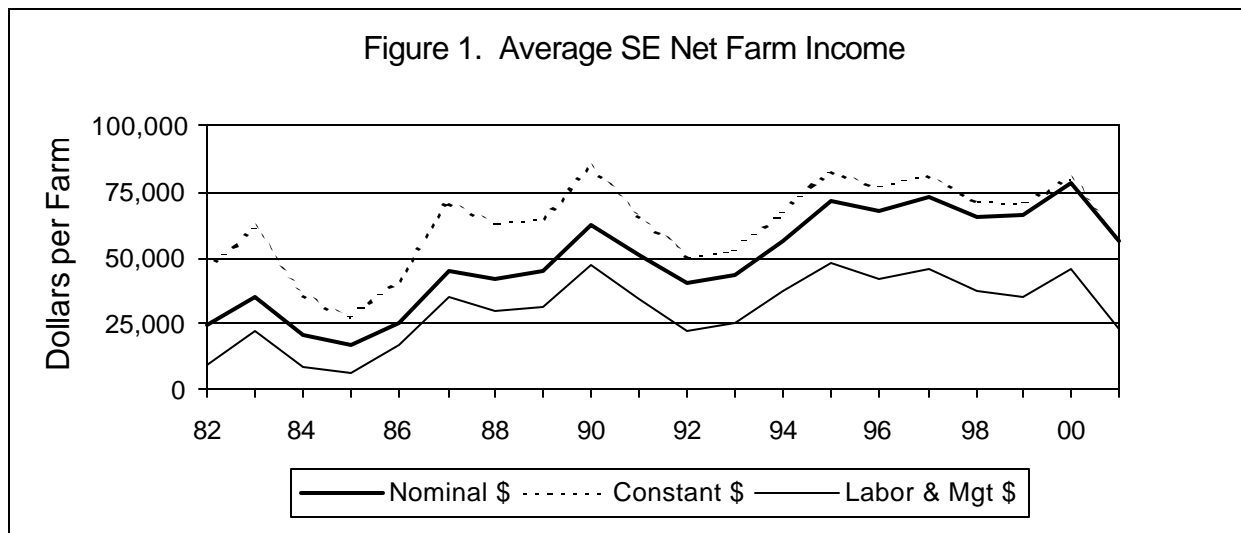
The entire report is available at: <http://apec.umn.edu/faculty/kolson/currentres.html>

## EXECUTIVE SUMMARY

### 2001 ANNUAL REPORT OF THE SOUTHEASTERN MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION

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

The average net farm income was \$60,978 for the 59 farms included in the 2001 annual report of the Southeastern Minnesota Farm Business Management Association. This was a decrease of 21% from 2000 (Figure 1). Even though gross cash farm income increased more than cash expenses, the decrease in net farm income is due in large part to a large decrease in the inventory value of crops and feed.



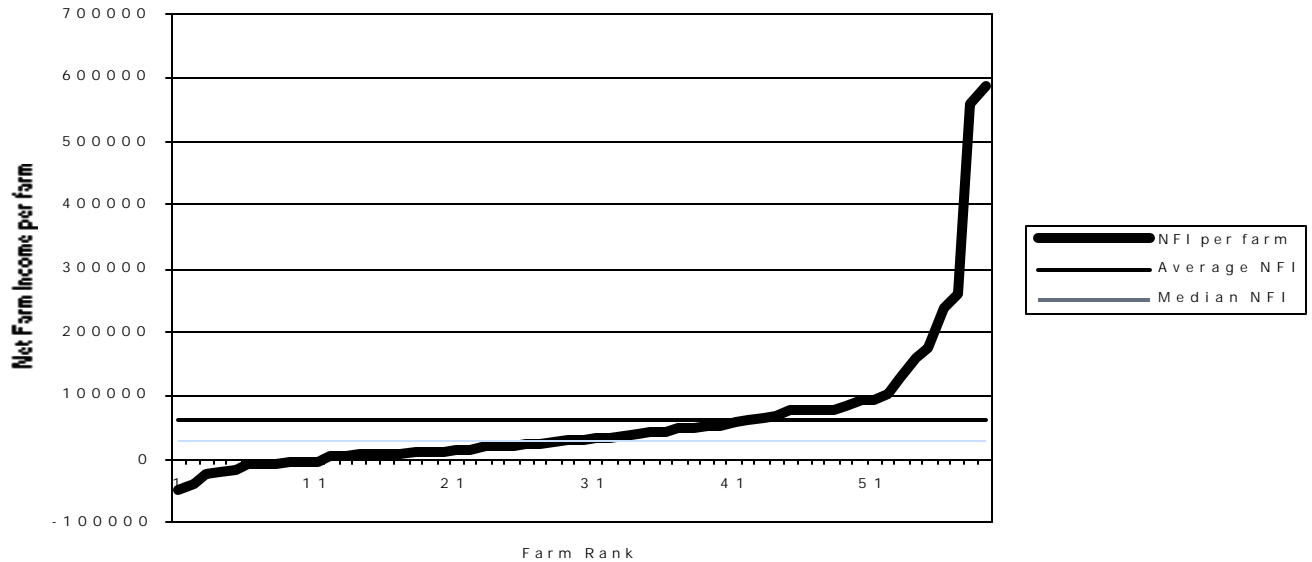
As in previous years, the income levels experienced by individual farms vary greatly from the overall average. When the net farm incomes for the 59 farms in the report were ranked from lowest to highest, the resulting graph shows how much the incomes do vary (Figure 2). Several farms experienced negative incomes, and several experienced very high incomes. Most of the net farm income ranged from -\$10,000 to \$130,000. The median or middle income was \$31,577, considerably lower than the average. The high 20% of these farms had an average net farm income of \$213,598 in 2001; farms in the low 20%, -\$16,927. This was a decrease for both groups.

Average gross cash farm income in 2001 was \$365,819 for these 59 farms. This was a 4% increase from 2000. Milk sales were 42% of the average gross cash farm income. Together, milk, corn, and soybean sales and government payments amounted to 82% of gross income in 2001 (Figure 3). Compared to 2000, milk sales increased by 28%. Government payments decreased by 20%.

Government payments (of all types) averaged \$40,227 in 2001. They were \$50,496 in 2000, \$50,700 in 1999, \$23,322 in 1998, and \$12,907 in 1997. Government payments were 11% of gross income in 2001, compared to 14% in 2000, 12% in 1999, 7% in 1998, and 4% in 1997.

Average total cash expenses were \$274,867 in 2001. This was a decrease of 3% from the 2000 average. As a percentage of both cash expenses and depreciation, feed expenses were 16% in 2001, up from 2000 (Figure 4). Seed, fertilizer, and crop chemicals were 17% of the total, down slightly from 2000. Interest expense was 7% of the total, lower than in 2000. Real estate taxes remained at 2% in 2001 although the absolute dollar level was slightly lower.

Figure 2. Net Farm Income per farm  
(SEMNFBA 2001)



Both the rate of return on assets (ROA) and the rate of return to equity (ROE) decreased on average (Figure 5). ROA was slightly higher than ROE indicating that debt capital was earning less than it was costing.

Average total equity (of the 45 sole proprietors) was \$583,049 at the end of 2001, an increase of \$21,177 during the year. (Assets were valued on a cost basis.) Except for a decline during 1993, average equity has improved steadily since 1986 (Figure 6). At the end of 2001, the average debt-asset ratio was down slightly to 34%.

In 2001, the average corn and soybean yields were lower for the Association (Figure 6). The average corn yield was 144 bushels per acre; the soybean yield was 40 bushels per acre.

## Results by Type of Farm

The 59 farms in the report were classified as a certain type (e.g., dairy) on the basis of having 70 percent or more of their gross sales from that category. Using this 70 percent rule, there were 19 crop farms, 15 dairy farms, and 7 crop and dairy farms. There are 18 farms which did not have a single source (or pair of sources) of income over 70%. The average crop and dairy farm had the highest average net farm income (\$137,179) in 2001 (Figure 8). The average dairy farm had the second highest net farm income.

In terms of the rate of return to assets (ROA), dairy farms had the highest ROA (12%) in 2001 (Figure 9). (Assets are valued on a cost basis.) Dairy farms had an average debt-asset ratio of 28% in 2001; crop farms averaged 33% (Figure 10).

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

Fig. 3 SE 2000 Income Sources

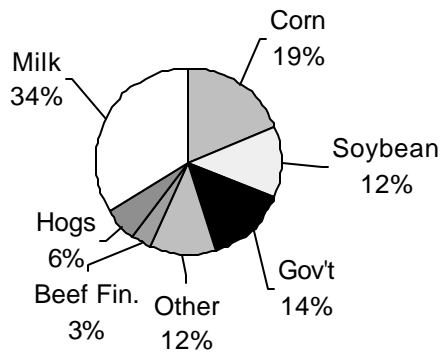


Fig. 3 SE 2001 Income Sources

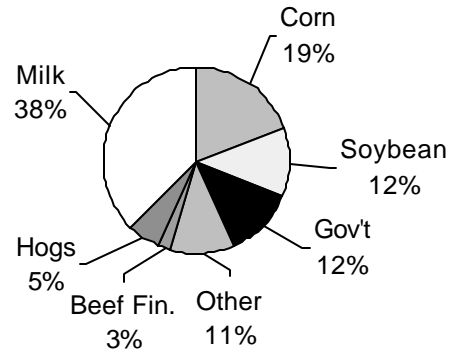


Fig. 4. SE 2000 Expense Sources

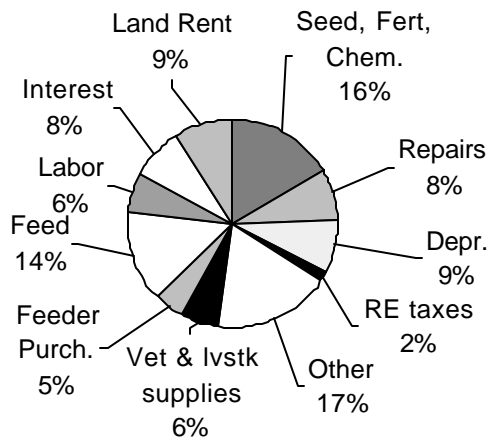


Fig. 4. SE 2001 Expense Sources

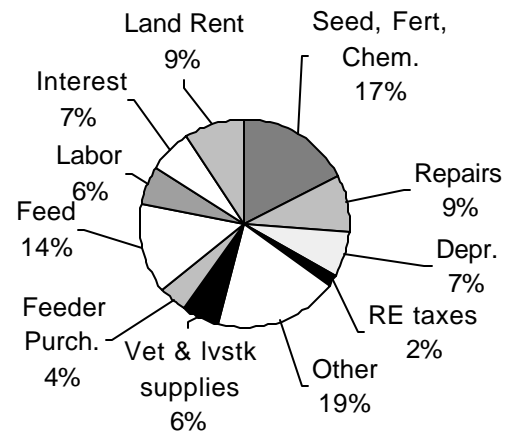


Figure 5. SE Rates of Return on Assets (ROA) and Equity (ROE)

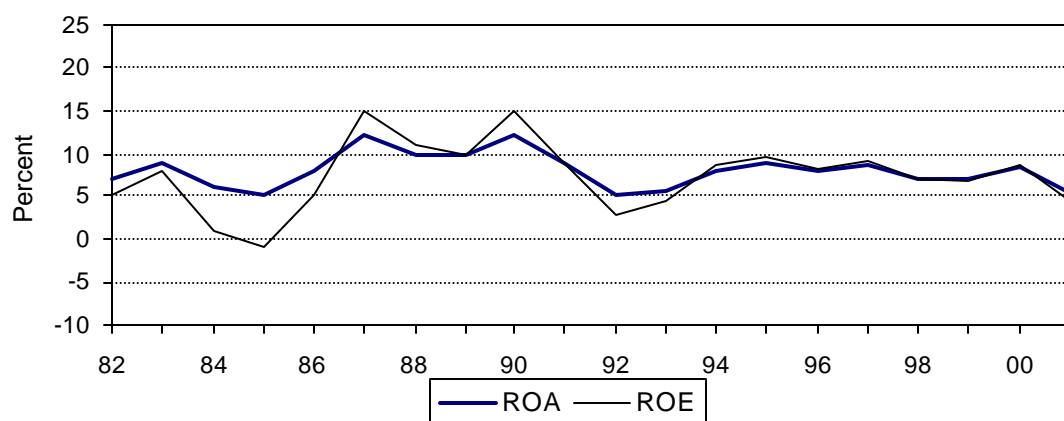


Figure 6. Ending Equity and Ending Debt-Asset Ratio

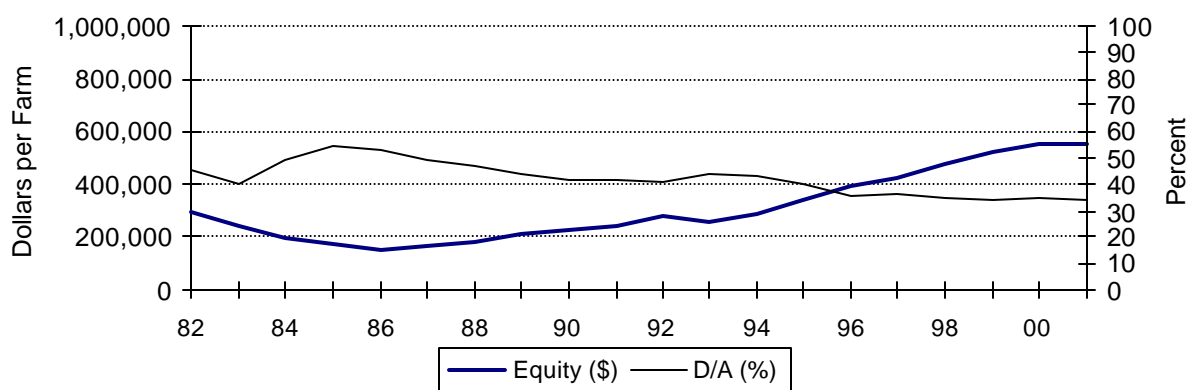


Figure 7. Average Corn & Soybean Yield

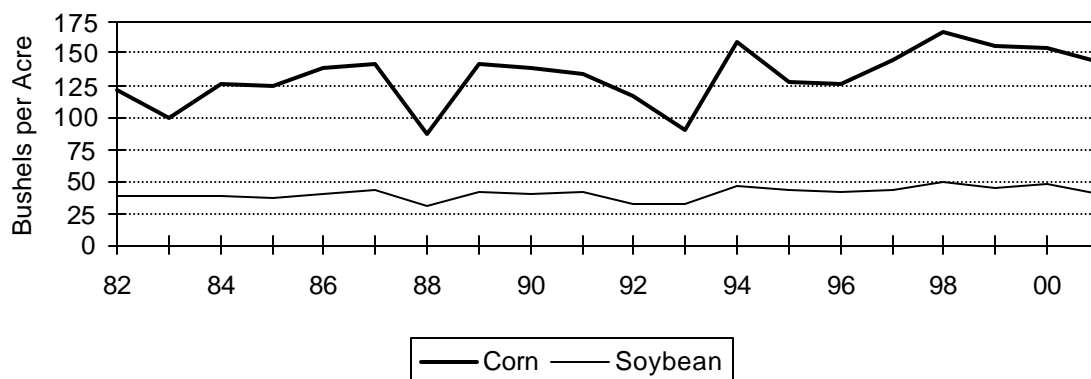


Figure 8. Net Farm Income by Type

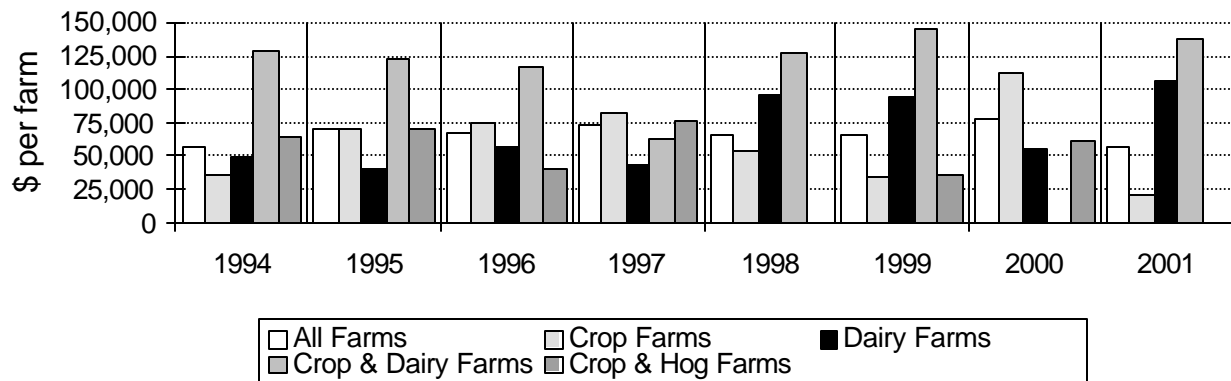


Figure 9. ROA by Type

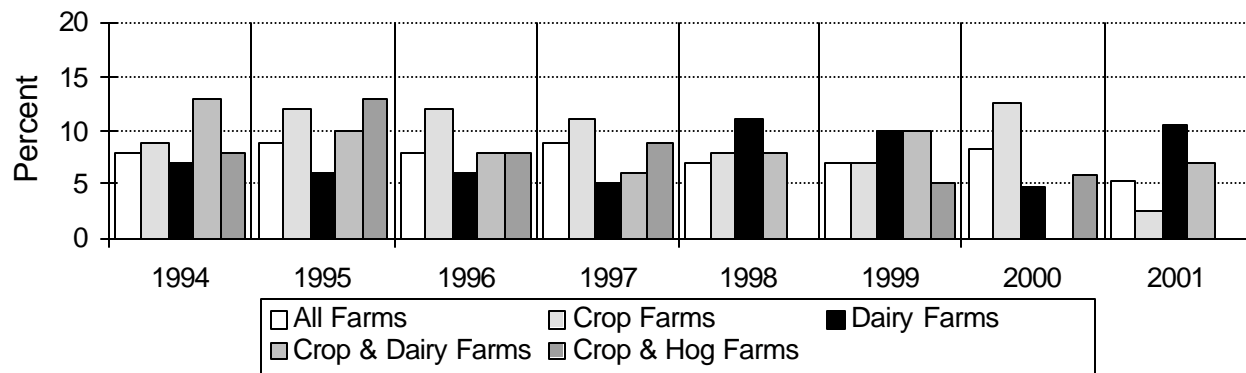
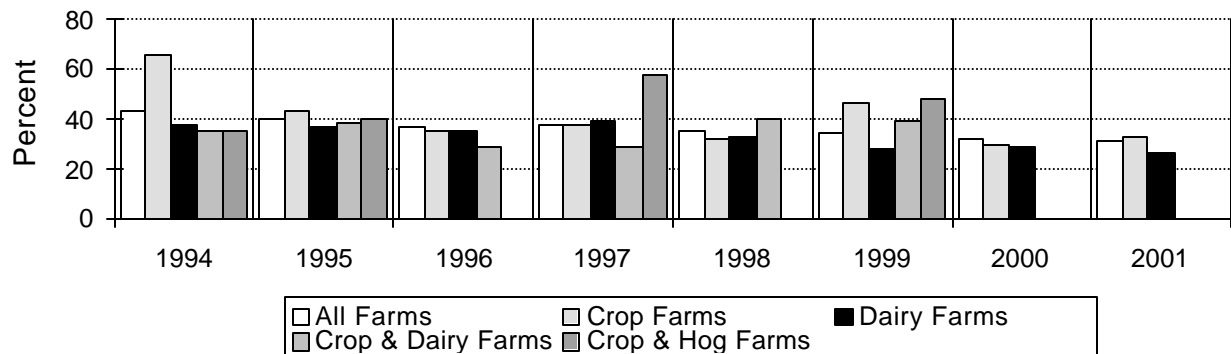


Figure 10. Debt-Asset Ratio by Type







# **2001 ANNUAL REPORT OF THE SOUTHEASTERN MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION**

by

Kent D. Olson, Lorin L. Westman, and Dale W. Nordquist<sup>1</sup>

This report summarizes the individual farm records of the members of the Southeastern Minnesota Farm Business Management Association for 2001.

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

Of the 92 farms in the Southeastern Association, the data for 59 farms are included in this report. The rest were omitted because the records were incomplete at the time that this report was prepared. In two separate studies the farmers who belong to a management association were found to be larger than the average farm reported by the agricultural census and were more likely to have livestock.

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

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

---

<sup>1</sup>Olson is Professor, University of Minnesota, Twin Cities; Westman is Extension Educator--Farm Management and Fieldman for the Association; Nordquist is Extension Economist--Farm Management, University of Minnesota, Twin Cities; Rann Loppnow, Assistant Extension Economist--Farm Management, University of Minnesota, Twin Cities, was the programmer for RankEm Central (the analysis package used to prepare this report).

**SOUTHEASTERN MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION**

**DISTRIBUTION OF MEMBERSHIP -- 2001**

---

County	Number of Members	Number of Records Submitted	Association Directors
<hr/>			
Dakota	9	7	Kevin Chamberlain
Dodge	4	4	Marlin Fay
Mower	1	1	
Steele	2	2	
Faribault	2	1	Mike Krenik
Freeborn	1	1	
LeSueur	1	1	
Nicollet	1	1	
Waseca	2	0	
Goodhue	18	10	Shari Chamberlain
Houston	7	3	James Luehmann
Winona	13	7	
Olmsted	14	12	James Vermilya
Fillmore	1	0	
Rice	3	1	Dave Woestehoff
Scott	3	4	
Wabasha	<u>8</u>	<u>4</u>	Richard Bremer
TOTAL	92	59	

Dave Woestehoff, President  
Robert Lamprecht, Secretary-Treasurer

---

# SOUTHEASTERN MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION

## TABLE OF CONTENTS

	Page
<b><i>Explanatory Notes for the Whole-farm Reports</i></b> .....	<b>4-9</b>
Farm Income Statement .....	10-11
Inventory Changes .....	12
Depreciation and Other Capital Adjustments .....	13
Profitability Measures .....	14
Liquidity Measures .....	15
Balance Sheet at COST Values .....	16
Balance Sheet at MARKET Values .....	17
Statement of Cash Flows .....	18
Financial Standard Measures .....	19
Crop Production and Marketing Summary .....	20
Household and Personal Expenses .....	21
Operator and Labor Information .....	22
Nonfarm Summary .....	23
<b><i>Explanatory Notes for Crops Tables</i></b> .....	<b>25</b>
Corn on Owned Land .....	26
Corn on Cash Rented Land .....	27
Soybeans on Owned Land .....	28
Soybeans on Cash Rented Land .....	29
Oats on Owned Land .....	30
Oats on Cash Rented Land .....	31
Hay, Alfalfa on Owned Land .....	32
Hay, Alfalfa on Cash Rented Land .....	33
Corn Silage on Owned Land .....	34
Corn Silage on Cash Rented Land .....	35
Pasture on Owned Land .....	36
CRP on Owned Land .....	37
<b><i>Explanatory Notes for Livestock Tables</i></b> .....	<b>39</b>
Dairy--Average Per Cow .....	40
Dairy Replacement Heifers--Average Per Head Sold/Trans. ....	41
Dairy and Replacement Heifers, Average Per Cow .....	42
Hogs, Farrow to Finish--Average Per Litter .....	43
Hogs, Farrow to Finish--Average Per Cwt Produced .....	44
Hogs, Finish Feeder Pigs--Average Per Head .....	45
Hogs, Finish Feeder Pigs--Average Per Cwt Produced .....	46
Hogs, Weaning to Finish--Average Per Head .....	47
Hogs, Weaning to Finish--Average Per Cwt. Produced .....	48
Hogs, contractee--Average Per Pig Space .....	49
Beef Cow-Calf--Average Per Cow .....	50
Beef, Finish Beef Calves--Average Per Head .....	51
Beef, Finish Beef Calves--Average Per Cwt Produced .....	52
Dairy Steers--Average Per Head .....	53
Dairy Steers--Average Per Cwt Produced .....	54
Prices Used in the Analysis .....	55
<b><i>Explanatory Notes for Summary Tables</i></b> .....	<b>57</b>
Financial Summary of the Whole-Farm Analysis by Years .....	58-59
Financial Summary -- by County .....	60
Financial Summary -- by Gross Farm Income .....	61
Financial Summary -- by Farm Type .....	62
Financial Summary -- by Age of Operator .....	63

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

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

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

### **Farm Income Statement**

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

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

### **Inventory Changes**

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

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

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

In the Southeast Association, the accounting method for calculating depreciation was not changed this year (2000). Instead of using tax depreciation, an alternative method has been and is used to estimate actual economic depreciation more closely. This method estimates depreciation as one-half of any expensing option used plus 10% of the sum of beginning cost basis plus boot purchases less basis of sales items for machinery and equipment. For buildings and other improvements, the percentage was 5%; for breeding stock, the percentage varied between 20 to 25%.

## **Profitability Measures**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## ***Liquidity Measures***

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

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

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

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

“Cash available for intermediate debt service” on the *cash* basis is “Total net income” minus “Family living and taxes” and “Real estate principal payments.” “Available for intermediate debt service” on the *accrual* basis is “Net accrual operating income” plus “Net nonfarm income” and minus “Family living and taxes” and “Real estate principal payments.”

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

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

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

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

## **Balance Sheets at Cost and Market Values**

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

## **Statement of Cash Flows**

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

## **Financial Standards Measures**

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

## ***Liquidity***

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

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

### ***Solvency (Market)***

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

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

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

### ***Profitability (Cost)***

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

The “rate of return on farm equity” represents the interest rate being earned on your farm net worth. If assets are valued at market value, this return can be compared to returns available if the assets were liquidated and invested in alternate investments. If assets are valued at cost value, this more closely represents the actual return on the funds that have been invested or retained in the business. The rate of return on farm equity is calculated as follows:  $\text{Rate of Return on Equity} = \text{Return on Farm Equity} \div \text{Average Farm Net Worth}$ , where:  $\text{Return on Farm Equity} = \text{Net Farm Income} - \text{Value of Operator's Labor \& Management}$ , and  $\text{Average Farm Net Worth} = (\text{Beginning Farm Net Worth} + \text{Ending Farm Net Worth}) \div 2$ .

“Operating profit margin” is a measure of the operating efficiency of the business. It is calculated as follows:  $\text{Operating Profit Margin} = \text{Return to Farm Assets} \div \text{Value of Farm Production}$ . If expenses are held in line relative to the value of output produced, the farm will have a healthy net profit margin. A low net profit margin may be caused by low prices, high operating expenses, or inefficient production.

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



## ***Repayment Capacity***

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

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

## ***Efficiency***

“Asset turnover rate” is a measure of efficiency in using capital. It is calculated as follows:  
 $\text{Asset Turnover Rate} = \text{Value of Farm Production} \div \text{Total Farm Assets}$ . This will be a market or cost rate depending on how the assets are valued.

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

The “operating expense ratio” is calculated as  $(\text{Total Farm Operating Expense} - \text{Farm Interest Expense}) \div \text{Gross Farm Income}$ . This ratio indicates the percent of the gross farm income that was used to pay operating expenses. Total farm operating expense is the accrual total operating expense.

The “depreciation expense ratio” is calculated as  $\text{Depreciation} \div \text{Gross Farm Income}$ . This ratio indicates the percent of the gross farm income that was used to cover depreciation and other capital adjustments.

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

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

## **Crop Production and Marketing Summary**

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

## **Household and Personal Expenses**

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

## **Operator and Labor Information**

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

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

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

## **Nonfarm Summary**

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

---

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

---

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	59	11	12
<b>Cash Farm Income</b>			
Corn	65,041	76,027	88,043
Hay, Alfalfa	1,711	866	-
Oats	787	87	1,689
Peas	773	-	1,295
Soybeans	39,828	15,679	62,340
Sweet Corn	668	-	-
Wheat, Spring	160	-	-
Miscellaneous crop income	884	-	18
Beef Cow-Calf, Beef Calves	617	-	-
Beef, Finish Beef Calves	8,657	5,687	795
Dairy, Milk	154,127	38,309	518,333
Dairy, Dairy Calves	809	-	2,484
Dairy Heifers (for sale)	1,061	-	-
Dairy Replacement Heifers	4,794	130	11,415
Dairy Steers	4,716	2,424	11,864
Hogs, Farrow-Fin, Raised Hogs	3,809	10,203	-
Hogs, Feeder Pigs, Feeder Pigs	418	-	-
Hogs, Finish Feeder Pigs	12,490	-	7,210
Hogs, Contractee	1,647	-	-
Cull breeding livestock	7,009	2,370	17,247
Misc. livestock income	1,500	-	1,216
Transistion payments	35,660	20,852	55,872
CRP payments	284	72	280
Other government payments	4,283	1,154	1,908
Custom work income	3,971	5,170	6,043
Patronage dividends, cash	3,181	2,423	4,708
Insurance income	2,030	930	1,038
Cash from hedging accts	674	727	-
Other farm income	4,228	1,580	5,734
Gross Cash Farm Income	365,819	184,688	799,531

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

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	59	11	12
<b>Cash Farm Expense</b>			
Seed	17,337	11,145	21,645
Fertilizer	16,696	12,525	22,614
Crop chemicals	13,928	11,808	27,302
Crop insurance	3,217	3,232	2,214
Drying fuel	3,096	3,884	3,780
Irrigation energy	106	-	522
Crop marketing	1,416	3,466	61
Crop miscellaneous	1,085	1,213	1,485
Feeder livestock purchase	10,918	818	4,678
Purchased feed	44,514	17,695	131,109
Breeding fees	3,244	1,334	6,321
Veterinary	7,045	1,915	19,940
Livestock supplies	12,789	4,758	42,314
DHIA	416	146	611
Livestock leases	115	-	92
Livestock marketing	1,372	213	3,072
Interest	19,291	15,264	28,453
Fuel & oil	8,534	7,170	14,954
Repairs	24,063	19,965	44,760
Custom hire	14,127	4,119	32,857
Hired labor	21,280	10,880	60,401
Owner wages & benefits	1,036	273	1,333
Land rent	25,399	14,769	27,330
Machinery & bldg leases	3,490	2,653	542
Real estate taxes	4,935	3,836	9,574
Farm insurance	3,886	3,277	6,121
Utilities	5,344	3,203	10,010
Dues & professional fees	37	-	126
Hedging account deposits	1,895	3,455	1,508
Miscellaneous	4,257	2,649	8,000
Total cash expense	274,867	165,663	533,728
Net cash farm income	90,952	19,025	265,803
<b>Inventory Changes</b>			
Crops and feed	-16,979	-23,274	-19,505
Market livestock	1,484	3,190	2,017
Accounts receivable	-771	750	88
Prepaid expenses and supplies	9,266	1,980	11,401
Accounts payable	521	-1,090	8,036
Total inventory change	-6,480	-18,444	2,038
Net operating profit	84,472	581	267,841
<b>Depreciation and Other Capital Adjustments</b>			
Breeding livestock	-6,960	-6,803	-22,951
Machinery and equipment	-11,665	-7,764	-20,495
Buildings and improvements	-4,637	-1,215	-10,798
Other farm capital	-232	-1,726	-
Total depr. and other capital adj	-23,494	-17,508	-54,243
Net farm income	60,978	-16,927	213,598

---

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

---

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	59	11	12
Net cash farm income	90,952	19,025	265,803
<b>Crops and Feed</b>			
Ending inventory	109,322	47,564	196,097
Beginning inventory	126,301	70,838	215,602
Inventory change	-16,979	-23,274	-19,505
<b>Market Livestock</b>			
Ending inventory	44,774	26,207	79,379
Beginning inventory	43,290	23,017	77,361
Inventory change	1,484	3,190	2,017
<b>Accts Receivable &amp; Other Current Assets</b>			
Ending inventory	2,298	3,100	1,260
Beginning inventory	3,069	2,350	1,171
Inventory change	-771	750	88
<b>Prepaid Expenses and Supplies</b>			
Ending inventory	26,650	4,310	45,204
Beginning inventory	17,384	2,330	33,803
Inventory change	9,266	1,980	11,401
<b>Accounts Payable &amp; Accrued Expenses</b>			
Beginning inventory	4,119	500	8,942
Ending inventory	3,599	1,590	906
Inventory change	521	-1,090	8,036
Total inventory change	-6,480	-18,444	2,038
Net operating profit	84,472	581	267,841

---

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

---

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	59	11	12
Net operating profit	84,472	581	267,841
<b>Breeding Livestock</b>			
Ending inventory	55,308	16,330	161,517
Capital sales	765	-	2,701
Beginning inventory	54,425	18,735	153,871
Capital purchases	8,608	4,398	33,297
Depreciation, capital adjust.	-6,960	-6,803	-22,951
<b>Machinery and Equipment</b>			
Ending inventory	166,280	124,349	320,883
Capital sales	927	1,818	12
Beginning inventory	151,672	112,287	304,865
Capital purchases	27,200	21,644	36,524
Depreciation, capital adjust.	-11,665	-7,764	-20,495
<b>Buildings and Improvements</b>			
Ending inventory	94,669	36,919	255,243
Capital sales	-	-	-
Beginning inventory	84,716	35,649	235,180
Capital purchases	14,589	2,485	30,860
Depreciation, capital adjust.	-4,637	-1,215	-10,798
<b>Other Capital Assets</b>			
Ending inventory	9,869	8,894	13,356
Capital sales	-	-	-
Beginning inventory	7,847	10,620	10,606
Capital purchases	2,254	-	2,750
Depreciation, capital adjust.	-232	-1,726	-
Total depreciation, capital adj.	-23,494	-17,508	-54,243
Net farm income	60,978	-16,927	213,598

---

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

---

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	59	11	12
<b>Profitability (assets valued at cost)</b>			
Net farm income	60,978	-16,927	213,598
Labor and management earnings	26,509	-34,928	131,774
Rate of return on assets	5.7 %	-3.4 %	10.5 %
Rate of return on equity	5.0 %	-11.2 %	11.3 %
Operating profit margin	16.9 %	-11.7 %	29.3 %
Asset turnover rate	33.9 %	28.6 %	36.0 %
Interest on farm net worth	34,469	18,001	81,824
Farm interest expense	20,057	16,181	28,453
Value of operator lbr and mgmt.	32,588	15,682	59,583
Return on farm assets	48,447	-16,428	182,468
Average farm assets	848,099	489,125	1,733,009
Return on farm equity	28,390	-32,609	154,015
Average farm equity	569,029	290,089	1,363,741
Value of farm production	287,161	140,037	623,394

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	59	11	12
<b>Profitability (assets valued at market)</b>			
Net farm income	74,488	2,525	223,631
Labor and management earnings	21,712	-36,461	113,807
Rate of return on assets	4.8 %	0.3 %	7.8 %
Rate of return on equity	4.8 %	-2.0 %	9.0 %
Operating profit margin	21.6 %	2.2 %	30.9 %
Asset turnover rate	22.3 %	14.3 %	25.2 %
Interest on farm net worth	52,776	38,986	109,824
Farm interest expense	20,057	16,181	28,453
Value of operator lbr and mgmt.	32,588	15,682	59,583
Return on farm assets	61,956	3,024	192,501
Average farm assets	1,286,254	982,663	2,469,464
Return on farm equity	41,900	-13,157	164,048
Average farm equity	879,600	649,770	1,830,396
Value of farm production	287,161	140,037	623,394

---

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

---

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	59	11	12
<b>Liquidity (cash)</b>			
Net cash farm income	90,952	19,025	265,803
Net nonfarm income	27,379	48,605	12,590
Family living and taxes	57,316	41,813	97,998
Real estate principal payments	2,222	-	9,298
Cash available for interm. debt	58,793	25,817	171,097
Average intermediate debt	81,881	43,853	139,865
Years to turnover interm. debt	1.4	1.7	0.8
Expense as a % of income	75 %	90 %	67 %
Interest as a % of income	5 %	8 %	4 %
<b>Liquidity (accrual)</b>			
Total accrual farm income	349,553	165,354	782,131
Total accrual operating expense	265,081	164,773	514,290
Net accrual operating income	84,472	581	267,841
Net nonfarm income	27,379	48,605	12,590
Family living and taxes	57,316	41,813	97,998
Real estate principal payments	2,222	-	9,298
Available for intermediate debt	52,313	7,373	173,135
Average intermediate debt	81,881	43,853	139,865
Years to turnover interm. debt	1.6	5.9	0.8
Expense as a % of income	76 %	100 %	66 %
Interest as a % of income	6 %	10 %	4 %



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

	<b>Avg. Of All Farms</b>		<b>Low 20%</b>		<b>High 20%</b>	
Number of farms	45		9		8	
	<u>Beginning</u>	<u>Ending</u>	<u>Beginning</u>	<u>Ending</u>	<u>Beginning</u>	<u>Ending</u>
<b>Assets</b>						
Current Farm Assets						
Cash and checking balance	19,769	16,454	26,432	31,942	47,302	34,544
Prepaid expenses & supplies	15,949	26,795	2,848	4,783	24,642	37,533
Growing crops	0	0	0	0	0	0
Accounts receivable	2,698	2,145	2,610	3,722	1,493	0
Hedging accounts	812	393	262	67	0	0
Crops held for sale or feed	110,128	92,771	74,738	49,033	131,946	122,699
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	38,060	39,947	9,045	9,681	65,586	70,733
Other current assets	272	56	0	0	0	0
Total current farm assets	187,688	178,560	115,935	99,228	270,968	265,508
Intermediate Farm Assets						
Breeding livestock	41,524	40,243	3,689	1,193	124,875	120,688
Machinery and equipment	139,966	155,803	119,092	132,135	263,614	279,724
Other intermediate assets	1,246	4,269	3,898	1,789	0	0
Total intermediate farm assets	182,737	200,315	126,679	135,118	388,489	400,411
Long Term Farm Assets						
Farm land	241,175	250,236	206,347	206,347	233,651	237,477
Buildings and improvements	67,734	76,067	30,110	30,125	174,773	190,694
Other long-term assets	7,175	6,071	9,082	9,082	6,408	6,408
Total long-term farm assets	316,084	332,374	245,539	245,554	414,832	434,579
Total Farm Assets	686,508	711,249	488,152	479,899	1,074,289	1,100,499
Total Nonfarm Assets	150,167	167,160	143,216	141,681	247,548	265,213
Total Assets	836,676	878,408	631,369	621,581	1,321,837	1,365,712
<b>Liabilities</b>						
Current Farm Liabilities						
Accrued interest	1,147	2,150	0	1,121	0	0
Accounts payable	1,457	2,351	611	822	0	136
Current notes	41,902	52,794	54,906	73,197	33,699	17,000
Government crop loans	0	0	0	0	0	0
Principal due on term debt	1,039	1,497	1,556	735	506	450
Total current farm liabilities	45,544	58,792	57,073	75,876	34,206	17,586
Total intermediate farm liabs	75,378	73,670	55,162	24,661	121,057	105,064
Total long term farm liabilities	142,396	142,546	90,515	102,773	126,824	118,667
Total farm liabilities	263,319	275,008	202,749	203,310	282,086	241,316
Total nonfarm liabilities	11,485	20,352	11,302	9,881	0	0
Total liabilities	274,804	295,360	214,051	213,190	282,086	241,316
Net worth (farm and nonfarm)	561,872	583,049	417,317	408,390	1,039,751	1,124,395
Net worth change		21,177		-8,927		84,644
<b>Ratio Analysis</b>						
Current farm liabilities / assets	24 %	33 %	49 %	76 %	13 %	7 %
Curr. & interm farm liab. / assets	33 %	35 %	46 %	43 %	24 %	18 %
Long term farm liab. / assets	45 %	43 %	37 %	42 %	31 %	27 %
Total debt to asset ratio	33 %	34 %	34 %	34 %	21 %	18 %

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

	<u>Avg. Of All Farms</u>		<u>Low 20%</u>		<u>High 20%</u>	
Number of farms	45		9		8	
	<u>Beginning</u>	<u>Ending</u>	<u>Beginning</u>	<u>Ending</u>	<u>Beginning</u>	<u>Ending</u>
<b>Assets</b>						
Current Farm Assets						
Cash and checking balance	19,769	16,454	26,432	31,942	47,302	34,544
Prepaid expenses & supplies	15,949	26,795	2,848	4,783	24,642	37,533
Growing crops	0	0	0	0	0	0
Accounts receivable	2,698	2,145	2,610	3,722	1,493	0
Hedging accounts	812	393	262	67	0	0
Crops held for sale or feed	110,128	92,771	74,738	49,033	131,946	122,699
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	38,060	39,947	9,045	9,681	65,586	70,733
Other current assets	272	56	0	0	0	0
Total current farm assets	187,688	178,560	115,935	99,228	270,968	265,508
Intermediate Farm Assets						
Breeding livestock	41,560	40,243	2,800	1,193	124,875	120,688
Machinery and equipment	182,346	198,488	157,918	169,353	329,255	353,569
Other intermediate assets	1,246	4,269	3,898	1,789	0	0
Total intermediate farm assets	225,151	243,001	164,616	172,335	454,130	474,256
Long Term Farm Assets						
Farm land	491,702	516,621	503,845	519,812	651,965	667,715
Buildings and improvements	90,743	99,268	44,444	44,556	225,125	239,500
Other long-term assets	7,281	6,745	9,278	9,278	6,408	6,408
Total long-term farm assets	589,726	622,634	557,567	573,645	883,498	913,623
Total Farm Assets	1,002,565	1,044,195	838,118	845,208	1,608,596	1,653,387
Total Nonfarm Assets	165,684	183,156	164,201	165,111	261,763	282,831
Total Assets	1,168,249	1,227,350	1,002,319	1,010,319	1,870,359	1,936,218
<b>Liabilities</b>						
Current Farm Liabilities						
Accrued interest	1,147	2,150	0	1,121	0	0
Accounts payable	1,457	2,351	611	822	0	136
Current notes	41,902	52,794	54,906	73,197	33,699	17,000
Government crop loans	0	0	0	0	0	0
Principal due on term debt	1,039	1,497	1,556	735	506	450
Total current farm liabilities	45,544	58,792	57,073	75,876	34,206	17,586
Total intermediate farm liabs	75,378	73,670	55,162	24,661	121,057	105,064
Total long term farm liabilities	142,396	142,546	90,515	102,773	126,824	118,667
Total farm liabilities	263,319	275,008	202,749	203,310	282,086	241,316
Total nonfarm liabilities	11,485	20,352	11,302	9,881	0	0
Total liabs excluding deferreds	274,804	295,360	214,051	213,190	282,086	241,316
Total deferred liabilities	88,049	88,867	90,383	92,605	135,880	138,530
Total liabilities	362,852	384,227	304,434	305,795	417,966	379,846
Retained earnings	561,872	583,049	417,317	408,390	1,039,751	1,124,395
Market valuation equity	243,525	260,075	280,568	296,133	412,642	431,977
Net worth (farm and nonfarm)	805,397	843,123	697,885	704,523	1,452,393	1,556,372
Net worth excluding deferreds	893,445	931,991	788,268	797,128	1,588,273	1,694,902
Net worth change		37,727		6,638		103,979
<b>Ratio Analysis</b>						
Current farm liabilities / assets	24 %	33 %	49 %	76 %	13 %	7 %
Curr. & interm farm liab. / assets	29 %	31 %	40 %	37 %	21 %	17 %
Long term farm liab. / assets	24 %	23 %	16 %	18 %	14 %	13 %
Total debt to asset ratio	31 %	31 %	30 %	30 %	22 %	20 %
Debt to assets excl deferreds	24 %	24 %	21 %	21 %	15 %	12 %

---

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

---

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	59	11	12
Beginning cash (farm & nonfarm)	29,745	26,872	57,838
<b>Cash From Operating Activities</b>			
Gross cash farm income	365,819	184,688	799,531
Net nonfarm income	27,379	48,605	12,590
Total cash farm expense	-274,867	-165,663	-533,728
Apparent family living expense	-49,879	-35,431	-87,484
Income and social security tax	-7,437	-6,382	-10,514
Cash from operations	61,015	25,817	180,395
<b>Cash From Investing Activities</b>			
Sale of breeding livestock	765	-	2,701
Sale of machinery & equipment	927	1,818	12
Sale of farm land	-	-	-
Sale of farm buildings	-	-	-
Sale of other farm assets	-	-	-
Sale of nonfarm assets	659	1,533	-
Purchase of breeding livestock	-8,608	-4,398	-33,297
Purchase of machinery & equip.	-27,200	-21,644	-36,524
Purchase of farm land	-11,598	-	-17,917
Purchase of farm buildings	-14,589	-2,485	-30,860
Purchase of other farm assets	-2,254	-	-2,750
Purchase of nonfarm assets	-15,135	-1,131	-13,702
Cash from investing activities	-77,034	-26,306	-132,337
<b>Cash From Financing Activities</b>			
Money borrowed	106,736	143,423	56,656
Cash gifts and inheritances	2,374	45	158
Principal payments	-94,150	-141,555	-107,674
Dividends paid	-	-	-
Gifts given	-276	-	-
Cash from financing activities	14,685	1,914	-50,861
Net change in cash balance	-1,334	1,424	-2,803
Ending cash (farm & nonfarm)	28,411	28,297	55,034

---

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

---

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	59	11	12
<b>Liquidity</b>			
Current ratio	3.72	1.65	9.75
Working capital	150,292	42,834	326,936
<b>Solvency (market)</b>			
Farm debt to asset ratio	31 %	34 %	24 %
Farm equity to asset ratio	69 %	66 %	76 %
Farm debt to equity ratio	46 %	51 %	32 %
<b>Profitability (cost)</b>			
Rate of return on farm assets	5.7 %	-3.4 %	10.5 %
Rate of return on farm equity	5.0 %	-11.2 %	11.3 %
Operating profit margin	16.9 %	-11.7 %	29.3 %
Net farm income	60,978	-16,927	213,598
<b>Repayment Capacity</b>			
Term debt coverage ratio	n/a	n/a	n/a
Capital replacement margin	n/a	n/a	n/a
<b>Efficiency</b>			
Asset turnover rate (cost)	33.9 %	28.6 %	36.0 %
Operating expense ratio	70.1 %	89.9 %	62.1 %
Depreciation expense ratio	6.7 %	10.6 %	6.9 %
Interest expense ratio	5.7 %	9.8 %	3.6 %
Net farm income ratio	17.4 %	-10.2 %	27.3 %

---

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

---

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	59	11	12
<b>Acreage Summary</b>			
Total acres owned	336	201	594
Total crop acres	577	436	812
Crop acres owned	301	204	585
Crop acres cash rented	275	232	227
Crop acres share rented	2	-	-
Total pasture acres	11	11	7
<b>Average Price Received (Cash Sales Only)</b>			
Corn per bushel	1.88	1.84	1.92
Soybeans per bushel	4.43	4.28	4.49
Oats per bushel	1.40	-	-
Hay, Alfalfa per ton	67.31	-	-
<b>Average Yield Per Acre</b>			
Corn (bushel)	143.34	128.83	153.06
Soybeans (bushel)	39.70	35.93	46.46
Hay, Alfalfa (ton)	3.81	2.23	4.07
Corn Silage (ton)	17.91	16.23	18.52
Oats (bushel)	76.74	-	77.77
Oatlage (ton)	4.48	-	-
Peas (lb)	2,822.59	-	-
Barley (bushel)	52.83	-	-

---

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

---

	<u>Avg. Of All Farms</u>
Number of farms	18
Average family size	3.6
Family Living Expenses	
Food and meals expense	4,954
Medical care and health insurance	5,884
Cash donations	2,600
Household supplies	5,083
Clothing	1,176
Personal care	1,672
Child / Dependent care	725
Gifts	3,014
Education	1,178
Recreation	2,396
Utilities (household share)	1,969
Nonfarm vehicle operating expense	3,766
Household real estate taxes	459
Dwelling rent	-
Household repairs	651
Nonfarm interest	1,089
Life insurance payments	1,528
Total cash family living expense	38,144
Family living from the farm	100
Total family living	38,244
Other Nonfarm Expenditures	
Income taxes	10,207
Furnishing & appliance purchases	-
Nonfarm vehicle purchases	4,462
Nonfarm real estate purchases	9,519
Other nonfarm capital purchases	14,754
Nonfarm savings & investments	4,255
Total other nonfarm expenditures	43,197
Total cash family living investment & nonfarm capital purch	81,341

---

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

---

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	59	11	12
<b>Operator Information</b>			
Average number of operators	1.2	1.1	1.4
Average age of operators	49.8	53.4	50.3
Average number of years farming	27.1	31.0	25.5
<b>Results Per Operator</b>			
Working capital	121,469	39,265	230,778
Total assets (market)	1,198,535	1,068,194	1,916,042
Total liabilities	448,814	438,823	622,570
Net worth (market)	749,721	629,371	1,293,472
Net worth excl deferred liabs	853,232	752,908	1,484,849
Gross farm income	282,515	151,575	552,093
Total farm expense	233,232	167,091	401,317
Net farm income	49,284	-15,516	150,775
Net nonfarm income	22,128	44,554	8,887
Family living withdrawals	46,324	38,329	69,175
Total acres owned	271.3	184.4	419.4
Total crop acres	466.7	400.1	573.0
Crop acres owned	243.0	187.1	412.8
Crop acres cash rented	221.9	213.0	160.3
Crop acres share rented	1.8	-	-
Total pasture acres	8.9	10.3	4.7
<b>Labor Analysis</b>			
Number of farms	59	11	12
Total unpaid labor hours	3,474	2,191	6,222
Total hired labor hours	1,627	609	4,822
Total labor hours per farm	5,101	2,800	11,044
Unpaid hours per operator	2,808	2,008	4,392
Value of farm production / hour	56.29	50.01	56.45
Net farm income / unpaid hour	17.55	-7.73	34.33
<b>Partnerships</b>			
Number of farms	13	2	4
Number of operators	2.0	-	-
Owner withdrawals per farm	114,786	-	-
Withdrawals per operator	57,393	-	-

---

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

---

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	59	11	12
<b>Nonfarm Income</b>			
Nonfarm wages & salary	16,424	27,671	3,611
Nonfarm business income	7,049	17,419	903
Nonfarm rental income	1,591	1,170	2,912
Nonfarm interest income	1,467	1,240	4,128
Nonfarm cash dividends	34	6	-
Tax refunds	805	1,099	991
Gifts and inheritances	2,374	45	158
Other nonfarm income	11	-	45
Total nonfarm income	29,753	48,650	12,747
<b>Nonfarm Assets (market)</b>			
Checking & savings	5,810	791	12,667
Stocks & bonds	11,460	2,945	17,609
Other current assets	10,074	7,190	36,904
Furniture & appliances	7,441	21,864	3,500
Nonfarm vehicles	6,490	7,817	4,167
Cash value of life ins.	12,935	8,510	7,667
Retirement accounts	25,898	24,265	33,337
Other intermediate assets	13,162	9,143	20,346
Nonfarm real estate	60,071	87,909	38,075
Other long term assets	20,880	4,935	35,254
Total nonfarm assets	174,222	175,368	209,525
<b>Nonfarm Liabilities</b>			
Accrued interest	-	-	-
Accounts payable	-	-	-
Current notes	153	-	-
Princ due on term debt	-	-	-
Total current liabilities	153	-	-
Intermediate liabilities	526	1,139	-
Long term liabilities	16,689	6,946	-
Total nonfarm liabilities	17,368	8,084	-
Nonfarm net worth	156,853	167,284	209,525
Nonfarm debt to asset ratio	10 %	5 %	- %





## **EXPLANATORY NOTES FOR CROPS TABLES**

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

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

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

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

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

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

**Corn on Owned Land**

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of fields	47	8	9
Number of farms	44	8	9
Acres	149.83	89.71	242.04
Yield per acre (bushel)	142.66	138.21	152.97
Operators share of yield %	100.00	100.00	100.00
Value per bushel	1.76	1.76	1.76
Total product return per acre	251.08	243.25	269.24
Miscellaneous income per acre	5.68	-	3.00
Gross return per acre	256.75	243.25	272.24
<b>Direct Expenses</b>			
Seed	37.79	43.06	39.81
Fertilizer	48.23	47.19	48.80
Crop chemicals	32.24	40.42	28.55
Crop insurance	5.15	6.38	4.74
Drying fuel	11.93	18.39	11.98
Fuel & oil	11.74	14.39	11.35
Repairs	28.42	27.40	26.57
Custom hire	8.50	7.57	2.31
Operating interest	5.60	18.03	1.77
Miscellaneous	0.38	-	0.13
Total direct expenses per acre	189.98	222.82	176.01
Return over direct exp per acre	66.77	20.43	96.23
<b>Overhead Expenses</b>			
Custom hire	2.94	0.56	4.92
Hired labor	8.48	13.36	6.03
Machinery & bldg leases	2.00	4.35	0.51
RE & pers. property taxes	12.80	10.05	14.04
Farm insurance	4.25	3.96	3.05
Utilities	1.85	1.03	1.98
Interest	32.31	62.82	13.15
Mach & bldg depreciation	18.26	24.31	15.13
Miscellaneous	3.41	2.86	1.31
Total overhead expenses per acre	86.31	123.29	60.13
Total dir & ovhd expenses per acre	276.29	346.11	236.14
Net return per acre	-19.54	-102.86	36.10
Lbr & mgt charge per acre	28.64	27.58	20.45
Net return over lbr & mgt	-48.18	-130.44	15.65
Government payments	34.31	42.75	36.84
Net return with govt payments	-13.87	-87.69	52.49
<b>Cost of Production</b>			
Total direct expense per bushel	1.33	1.61	1.15
Total dir & ovhd exp per bushel	1.94	2.50	1.54
With labor & management	2.14	2.70	1.68
Total exp less govt & oth income	1.86	2.39	1.42
Est. labor hours per acre	3.18	4.11	2.65

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

**Corn on Cash Rent**

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of fields	51	9	12
Number of farms	42	8	8
Acres	151.84	211.29	90.86
Yield per acre (bushel)	144.07	145.41	148.72
Operators share of yield %	100.00	100.00	100.00
Value per bushel	1.76	1.76	1.76
Total product return per acre	253.56	255.92	261.75
Miscellaneous income per acre	3.82	1.92	7.63
Gross return per acre	257.38	257.84	269.38
<b>Direct Expenses</b>			
Seed	37.11	36.73	36.96
Fertilizer	50.68	59.97	36.92
Crop chemicals	30.91	28.07	30.30
Crop insurance	5.81	3.24	7.49
Drying fuel	13.92	19.35	7.83
Fuel & oil	12.25	12.79	13.27
Repairs	23.60	21.33	26.39
Custom hire	4.61	11.66	3.32
Land rent	95.49	106.93	81.71
Operating interest	6.41	11.02	4.65
Miscellaneous	0.45	0.31	-
Total direct expenses per acre	281.25	311.41	248.84
Return over direct exp per acre	-23.87	-53.56	20.55
<b>Overhead Expenses</b>			
Custom hire	3.74	11.41	0.45
Hired labor	11.89	17.49	2.92
Machinery & bldg leases	6.16	1.61	-
Farm insurance	3.80	2.79	3.70
Utilities	2.06	0.90	2.01
Interest	6.00	10.49	3.23
Mach & bldg depreciation	16.83	24.38	13.79
Miscellaneous	3.94	4.16	4.08
Total overhead expenses per acre	54.42	73.23	30.17
Total dir & ovhd expenses per acre	335.67	384.64	279.01
Net return per acre	-78.29	-126.79	-9.62
Lbr & mgt charge per acre	23.60	25.37	40.44
Net return over lbr & mgt	-101.88	-152.16	-50.06
Government payments	35.64	37.52	39.73
Net return with govt payments	-66.24	-114.64	-10.33
<b>Cost of Production</b>			
Total direct expense per bushel	1.95	2.14	1.67
Total dir & ovhd exp per bushel	2.33	2.65	1.88
With labor & management	2.49	2.82	2.15
Total exp less govt & oth income	2.22	2.55	1.83
Est. labor hours per acre	2.60	2.51	4.16

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

**Soybeans on Owned Land**

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of fields	40	7	7
Number of farms	37	7	7
Acres	140.49	170.00	253.14
Yield per acre (bushel)	39.91	27.69	45.99
Operators share of yield %	100.00	100.00	100.00
Value per bushel	5.12	5.12	5.12
Total product return per acre	204.35	141.78	235.48
Miscellaneous income per acre	1.96	-	-
Gross return per acre	206.31	141.78	235.48
<b>Direct Expenses</b>			
Seed	22.00	24.28	17.52
Fertilizer	2.37	4.58	3.87
Crop chemicals	18.36	20.32	19.02
Crop insurance	7.18	4.77	8.62
Fuel & oil	9.02	9.40	7.97
Repairs	19.86	24.35	14.24
Custom hire	6.82	16.15	0.18
Operating interest	3.99	2.78	1.37
Miscellaneous	0.26	0.07	0.26
Total direct expenses per acre	89.86	106.68	73.04
Return over direct exp per acre	116.45	35.10	162.44
<b>Overhead Expenses</b>			
Custom hire	3.35	7.21	1.64
Hired labor	6.40	7.37	1.61
Machinery & bldg leases	1.80	4.42	0.71
RE & pers. property taxes	13.55	12.13	14.73
Farm insurance	3.73	4.13	2.95
Utilities	1.43	1.14	1.83
Interest	34.11	30.95	19.06
Mach & bldg depreciation	13.80	14.17	13.16
Miscellaneous	2.87	2.54	1.44
Total overhead expenses per acre	81.03	84.05	57.14
Total dir & ovhd expenses per acre	170.89	190.74	130.18
Net return per acre	35.42	-48.95	105.30
Lbr & mgt charge per acre	23.41	27.87	19.85
Net return over lbr & mgt	12.01	-76.82	85.45
Government payments	40.21	29.91	45.89
Net return with govt payments	52.22	-46.91	131.33
<b>Cost of Production</b>			
Total direct expense per bushel	2.25	3.85	1.59
Total dir & ovhd exp per bushel	4.28	6.89	2.83
With labor & management	4.87	7.89	3.26
Total exp less govt & oth income	3.81	6.81	2.26
Est. labor hours per acre	2.11	2.83	1.58

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

**Soybeans on Cash Rent**

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of fields	48	6	8
Number of farms	32	6	6
Acres	125.53	142.37	180.78
Yield per acre (bushel)	39.46	31.74	47.84
Operators share of yield %	100.00	100.00	100.00
Value per bushel	5.12	5.12	5.12
Total product return per acre	202.04	162.50	244.94
Miscellaneous income per acre	3.50	0.40	0.71
Gross return per acre	205.53	162.90	245.65
<b>Direct Expenses</b>			
Seed	22.71	23.70	16.65
Fertilizer	3.62	11.15	8.40
Crop chemicals	17.96	11.26	21.90
Crop insurance	6.22	7.50	2.82
Fuel & oil	9.33	10.67	7.28
Repairs	17.74	21.46	14.73
Custom hire	4.52	3.91	0.52
Land rent	94.41	92.63	109.87
Operating interest	5.44	8.09	1.68
Miscellaneous	0.22	-	0.06
Total direct expenses per acre	182.16	190.37	183.91
Return over direct exp per acre	23.37	-27.47	61.74
<b>Overhead Expenses</b>			
Custom hire	2.83	2.78	1.70
Hired labor	6.64	16.99	0.15
Machinery & bldg leases	6.35	3.79	0.68
Farm insurance	3.57	2.02	2.71
Utilities	1.55	1.08	1.58
Interest	4.75	4.11	1.82
Mach & bldg depreciation	11.97	12.41	13.96
Miscellaneous	3.54	3.07	0.86
Total overhead expenses per acre	41.20	46.24	23.45
Total dir & ovhd expenses per acre	223.36	236.61	207.36
Net return per acre	-17.83	-73.71	38.29
Lbr & mgt charge per acre	20.30	23.17	21.04
Net return over lbr & mgt	-38.13	-96.88	17.25
Government payments	41.09	40.09	44.11
Net return with govt payments	2.96	-56.79	61.36
<b>Cost of Production</b>			
Total direct expense per bushel	4.62	6.00	3.84
Total dir & ovhd exp per bushel	5.66	7.45	4.33
With labor & management	6.17	8.19	4.77
Total exp less govt & oth income	5.04	6.91	3.84
Est. labor hours per acre	1.98	2.60	1.74

---

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

---

**Oats on Owned Land**

---

	<u><b>Avg. Of All Farms</b></u>
Number of fields	9
Number of farms	9
Acres	17.12
Yield per acre (bushel)	69.71
Operators share of yield %	100.00
Value per bushel	1.00
Total product return per acre	69.71
Miscellaneous income per acre	48.12
Gross return per acre	117.83
<b>Direct Expenses</b>	
Seed	8.57
Crop chemicals	2.58
Fuel & oil	8.22
Repairs	18.99
Custom hire	16.77
Operating interest	1.56
Total direct expenses per acre	56.68
Return over direct exp per acre	61.14
<b>Overhead Expenses</b>	
Custom hire	3.95
Hired labor	8.38
RE & pers. property taxes	9.93
Farm insurance	3.77
Utilities	1.25
Dues & professional fees	0.50
Interest	10.03
Mach & bldg depreciation	14.82
Miscellaneous	2.37
Total overhead expenses per acre	54.99
Total dir & ovhd expenses per acre	111.68
Net return per acre	6.15
Lbr & mgt charge per acre	20.20
Net return over lbr & mgt	-14.05
Government payments	20.28
Net return with govt payments	6.23
<b>Cost of Production</b>	
Total direct expense per bushel	0.81
Total dir & ovhd exp per bushel	1.60
With labor & management	1.89
Total exp less govt & oth income	0.91
Est. labor hours per acre	3.16

---

**Crop Enterprise Analysis**  
**Southeast 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	6
Number of farms	6
Acres	18.73
Yield per acre (bushel)	87.76
Operators share of yield %	100.00
Value per bushel	1.00
Total product return per acre	87.76
Miscellaneous income per acre	41.80
Gross return per acre	129.56
<b>Direct Expenses</b>	
Seed	7.42
Fertilizer	6.53
Crop chemicals	2.59
Fuel & oil	7.74
Repairs	17.55
Custom hire	18.16
Land rent	90.61
Operating interest	5.10
Total direct expenses per acre	155.70
Return over direct exp per acre	-26.14
<b>Overhead Expenses</b>	
Custom hire	2.44
Hired labor	6.06
Machinery & bldg leases	2.53
Farm insurance	3.67
Utilities	0.95
Interest	1.86
Mach & bldg depreciation	9.51
Miscellaneous	2.04
Total overhead expenses per acre	29.05
Total dir & ovhd expenses per acre	184.75
Net return per acre	-55.19
Lbr & mgt charge per acre	17.34
Net return over lbr & mgt	-72.52
Government payments	32.27
Net return with govt payments	-40.26
<b>Cost of Production</b>	
Total direct expense per bushel	1.77
Total dir & ovhd exp per bushel	2.11
With labor & management	2.30
Total exp less govt & oth income	1.46
Est. labor hours per acre	1.86



---

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

---

**Hay, Alfalfa on Owned Land**

---

	<u><b>Avg. Of All Farms</b></u>
Number of fields	24
Number of farms	23
Acres	69.47
Yield per acre (ton)	3.77
Operators share of yield %	100.00
Value per ton	70.00
Total product return per acre	263.73
Miscellaneous income per acre	-
Gross return per acre	263.73
<b>Direct Expenses</b>	
Seed	11.12
Fertilizer	9.65
Crop chemicals	6.95
Crop insurance	0.16
Fuel & oil	14.21
Repairs	45.52
Custom hire	7.77
Operating interest	2.10
Miscellaneous	1.57
Total direct expenses per acre	99.05
Return over direct exp per acre	164.68
<b>Overhead Expenses</b>	
Custom hire	3.41
Hired labor	16.13
Machinery & bldg leases	2.11
RE & pers. property taxes	10.61
Farm insurance	3.83
Utilities	1.66
Interest	15.90
Mach & bldg depreciation	22.57
Miscellaneous	3.87
Total overhead expenses per acre	80.08
Total dir & ovhd expenses per acre	179.12
Net return per acre	84.60
Lbr & mgt charge per acre	37.07
Net return over lbr & mgt	47.53
Government payments	25.68
Net return with govt payments	73.21
<b>Cost of Production</b>	
Total direct expense per ton	26.29
Total dir & ovhd exp per ton	47.54
With labor & management	57.38
Total exp less govt & oth income	50.57
Est. labor hours per acre	5.80

---

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

---

**Hay, Alfalfa on Cash Rent**

---

	<u><b>Avg. Of All Farms</b></u>
Number of fields	24
Number of farms	23
Acres	44.15
Yield per acre (ton)	3.88
Operators share of yield %	100.00
Value per ton	70.00
Total product return per acre	271.33
Miscellaneous income per acre	-
Gross return per acre	271.33
<b>Direct Expenses</b>	
Seed	14.32
Fertilizer	13.02
Crop chemicals	8.48
Fuel & oil	13.28
Repairs	43.56
Custom hire	13.80
Land rent	89.00
Operating interest	2.57
Miscellaneous	1.36
Total direct expenses per acre	199.40
Return over direct exp per acre	71.93
<b>Overhead Expenses</b>	
Custom hire	1.62
Hired labor	15.82
Machinery & bldg leases	5.19
Farm insurance	4.21
Utilities	1.43
Interest	2.56
Mach & bldg depreciation	24.54
Miscellaneous	5.62
Total overhead expenses per acre	61.00
Total dir & ovhd expenses per acre	260.39
Net return per acre	10.94
Lbr & mgt charge per acre	42.27
Net return over lbr & mgt	-31.34
Government payments	33.16
Net return with govt payments	1.82
<b>Cost of Production</b>	
Total direct expense per ton	51.44
Total dir & ovhd exp per ton	67.18
With labor & management	78.08
Total exp less govt & oth income	69.53
Est. labor hours per acre	6.40

---

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

---

**Corn Silage on Owned Land**

---

	<u><b>Avg. Of All Farms</b></u>
Number of fields	23
Number of farms	22
Acres	43.64
Yield per acre (ton)	18.29
Operators share of yield %	100.00
Value per ton	15.00
Total product return per acre	274.29
Miscellaneous income per acre	12.10
Gross return per acre	286.39
<b>Direct Expenses</b>	
Seed	33.12
Fertilizer	26.40
Crop chemicals	38.02
Crop insurance	0.80
Irrigation energy	0.30
Fuel & oil	18.86
Repairs	43.74
Custom hire	37.15
Operating interest	2.98
Miscellaneous	0.96
Total direct expenses per acre	202.32
Return over direct exp per acre	84.07
<b>Overhead Expenses</b>	
Custom hire	1.26
Hired labor	14.26
Machinery & bldg leases	3.72
RE & pers. property taxes	9.25
Farm insurance	5.14
Utilities	2.40
Interest	31.10
Mach & bldg depreciation	17.15
Miscellaneous	5.50
Total overhead expenses per acre	89.79
Total dir & ovhd expenses per acre	292.11
Net return per acre	-5.72
Lbr & mgt charge per acre	33.55
Net return over lbr & mgt	-39.27
Government payments	29.16
Net return with govt payments	-10.11
<b>Cost of Production</b>	
Total direct expense per ton	11.06
Total dir & ovhd exp per ton	15.97
With labor & management	17.81
Total exp less govt & oth income	15.55
Est. labor hours per acre	5.55

---

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

---

**Corn Silage on Cash Rent**

---

	<u><b>Avg. Of All Farms</b></u>
Number of fields	17
Number of farms	16
Acres	24.08
Yield per acre (ton)	16.98
Operators share of yield %	100.00
Value per ton	15.00
Total product return per acre	254.74
Miscellaneous income per acre	-
Gross return per acre	254.74
<b>Direct Expenses</b>	
Seed	33.67
Fertilizer	33.20
Crop chemicals	33.25
Crop insurance	1.67
Fuel & oil	16.23
Repairs	41.34
Custom hire	29.30
Land rent	93.87
Operating interest	4.38
Miscellaneous	2.07
Total direct expenses per acre	288.98
Return over direct exp per acre	-34.24
<b>Overhead Expenses</b>	
Custom hire	0.28
Hired labor	7.15
Machinery & bldg leases	4.00
Farm insurance	5.14
Utilities	2.67
Interest	8.15
Mach & bldg depreciation	24.79
Miscellaneous	9.36
Total overhead expenses per acre	61.54
Total dir & ovhd expenses per acre	350.52
Net return per acre	-95.78
Lbr & mgt charge per acre	34.55
Net return over lbr & mgt	-130.33
Government payments	30.20
Net return with govt payments	-100.12
<b>Cost of Production</b>	
Total direct expense per ton	17.02
Total dir & ovhd exp per ton	20.64
With labor & management	22.67
Total exp less govt & oth income	20.90
Est. labor hours per acre	6.36

---

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

---

**Pasture on Owned Land**

---

	<u><b>Avg. Of All Farms</b></u>
Number of fields	8
Number of farms	8
Acres	59.19
Yield per acre (unit)	4.24
Operators share of yield %	100.00
Value per unit	10.00
Total product return per acre	42.39
Miscellaneous income per acre	-
Gross return per acre	42.39
<b>Direct Expenses</b>	
Fuel & oil	2.09
Repairs	5.35
Operating interest	1.18
Total direct expenses per acre	8.62
Return over direct exp per acre	33.77
<b>Overhead Expenses</b>	
Custom hire	1.53
Hired labor	1.61
Machinery & bldg leases	2.55
RE & pers. property taxes	3.95
Farm insurance	2.69
Utilities	0.42
Dues & professional fees	0.55
Interest	8.11
Mach & bldg depreciation	2.81
Miscellaneous	1.68
Total overhead expenses per acre	25.90
Total dir & ovhd expenses per acre	34.52
Net return per acre	7.86
Lbr & mgt charge per acre	4.55
Net return over lbr & mgt	3.31
Government payments	-
Net return with govt payments	3.31
<b>Cost of Production</b>	
Total direct expense per unit	2.03
Total dir & ovhd exp per unit	8.14
With labor & management	9.22
Total exp less govt & oth income	9.22
Est. labor hours per acre	0.74

---

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

---

**CRP on Owned Land**

---

	<u><b>Avg. Of All Farms</b></u>
Number of fields	5
Number of farms	5
Acres	39.38
Yield per acre (unit)	91.80
Operators share of yield %	100.00
Value per unit	1.00
Total product return per acre	91.80
Miscellaneous income per acre	-
Gross return per acre	91.80
<b>Direct Expenses</b>	
Seed	4.78
Fuel & oil	0.15
Repairs	0.12
Machinery & bldg leases	0.86
Operating interest	4.32
Total direct expenses per acre	10.23
Return over direct exp per acre	81.57
<b>Overhead Expenses</b>	
Custom hire	5.31
Machinery & bldg leases	11.08
RE & pers. property taxes	8.13
Farm insurance	1.34
Utilities	0.70
Interest	12.62
Mach & bldg depreciation	0.16
Miscellaneous	3.67
Total overhead expenses per acre	42.99
Total dir & ovhd expenses per acre	53.22
Net return per acre	38.58
Lbr & mgt charge per acre	1.91
Net return over lbr & mgt	36.67
Government payments	-
Net return with govt payments	36.67
<b>Cost of Production</b>	
Total direct expense per unit	0.11
Total dir & ovhd exp per unit	0.58
With labor & management	0.60
Total exp less govt & oth income	0.60
Est. labor hours per acre	0.18



## EXPLANATORY NOTES FOR LIVESTOCK TABLES

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

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

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

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

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

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

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



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

**Dairy -- Average Per Cow**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

---

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

---

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

---

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

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

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

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

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

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

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

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

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

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

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

**Dairy Steers -- Average Per Head**

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

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

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

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

**Table 13**  
**PRICES USED IN ANALYSIS - 2001**  
**Southeast Farm Business Management Association**

Item	Beginning Inventory Price	Average Feed Price/Year	Harvest Price	Ending Inventory Price
Corn	\$1.80	\$1.60	\$1.76	\$1.80
Oats	1.00	1.00	1.00	2.00
Soybeans	4.80	4.50	5.12	4.00
Alfalfa Hay	70.00	70.00	70.00	80.00
Mixed Hay	40.00	40.00	40.00	40.00
Haylage	35.00	35.00	35.00	40.00
Corn Silage	13.00	13.00	15.00	15.00
Oat Silage	10.00	10.00	12.00	12.00
Straw/ton	60.00	--	60.00	60.00
Corn Stalks	10.00	10.00	10.00	10.00
Barley	1.25	1.50	1.50	1.50

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

VALUE OF OPERATOR'S LABOR AND MANAGEMENT: \$25,000

Board for hired help: \$6.00/day

Homegrown seed - soybeans: \$8.00/bu.

Homegrown seed - oats: \$2.00/bu.





## EXPLANATORY NOTES FOR SUMMARY TABLES

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

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

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

<u>Year</u>	<u>CPI-U</u> <u>1982-84=100</u>
1982	96.5
1983	99.6
1984	103.9
1985	107.6
1986	109.6
1987	113.6
1988	118.3
1989	124.0
1990	130.7
1991	136.2
1992	140.3
1993	144.5
1994	148.2
1995	152.4
1996	156.9
1997	160.5
1998	163.0
1999	166.6
2000	172.3
2001	177.2

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

Row	Items	1982	1983	1984	1985	1986	1987	1988	1989	1990
		----	----	----	----	----	----	----	----	----
1	Number of Farms	54	53	57	59	61	62	63	58	65
	Farm Income Statement									
2	Gross Cash Farm Income	202,185	178,365	187,562	197,842	190,124	190,481	187,712	203,126	219,696
3	Total Cash Farm Expense	150,932	116,369	144,048	151,162	141,090	136,802	135,159	146,353	146,315
4	Inventory Change	*	7,628	9,584	415	1,833	9,817	2,922	3,482	8,706
5	Depr. & Cap. Adj.	*	-35,150	-32,373	-30,386	-25,685	-18,298	-13,646	-15,010	-20,043
6	Net Farm Income	24,553	34,473	20,724	16,709	25,180	45,197	41,829	45,244	62,044
7	Net Farm Income (Constant \$)	45,086	61,331	35,344	27,517	40,711	70,501	62,655	64,655	84,118
	Profitability and Liquidity Analysis									
8	Labor and Management Earnings	9,531	22,365	8,630	6,630	16,418	34,905	29,793	31,106	46,923
	Rate of return on:									
9	Average Assets (%)	7	9	6	5	8	12	10	10	12
10	Average Equity (%)	5	8	1	-1	5	15	11	10	15
11	Operating Profit Margin (%)	26	20	13	10	16	22	20	19	23
12	Asset Turnover Rate (%)	26	46	45	50	50	54	52	50	53
13	Value of Farm Production	138,358	170,219	181,517	190,882	173,619	194,420	187,789	199,804	215,976
14	Farm Interest Paid	21,759	17,680	19,863	22,207	21,168	16,542	15,543	15,151	12,963
15	Cash Expense as a % of Income	75	65	77	76	74	72	72	72	67
	Interest Paid as a % of:									
16	Gross Cash Income	11	10	11	11	11	9	8	7	6
17	Total Cash Expenses	14	15	14	15	15	12	11	10	9
18	Yrs. to T/O Non R.E. Debt	*	0.5	0.5	1.9	3.6	4.1	3.4	4.5	1.5
	Comparative Financial Statement (Cost Basis)									
19	No. of Sole Proprietors	42	49	41	40	46	49	48	44	51
20	Total Ending Assets	533,714	407,995	391,624	370,853	320,601	326,849	331,420	376,054	384,259
21	Total Ending Liabilities	240,207	163,744	192,733	201,572	170,318	162,013	154,430	164,661	159,333
22	Ending Net Worth	293,507	244,251	198,891	169,281	150,283	164,836	176,990	211,393	224,926
23	Ending Farm C+I Debt to Asset %	41	32	42	50	45	38	33	33	31
24	Ending Total Debt to Asset %	45	40	49	54	53	50	47	44	41
	Acreage Information									
25	Total Acres Owned	257	*	264	288	264	268	274	294	280
26	Total Crop Acres Farmed	347	*	363	423	376	365	348	372	350
27	Crop Acres Owned	219	*	210	231	198	225	223	222	210
28	Crop Acres Cash Rented	*	*	140	180	157	123	105	128	124
29	Crop Acres Share Rented	*	*	13	12	21	18	20	22	16
	Crop Yields									
30	Corn per acre	122	100	127	125	140	143	88	142	140
31	Soybean per acre	39	39	39	37	41	44	31	42	41
	Crop Prices Received (cash sales)									
32	Corn per Bushel	2.41	*	2.99	2.44	2.02	1.77	2.17	2.36	2.39
33	Soybeans per Bushel	5.80	*	7.20	5.06	5.07	4.95	6.87	6.88	5.89
	Household Information									
34	No. Farms Reporting HseHld Info	23	13	14	15	15	14	12	11	16
35	Average Family Size	4.0	*	3.5	3.4	3.5	3.5	3.5	3.7	3.4
36	Total Family Use of Cash	26,669	26,003	24,531	27,308	26,945	35,772	41,392	44,050	49,370
37	Average Net Nonfarm Income	7,749	*	8,108	6,065	8,429	8,788	8,396	9,370	8,403

\* Not available.

Table 14, continued

1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	Row
----	----	----	----	----	----	----	----	----	----	----	----
65	63	65	64	62	61	64	60	62	58	59	1
212,943	219,457	236,401	242,784	269,666	291,050	294,687	320,356	411,665	352,354	365,819	2
144,519	153,908	172,893	178,968	198,873	211,486	225,501	239,611	314,644	267,986	274,867	3
1,827	-7,685	2,930	7,424	20,130	3,690	21,010	1,575	-53	19,036	-6,480	4
-19,416	-17,897	-23,192	-15,047	-19,541	-15,676	-16,885	-16,580	-30,556	-25,732	-23,494	5
50,835	39,967	43,246	56,192	71,382	67,579	73,311	65,739	66,412	77,672	60,978	6
66,138	50,479	53,032	67,188	82,998	76,322	80,939	71,466	70,637	79,881	60,978	7
34,143	22,049	25,084	37,384	47,696	41,777	45,620	36,896	35,032	45,373	26,509	8
9	5	6	8	9	8	9	7	7	8	6	9
9	3	5	9	10	8	9	7	7	9	5	10
19	11	14	20	22	21	24	19	18	22	17	11
46	42	38	40	40	39	37	36	39	37	34	12
200,904	198,818	184,576	201,239	239,151	242,598	256,273	268,551	320,367	309,214	287,161	13
13,983	12,509	13,339	14,175	15,370	15,571	18,957	17,964	22,135	22,111	19,291	14
68	70	73	74	74	73	77	75	76	76	75	15
7	6	6	6	6	5	6	6	5	6	5	16
10	8	8	8	8	7	8	7	7	8	7	17
1.5	2.0	1.5	1.3	1.2	1.0	1.4	1.4	1.2	2.1	1.4	18
48	46	47	46	44	45	47	45	49	46	45	19
417,616	474,752	455,144	507,456	571,147	610,645	673,379	735,178	789,710	849,829	878,408	20
172,612	192,695	198,475	218,738	227,621	217,061	251,000	260,958	266,181	296,006	295,360	21
245,004	282,057	256,670	288,718	343,526	393,584	422,379	474,219	523,529	553,823	583,049	22
31	33	40	38	36	35	37	35	36	37	35	23
41	41	44	43	40	36	37	35	34	35	34	24
272	285	325	335	362	336	325	367	330	342	336	25
401	417	432	430	496	504	513	560	580	576	577	26
237	261	264	258	276	252	266	285	304	301	301	27
159	152	162	163	214	244	241	268	271	266	275	28
5	4	5	8	6	8	7	7	5	9	2	29
134	117	91	158	129	126	146	167	156	154	143	30
42	32	33	46	44	42	44	50	45	49	40	31
2.28	2.34	1.97	2.22	2.37	3.19	2.54	2.15	1.86	1.85	1.88	32
5.33	5.28	5.98	5.94	5.72	7.00	7.11	5.72	4.59	4.65	4.43	33
16	16	19	30	21	18	17	15	16	13	18	34
3.8	4.0	3.3	3.0	2.1	3.6	3.5	3.7	3.8	4.0	3.6	35
46,635	44,940	32,132	37,652	41,005	36,438	60,231	50,081	61,086	86,083	81,341	36
8,343	10,377	12,192	12,435	14,786	20,634	26,290	20,692	27,419	26,602	29,753	37

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

	<b>Avg. Of All Farms</b>	<b>Dakota Le Sueur Nicollet Rice Scott Washington</b>	<b>Dodge Faribault Freeborn Mower Steele Waseca</b>	<b>Fillmore Goodhue Houston Olmsted Wabasha Winona</b>
Number of farms	59	14	9	36
<b>Income Statement</b>				
Gross cash farm income	365,819	454,955	252,487	359,488
Total cash farm expense	274,867	331,181	180,644	276,523
Net cash farm income	90,952	123,774	71,843	82,965
Inventory change	-6,480	-11,874	-10,699	-3,327
Depreciation and capital adjust	-23,494	-35,772	-13,158	-21,303
Net farm income	60,978	76,127	47,987	58,335
<b>Profitability (cost)</b>				
Labor and management earnings	26,509	14,100	18,560	33,323
Rate of return on assets	5.7 %	5.0 %	4.3 %	6.6 %
Rate of return on equity	5.0 %	4.2 %	3.1 %	6.4 %
Operating profit margin	16.9 %	18.3 %	16.2 %	16.2 %
Asset turnover rate	33.9 %	27.3 %	26.8 %	40.9 %
<b>Liquidity</b>				
Term debt coverage ratio	n/a	n/a	n/a	n/a
Expense as a percent of income	75.8 %	73.9 %	73.7 %	77.1 %
Interest as a percent of income	5.7 %	5.7 %	7.7 %	5.4 %
<b>Solvency (market)</b>				
Number of sole proprietors	45	8	6	31
Ending farm assets	1,044,195	1,712,203	735,199	931,611
Ending farm liabilities	363,875	618,307	272,762	315,850
Ending total assets	1,227,350	1,969,295	872,744	1,104,514
Ending total liabilities	384,227	628,372	307,763	336,021
Ending net worth	843,123	1,340,923	564,981	768,493
Net worth change	37,727	62,151	14,281	35,962
Ending farm debt to asset ratio	35 %	36 %	37 %	34 %
Beg total debt to asset ratio	31 %	30 %	36 %	31 %
End total debt to asset ratio	31 %	32 %	35 %	30 %
<b>Nonfarm Information</b>				
Net nonfarm income	27,379	36,394	34,956	21,979
Farms reporting living expenses	37	5	5	27
Total family living expense	27,551	20,660	32,745	27,865
Total living, invest, & capital	67,253	74,032	95,058	60,849
<b>Crop Acres</b>				
Total acres owned	336	472	333	284
Total crop acres	577	786	520	511
Total crop acres owned	301	474	311	231
Total crop acres cash rented	275	312	209	276
Total crop acres share rented	2	-	-	4

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

	<b>Avg. Of All Farms</b>	<b>40,001 - 100,000</b>	<b>100,001 - 200,000</b>	<b>200,001 - 500,000</b>	<b>500,001 - 1,000,000</b>
Number of farms	59	11	9	24	9
<b>Income Statement</b>					
Gross cash farm income	365,819	74,893	137,765	312,854	674,591
Total cash farm expense	274,867	56,279	111,104	239,293	538,003
Net cash farm income	90,952	18,614	26,661	73,562	136,587
Inventory change	-6,480	-8,172	-1,442	-4,683	-28,591
Depreciation and capital adjust	-23,494	-7,095	-8,225	-21,864	-40,328
Net farm income	60,978	3,347	16,994	47,015	67,669
<b>Profitability (cost)</b>					
Labor and management earnings	26,509	-8,600	4,674	17,816	11,192
Rate of return on assets	5.7 %	-2.7 %	3.3 %	3.9 %	4.6 %
Rate of return on equity	5.0 %	-5.8 %	-1.6 %	2.7 %	2.7 %
Operating profit margin	16.9 %	-12.1 %	9.9 %	12.1 %	12.5 %
Asset turnover rate	33.9 %	22.6 %	32.8 %	31.8 %	36.9 %
<b>Liquidity</b>					
Term debt coverage ratio	n/a	n/a	n/a	n/a	n/a
Expense as a percent of income	75.8 %	84.2 %	82.0 %	77.2 %	82.2 %
Interest as a percent of income	5.7 %	6.4 %	11.2 %	5.2 %	6.7 %
<b>Solvency (market)</b>					
Number of sole proprietors	45	9	9	16	8
Ending farm assets	1,044,195	457,255	686,407	1,081,248	1,879,028
Ending farm liabilities	363,875	138,447	264,741	345,540	682,549
Ending total assets	1,227,350	658,202	817,732	1,238,014	2,184,343
Ending total liabilities	384,227	175,733	269,057	378,003	682,549
Ending net worth	843,123	482,469	548,675	860,012	1,501,794
Net worth change	37,727	21,093	19,886	36,237	60,169
Ending farm debt to asset ratio	35 %	30 %	39 %	32 %	36 %
Beg total debt to asset ratio	31 %	28 %	32 %	30 %	28 %
End total debt to asset ratio	31 %	27 %	33 %	31 %	31 %
<b>Nonfarm Information</b>					
Net nonfarm income	27,379	46,682	19,994	23,567	27,533
Farms reporting living expenses	37	7	6	15	7
Total family living expense	27,551	39,500	23,198	25,460	25,837
Total living, invest, & capital	67,253	52,755	44,899	81,718	83,277
<b>Crop Acres</b>					
Total acres owned	336	190	261	321	399
Total crop acres	577	202	331	478	1,405
Total crop acres owned	301	121	155	259	521
Total crop acres cash rented	275	82	176	215	880
Total crop acres share rented	2	-	-	4	4

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

	<u>Avg. Of All Farms</u>	<u>Crop</u>	<u>Dairy</u>	<u>Crop and Dairy</u>	<u>Other</u>
Number of farms	59	19	15	7	8
<b>Income Statement</b>					
Gross cash farm income	365,819	300,094	580,496	487,773	140,568
Total cash farm expense	274,867	241,997	435,669	301,303	109,284
Net cash farm income	90,952	58,097	144,827	186,471	31,284
Inventory change	-6,480	-22,810	21,805	-23,501	-1,786
Depreciation and capital adjust	-23,494	-16,426	-42,631	-25,790	-8,134
Net farm income	60,978	18,861	124,000	137,179	21,365
<b>Profitability (cost)</b>					
Labor and management earnings	26,509	-13,992	89,461	65,288	1,351
Rate of return on assets	5.7 %	2.4 %	11.5 %	6.9 %	2.0 %
Rate of return on equity	5.0 %	-0.8 %	13.7 %	7.6 %	-0.4 %
Operating profit margin	16.9 %	7.9 %	23.9 %	25.2 %	8.0 %
Asset turnover rate	33.9 %	30.0 %	48.2 %	27.5 %	25.4 %
<b>Liquidity</b>					
Term debt coverage ratio	n/a	n/a	n/a	n/a	n/a
Expense as a percent of income	75.8 %	86.5 %	71.8 %	63.3 %	79.5 %
Interest as a percent of income	5.7 %	9.3 %	4.3 %	3.0 %	7.6 %
<b>Solvency (market)</b>					
Number of sole proprietors	45	17	11	3	7
Ending farm assets	1,044,195	1,153,034	1,131,805	-	806,856
Ending farm liabilities	363,875	422,458	351,250	-	223,513
Ending total assets	1,227,350	1,413,913	1,299,553	-	876,629
Ending total liabilities	384,227	467,366	362,694	-	224,227
Ending net worth	843,123	946,547	936,859	-	652,402
Net worth change	37,727	12,066	63,385	-	32,938
Ending farm debt to asset ratio	35 %	37 %	31 %	- %	28 %
Beg total debt to asset ratio	31 %	30 %	29 %	- %	27 %
End total debt to asset ratio	31 %	33 %	28 %	- %	26 %
<b>Nonfarm Information</b>					
Net nonfarm income	27,379	41,586	16,837	29,898	21,882
Farms reporting living expenses	37	12	10	2	6
Total family living expense	27,551	31,454	24,928	-	20,178
Total living, invest, & capital	67,253	97,974	69,008	-	29,890
<b>Crop Acres</b>					
Total acres owned	336	329	252	657	372
Total crop acres	577	841	303	921	311
Total crop acres owned	301	344	196	663	206
Total crop acres cash rented	275	495	106	255	105
Total crop acres share rented	2	2	-	3	-

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

	<b>Avg. Of All Farms</b>	<b>31 - 40</b>	<b>41 - 50</b>	<b>51 - 60</b>	<b>Over 60</b>
Number of farms	59	12	15	19	12
<b>Income Statement</b>					
Gross cash farm income	365,819	318,775	402,417	336,902	440,307
Total cash farm expense	274,867	258,953	316,905	233,302	325,049
Net cash farm income	90,952	59,822	85,512	103,600	115,259
Inventory change	-6,480	403	-11,285	-17,871	9,495
Depreciation and capital adjust	-23,494	-21,483	-28,412	-21,921	-24,672
Net farm income	60,978	38,743	45,815	63,808	100,082
<b>Profitability (cost)</b>					
Labor and management earnings	26,509	18,867	19,999	17,243	56,495
Rate of return on assets	5.7 %	4.9 %	5.6 %	4.9 %	7.3 %
Rate of return on equity	5.0 %	2.9 %	3.7 %	4.4 %	7.7 %
Operating profit margin	16.9 %	13.3 %	14.1 %	18.2 %	20.0 %
Asset turnover rate	33.9 %	37.1 %	39.5 %	27.0 %	36.7 %
<b>Liquidity</b>					
Term debt coverage ratio	n/a	n/a	n/a	n/a	n/a
Expense as a percent of income	75.8 %	80.0 %	80.2 %	72.6 %	72.2 %
Interest as a percent of income	5.7 %	6.7 %	7.8 %	4.4 %	4.4 %
<b>Solvency (market)</b>					
Number of sole proprietors	45	12	10	15	7
Ending farm assets	1,044,195	778,247	1,068,061	1,064,664	1,541,892
Ending farm liabilities	363,875	357,758	456,130	285,390	435,685
Ending total assets	1,227,350	887,333	1,287,123	1,277,413	1,761,397
Ending total liabilities	384,227	359,593	509,757	309,226	435,685
Ending net worth	843,123	527,741	777,366	968,186	1,325,712
Net worth change	37,727	50,771	-2,823	36,827	78,000
Ending farm debt to asset ratio	35 %	46 %	43 %	27 %	28 %
Beg total debt to asset ratio	31 %	40 %	38 %	25 %	25 %
End total debt to asset ratio	31 %	41 %	40 %	24 %	25 %
<b>Nonfarm Information</b>					
Net nonfarm income	27,379	20,023	20,092	39,776	24,582
Farms reporting living expenses	37	9	9	11	7
Total family living expense	27,551	21,387	27,005	38,625	18,925
Total living, invest, & capital	67,253	48,500	81,725	91,031	41,215
<b>Crop Acres</b>					
Total acres owned	336	156	275	462	417
Total crop acres	577	572	707	567	487
Total crop acres owned	301	143	283	404	341
Total crop acres cash rented	275	423	420	163	145
Total crop acres share rented	2	6	4	-	-