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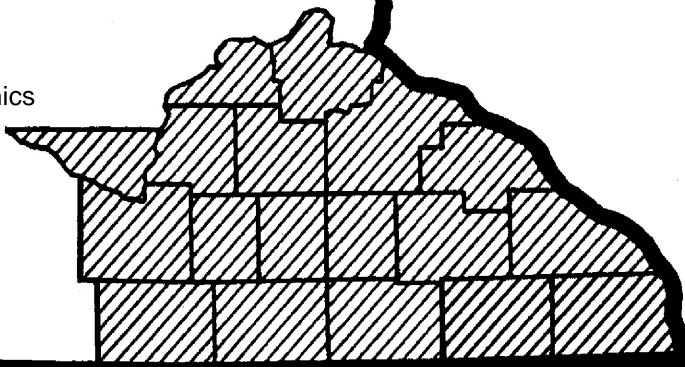
2004 Annual Report

Southeastern Minnesota Farm Business Management Association

IN COOPERATION WITH:

Center For Farm Financial Management
Department of Applied Economics
Minnesota Extension Service
College of Agricultural, Food, and Environmental Sciences
University of Minnesota

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St. Paul, MN 55108
April 2005



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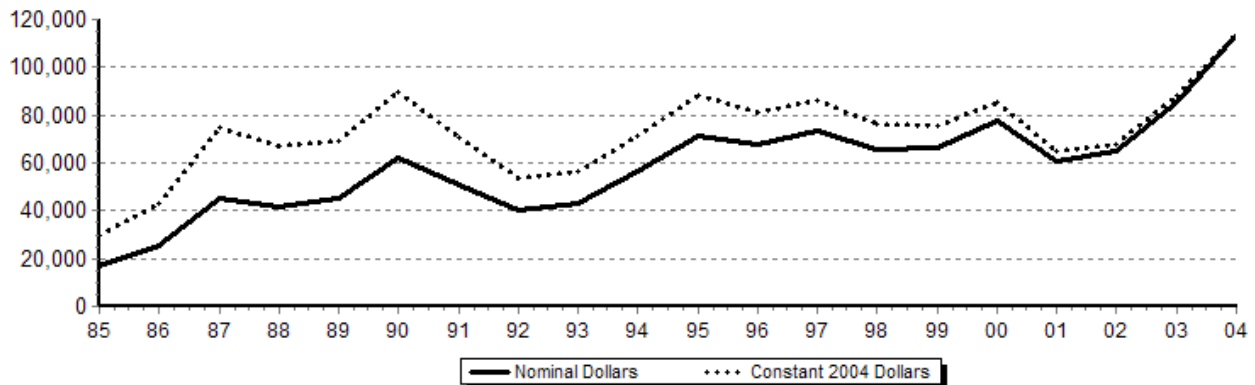
Executive Summary

2004 Annual Report of the Southeastern Minnesota Farm Business Management Association

by Dale W. Nordquist and Lorin L. Westman

The average net farm income was \$113,462 for the 46 farms included in the 2004 annual report of the Southeastern Minnesota Farm Business Management Association. This was an increase of 32% from 2003 (Figure 1). In constant dollars, 2004 was the most profitable year for association members in over twenty years of the association records (Figure 1). Higher crop prices, higher corn yields, and high profits for dairy operations were among factors that combined to make 2004 a very profitable year for the average association farm.

Figure 1. Average Net Farm Income



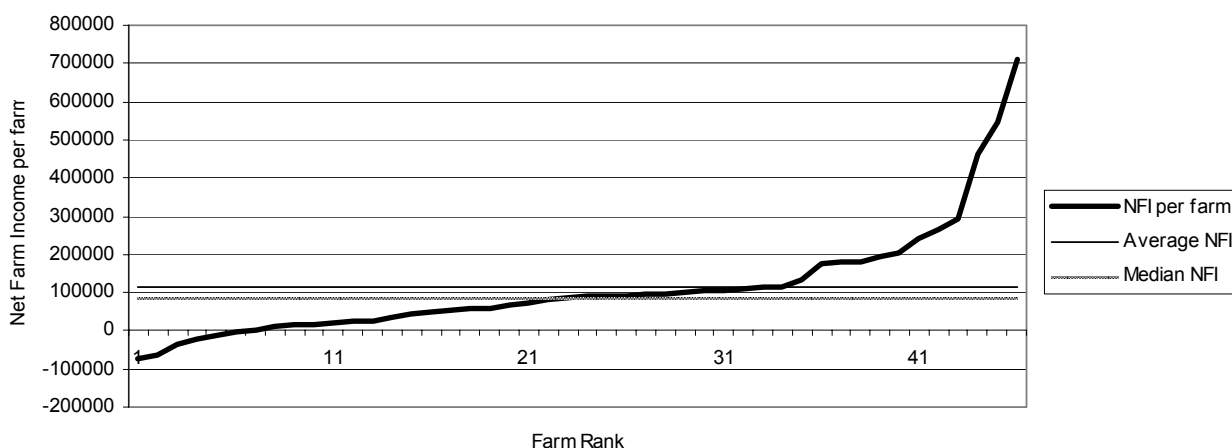
As in previous years, the income levels experienced by individual farms vary greatly from the overall average. When the net farm incomes for the 46 farms in the report were ranked from lowest to highest, the resulting graph shows how much the incomes do vary (Figure 2). As Figure 2 indicates, a number of very profitable farms had a major impact on the average for all farms. Thirty-nine percent (39%) earned net farm incomes over \$100,000; 15% of the farms experienced negative net farm incomes. The median or middle income was \$88,307, considerably lower than the association average. The high 20% of these farms had an average net farm income of \$327,847; farms in the low 20% averaged \$-20,547.

Average gross cash farm income in 2004 was \$509,817 for these 46 farms. This was an 8% increase from 2003. Milk sales were 41% of gross income, up 28% from 2003. Corn and soybean sales accounted for another 36% of income. Total crop sales accounted for 38% while livestock sales accounted for 49% of total cash receipts (Figure 4).

Government payments (of all types) averaged \$33,294 in 2004, a 4% increase from the previous year. Government payments increased primarily due to the receipt of LDP payments in the fall of 2004 as prices decreased at harvest and not because of increased direct payments. Government payments were \$31,195 in 2003, \$19,375 in 2002, \$40,227 in 2001, and \$50,496 in 2000. As a

Entire report is available at: http://www.cffim.umn.edu/Pubs/FBMA/SE_MN_FBMA_2004.pdf

Figure 2. Distribution of Net Farm Income



percent of gross income, they were 7% in 2004, compared to 7% in 2003, 5% in 2002, 11% in 2001, and 14% in 2000.

Average total cash expenses were \$383,908 in 2004. This was an increase of 5% from the 2003 average. Feed expense was 15% of the total, an increase of 14% from 2003 (Figure 6). Seed, fertilizer, and crop chemicals were 17% of the total, up 12% from 2003 levels. Land rent was 9% of the total, while labor and repairs each accounted for 7%.

Average rate of return on assets (ROA) was 8% in 2004 with assets valued at cost basis, up from 7% in 2003 (Figure 7). Rate of return on equity (ROE) averaged 9%, also an increase from 7% in 2003. The fact that ROE exceeded ROA indicates that debt capital earned more than its interest cost.

Average total equity (of the 33 sole proprietors) was \$836,502 at the end of 2004, an increase of \$87,659 during the year for these farms (assets valued at cost basis). Except for a decline during 1993, average equity has improved steadily since 1986 (Figure 8). The average debt to asset ratio decreased slightly, from 34% to 33%.

Average corn and soybean yields were substantially higher than 2003 levels (Figure 9). The average corn yield was 169 bushels per acre, up from 158 in 2003; the soybean yield was 43 bushels per acre, up from 37 in 2003.

Results by Type of Farm

The 46 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 criteria, there were 13 crop farms, 13 dairy farms, and 6 crop/dairy farms. There were 8 farms which did not have a single source (or pair of sources) of income over 70%.

Dairy farms were most profitable in 2004 with average net farm income of \$158,170 (Figure 10). Specialized crop farms and crop/dairy farms also had net farm incomes higher than the Association average. Farms which did not meet the 70% criteria of specialization averaged a net farm income of \$41,104, much below the Association average.

Dairy farms also had the highest rate of return on assets (ROA) at 11% (Figure 11). Crop farms averaged 10% while crop/dairy farms averaged only 6% return on assets. (Assets are valued at cost-basis for ROA calculations.)

Dairy farms had an average debt-asset ratio of 24% at the end of 2004 (assets valued at market); crop farms averaged 31% in debt (Figure 12).

The full 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, farm size, and age of operator.

Fig. 3 SE 2003 Income Sources

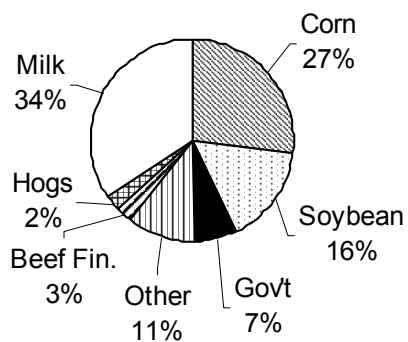


Fig. 4 SE 2004 Income Sources

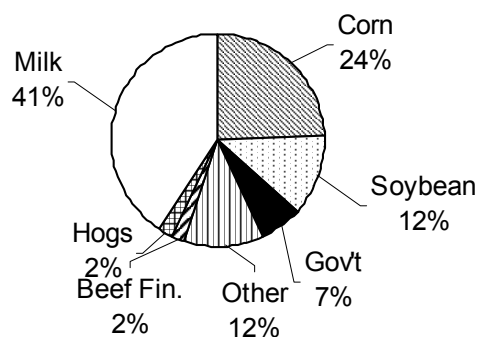


Fig 5. SE 2003 Expense Sources

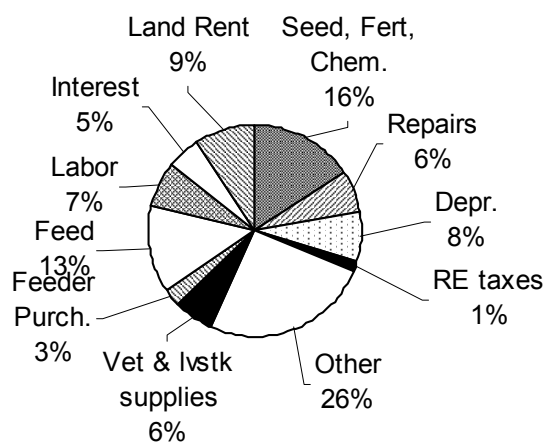


Fig. 6. SE 2004 Expense Sources

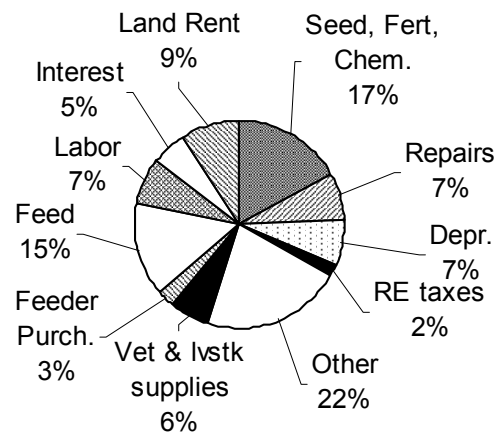


Figure 7. SE Rates of Return on Assets (ROA) and Equity (ROE)

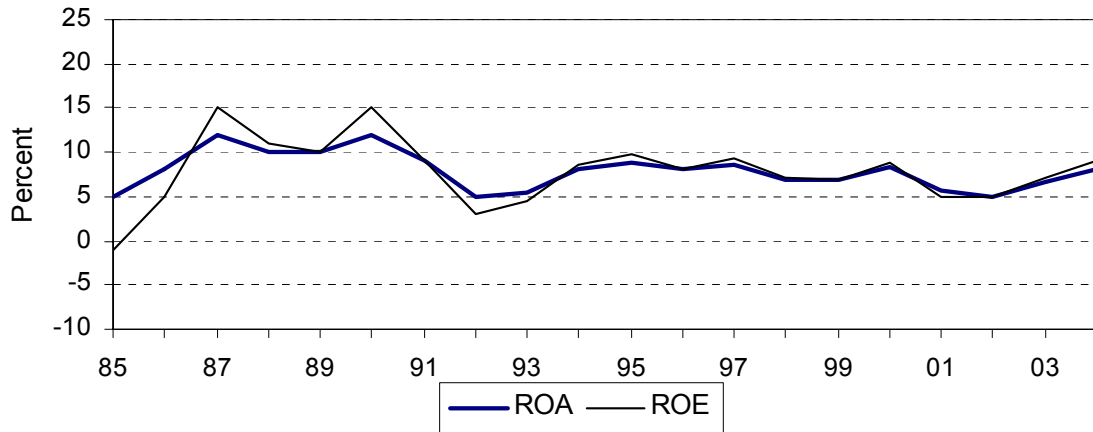


Figure 8. Ending Equity and Ending Debt-Asset Ratio

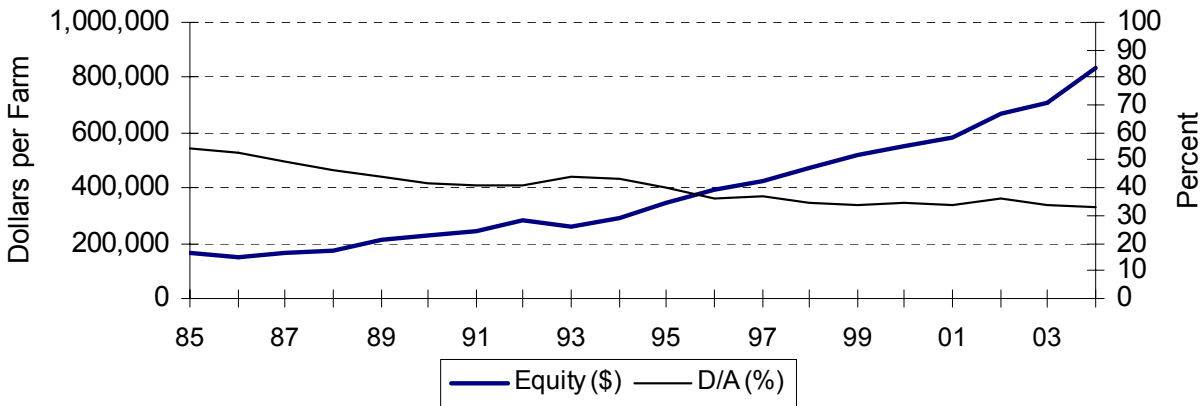


Figure 9. Average Corn & Soybean Yield

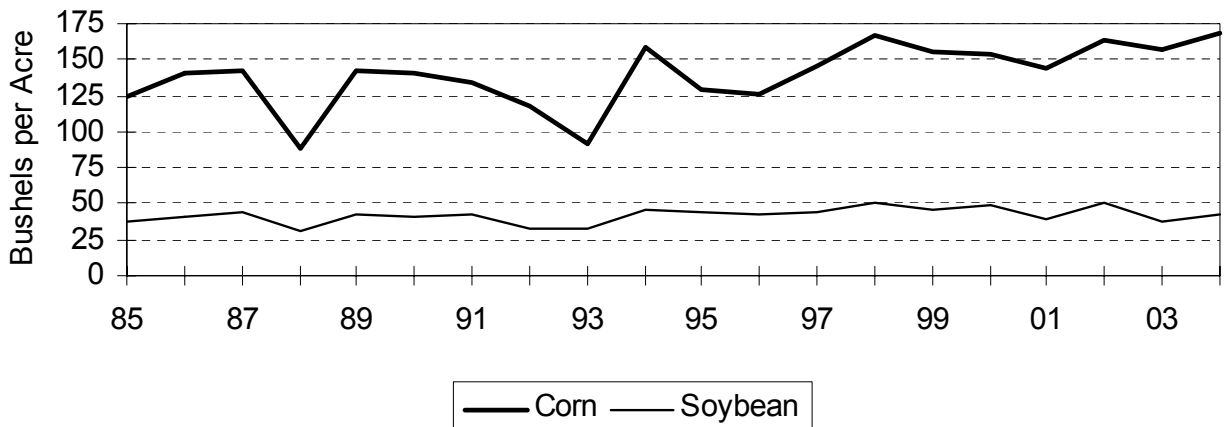


Figure 10. Net Farm Income by Type

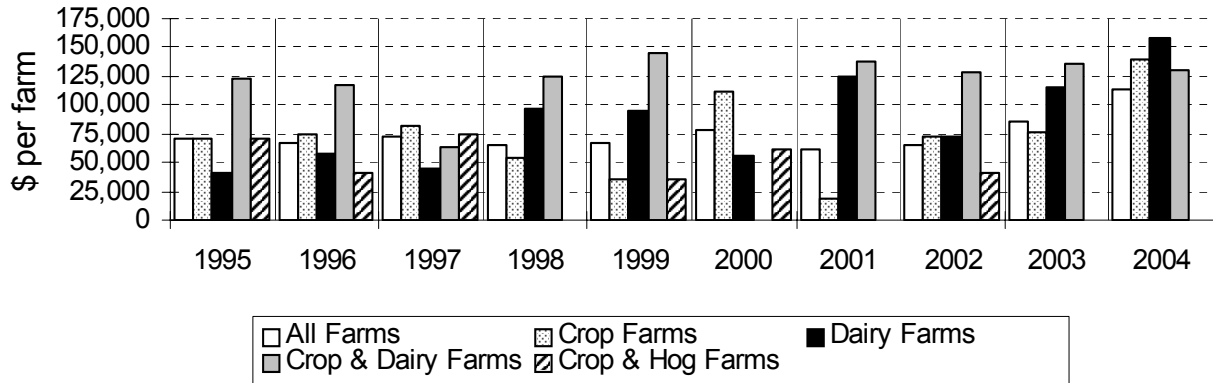


Figure 11. ROA by Type

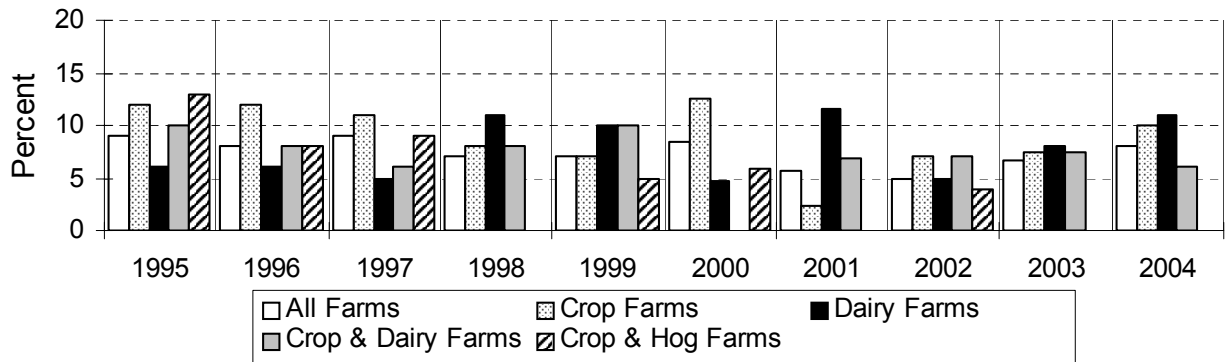
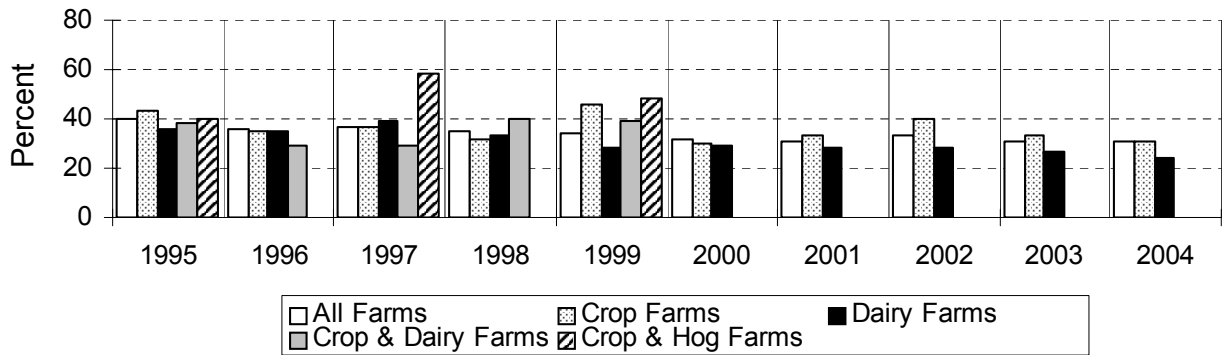


Figure 12. Debt-Asset Ratio by Type



2004 Annual Report of the Southeastern Minnesota Farm Business Management Association

by
Dale W. Nordquist and Lorin L. Westman¹

This report summarizes the individual farm records of the members of the Southeastern Minnesota Farm Business Management Association for 2004.

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

Of the 85 farms in the Southeastern Association, the data for 46 farms are included in this report. The rest were omitted because the records were incomplete at the time that this report was prepared.

Consistent with statewide trends, fewer and fewer Association farms have livestock. In order to provide more complete information, the livestock enterprise reports include farms from both the Southeastern and Southwestern 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 the majority of the cost, with the balance defrayed by the Minnesota Extension Service and research programs of the University of Minnesota.

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

Southeastern Minnesota Farm Business Management Association

Distribution Of Membership -- 2004

County	Number of Members	Number of Records Submitted	Association Directors
Dakota	8	6	Randy Sorg
Dodge	3	3	Marlin Fay
Mower	1	1	
Steele	2	1	
Faribault	1	1	Mike Krenik
Freeborn	1	0	
LeSueur	1	1	
Nicollet	1	1	
Waseca	1	0	
Goodhue	16	9	Shari Chamberlain
Houston	7	2	Eugene Marxhausen
Winona	13	5	
Olmsted	14	10	Mike Frost
Fillmore	1	0	
Rice	3	1	Charlene Duban
Scott	4	3	
Wabasha	<u>8</u>	<u>3</u>	Jack Welti
TOTAL	85	46	

Marlin Fay, President
Robert Lamprecht, Secretary-Treasurer

Southeastern Minnesota Farm Business Management Association

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Hogs, Farrow-to-Finish--Average Per Cwt. Produced	45
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Whole-Farm Reports

The whole-farm reports summarize the financial performance of member farms in 2004. Each table (except for the balance sheets) includes the average of the 46 farms included in the report and the average 20 percent of the farms with the lowest and highest profits (base on Net Farm Income). 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. Appendix I provides detail on how the whole-farm measures are calculated. Below is a short summary of the whole farm reports.

Farm Income Statement

The Income Statement calculates the accrual Net Farm Income generated by the average farm for year 2004. Net Farm Income represents the return to the operator's and family's unpaid labor, management, and equity capital (net worth). It is the amount the farm contributed to owner family living, income taxes, and net worth growth. However, it does not include any asset appreciation, debt forgiveness or asset repossessions. The *Inventory Changes* and *Depreciation and Other Capital Adjustments* tables provide further detail on the non-cash adjustments made to calculate the accrual Net Farm Income.

Profitability Measures

The profitability measures are calculated based on both the cost value of assets and the market value. When calculated based on the market value of assets, the profitability measures can be compared to interest rates and returns available on alternative investments. When based on cost values, the returns more closely estimate the actual returns from the actual investment. (Cost values do not reflect the tax basis of farm assets. Instead, a method of calculating depreciation is used that estimates economic depreciation over the useful life of the assets).

The *Rate of Return on Assets* (ROA) can be thought of as the interest rate earned by all investment in farm assets. *Rate of Return on Equity* (ROE) is the rate earned on the operator's equity or net worth in the farm business. If ROE is higher than ROA, borrowed funds more than paid for their cost in interest expense. *Operating Profit Margin* measures efficiency in farm operations. The higher the margin, the more of the farm income remained in pockets of the farm operator. *Asset Turnover Rate* measures efficiency in use of capital. Again, the higher the better. Farms with high investment in fixed assets will generally have a lower turnover rate than those who lease a major share of their capital.

Liquidity Measures

Liquidity reflects the ability of the farm family to meet cash obligations including family living withdrawals, income taxes, and debt repayment. Liquidity measures are calculated on both a cash and accrual basis. The cash measures reflect how cash actually flowed through the operations during the year. The accrual measures, which adjust for changes in crop, livestock, and other inventories, more accurately reflect the income generation capacity of the businesses.

Years to Turnover Intermediate Debt reflects the ability of the business to repay short and intermediate term liabilities. Because intermediate term debt is usually scheduled for repayment over a three to seven year term, this measure is a simple way to reflect debt repayment capacity. *Expense as a Percent of Income* reflects the portion of gross income that was used to pay operating expenses. It includes interest expense but not depreciation. *Interest as a Percent of Income* shows how much of gross income went solely to pay interest expenses.

Balance Sheets

Balance sheet reports are included for both the cost and market value of assets. In both tables, current assets are identical, with crop and livestock inventories generally valued at market value. This conforms to the methodology recommended by the Farm Financial Standard Council. Intermediate and long term assets are shown at depreciated value using estimated economic depreciation, not tax, on the cost-based table. On the market table, they are valued at estimated market value.

Liabilities are the same on the cost and market tables except for the inclusion of *Deferred Liabilities* on the market statements. Deferred liabilities are the estimated taxes that would be paid if assets were liquidated at their market values.

Net Worth Change on the cost value table is the amount of earned net worth growth or loss for the year. Net worth change on the market value table includes both earned growth and changes in the market valuation of capital assets.

Statement of Cash Flows

The Statement of Cash Flows displays the sources and uses of cash for the year. *Cash From Operating Activities* includes sources and uses of cash related to normal farm operations. In the case of sole proprietors and partnerships, it also usually includes nonfarm income and expenses activities. *Cash From Financing Activities* reflect cash used to buy and sell capital assets. *Cash From Financing Activities* includes sources and uses of borrowed funds.

Financial Standards Measures

The Farm Financial Standards Council recommends that farms use these sixteen measures as standard measures of farm financial performance. They are sometimes called the *Sweet 16*. Many are repeated from the Profitability, Liquidity, and Balance Sheet tables. For a complete description, see the Financial Guidelines for Agricultural Producers at www.ffsc.org/html/guidelin.htm.

Crop Production and Marketing

This table reports farm size in acres farmed, average crop yields for major commodities, and average crop sales prices for the calendar year. Yields and prices are reported for the average of all farms for more commodities than those included in the High and Low columns because a minimum of five farms are required to report the yield or price for any group.

Household and Personal Expenses

This table reports family living and other non-farm expenditures. Only sole proprietors who keep detailed family living records are included.

Operator and Labor Information

All previous tables report results per farm, regardless of the number of families or operators involved in the operation. This report repeats several measures from previous tables on a *Per Operator* basis. It also summarizes estimated labor hours used and labor performance.

Nonfarm Summary

This table summarizes nonfarm earnings for the average farm and details nonfarm assets and liabilities.

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	46	9	10
Cash Farm Income			
Corn	124,501	34,578	308,500
Corn Silage	168	-	263
Hay, Alfalfa	2,076	120	4,351
Oats	407	439	83
Peas	652	1,208	1,914
Soybeans	61,975	22,381	154,939
Sweet Corn	614	-	1,281
Miscellaneous crop income	2,312	10,424	275
Beef Replacement Heifers	36	186	-
Beef, Finish Beef Calves	10,302	-	1,881
Dairy, Milk	207,483	33,157	498,661
Dairy, Dairy Calves	3,310	-	4,723
Dairy Heifers (for sale)	835	-	150
Dairy Replacement Heifers	7,287	3,848	5,632
Dairy Steers	6,589	3,117	17,526
Hogs, Farrow-Fin, Raised Hogs	6,422	24,835	-
Hogs, Finish Feeder Pigs	5,178	-	10,068
CCC market loan gain	413	-	-
Cull breeding livestock	10,627	5,353	16,952
Misc. livestock income	1,456	7,016	-
Direct & CC govt payments	30,363	11,337	70,821
CRP payments	224	-	-
Other government payments	2,707	668	10,104
Custom work income	5,578	1,415	13,751
Patronage dividends, cash	3,232	2,083	7,310
Insurance income	5,591	744	19,666
Cash from hedging accts	1,825	-	1,000
Other farm income	7,656	5,270	4,921
Gross Cash Farm Income	509,817	168,182	1,154,771

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	46	9	10
Cash Farm Expense			
Seed	24,015	8,807	50,827
Fertilizer	28,881	9,030	66,326
Crop chemicals	17,198	8,528	40,130
Crop insurance	4,434	2,339	6,551
Drying fuel	9,369	3,457	19,972
Irrigation energy	80	-	366
CCC buyback	6,125	1,047	27,231
Crop marketing	1,039	338	2,586
Crop miscellaneous	1,211	466	1,748
Feeder livestock purchase	11,551	1,157	5,256
Purchased feed	60,357	28,651	134,459
Breeding fees	2,931	1,559	6,675
Veterinary	8,858	3,897	18,941
Supplies	15,172	3,961	36,775
DHIA	701	275	1,279
Contract production exp.	3,206	-	-
Livestock leases	123	-	-
Livestock marketing	1,998	1,811	2,417
Interest	21,517	16,845	38,923
Fuel & oil	12,432	6,470	24,478
Repairs	30,713	14,726	62,533
Custom hire	17,602	15,966	40,740
Hired labor	30,120	8,581	70,412
Land rent	37,956	11,903	98,211
Machinery & bldg leases	3,102	171	8,505
Real estate taxes	7,205	3,821	14,108
Farm insurance	6,230	4,539	10,207
Utilities	6,248	4,927	10,822
Hedging account deposits	8,607	-	33,153
Miscellaneous	4,931	4,390	4,886
Total cash expense	383,908	167,662	838,515
Net cash farm income	125,909	520	316,256
Inventory Changes			
Crops and feed	8,347	1,016	57,003
Market livestock	-694	-9,163	2,205
Accounts receivable	4,592	-2,105	9,342
Prepaid expenses and supplies	5,428	-2,345	14,345
Accounts payable	-1,265	1,920	-6,270
Total inventory change	16,409	-10,677	76,624
Net operating profit	142,318	-10,157	392,880
Depreciation and Other Capital Adjustments			
Breeding livestock	-6,088	-3,960	-13,795
Machinery and equipment	-18,933	-5,834	-38,436
Buildings and improvements	-4,961	-595	-17,352
Other farm capital	1,127	-	4,550
Total depr. and other capital adj	-28,855	-10,390	-65,033
Net farm income	113,462	-20,547	327,847

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	46	9	10
Net cash farm income	125,909	520	316,256
Crops and Feed			
Ending inventory	168,782	46,486	471,580
Beginning inventory	160,435	45,470	414,578
Inventory change	8,347	1,016	57,003
Market Livestock			
Ending inventory	51,840	31,429	81,565
Beginning inventory	52,534	40,592	79,360
Inventory change	-694	-9,163	2,205
Accts Receivable & Other Current Assets			
Ending inventory	8,215	641	17,363
Beginning inventory	3,623	2,745	8,022
Inventory change	4,592	-2,105	9,342
Prepaid Expenses and Supplies			
Ending inventory	35,737	3,939	109,569
Beginning inventory	30,309	6,284	95,224
Inventory change	5,428	-2,345	14,345
Accounts Payable & Accrued Expenses			
Beginning inventory	7,302	8,522	12,041
Ending inventory	8,567	6,602	18,312
Inventory change	-1,265	1,920	-6,270
Total inventory change	16,409	-10,677	76,624
Net operating profit	142,318	-10,157	392,880

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	46	9	10
Net operating profit	142,318	-10,157	392,880
Breeding Livestock			
Ending inventory	69,332	20,795	153,740
Capital sales	-	-	-
Beginning inventory	68,246	24,666	145,090
Capital purchases	7,174	89	22,445
Depreciation, capital adjust.	-6,088	-3,960	-13,795
Machinery and Equipment			
Ending inventory	251,240	103,191	493,486
Capital sales	1,838	1,447	2,998
Beginning inventory	223,910	97,802	433,746
Capital purchases	48,101	12,670	101,173
Depreciation, capital adjust.	-18,933	-5,834	-38,436
Buildings and Improvements			
Ending inventory	121,069	51,000	280,750
Capital sales	-	-	-
Beginning inventory	109,764	50,339	237,045
Capital purchases	16,266	1,256	61,057
Depreciation, capital adjust.	-4,961	-595	-17,352
Other Capital Assets			
Ending inventory	9,118	4,324	30,602
Capital sales	2,746	-	12,000
Beginning inventory	8,944	4,324	29,802
Capital purchases	1,793	-	8,250
Depreciation, capital adjust.	1,127	-	4,550
Total depreciation, capital adj.	-28,855	-10,390	-65,033
Net farm income	113,462	-20,547	327,847

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	46	9	10
Profitability (assets valued at cost)			
Net farm income	113,462	-20,547	327,847
Labor and management earnings	64,967	-37,413	210,672
Rate of return on assets	8.3 %	-5.8 %	11.2 %
Rate of return on equity	9.4 %	-18.6 %	13.2 %
Operating profit margin	21.9 %	-22.1 %	27.9 %
Asset turnover rate	37.8 %	26.0 %	40.1 %
Interest on farm net worth	48,495	16,867	117,175
Farm interest expense	22,119	16,845	41,092
Value of operator lbr and mgmt.	38,436	23,722	70,550
Return on farm assets	97,145	-27,424	298,389
Average farm assets	1,173,500	476,771	2,666,524
Return on farm equity	75,026	-44,269	257,297
Average farm equity	799,711	237,480	1,952,919
Value of farm production	444,067	124,161	1,069,809

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	46	9	10
Profitability (assets valued at market)			
Net farm income	119,247	-63,481	349,271
Labor and management earnings	48,089	-99,515	201,273
Rate of return on assets	5.9 %	-7.2 %	9.1 %
Rate of return on equity	6.8 %	-14.5 %	11.3 %
Operating profit margin	23.2 %	-56.7 %	29.9 %
Asset turnover rate	25.5 %	12.7 %	30.5 %
Interest on farm net worth	71,158	36,034	147,998
Farm interest expense	22,119	16,845	41,092
Value of operator lbr and mgmt.	38,436	23,722	70,550
Return on farm assets	102,930	-70,358	319,813
Average farm assets	1,738,343	976,560	3,507,730
Return on farm equity	80,811	-87,203	278,721
Average farm equity	1,185,960	600,570	2,466,626
Value of farm production	444,067	124,161	1,069,809

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	46	9	10
Liquidity (cash)			
Net cash farm income	125,909	520	316,256
Net nonfarm income	28,419	52,510	20,484
Family living and taxes	69,401	52,556	116,499
Principal due on long term debt	18,040	11,880	33,177
Cash available for interm. debt	66,886	-11,406	187,064
Average intermediate debt	110,192	76,457	228,638
Years to turnover interm. debt	1.6	**	1.2
Expense as a % of income	75 %	100 %	73 %
Interest as a % of income	4 %	10 %	3 %
Liquidity (accrual)			
Total accrual farm income	522,063	157,930	1,223,320
Total accrual operating expense	379,745	168,087	830,440
Net accrual operating income	142,318	-10,157	392,880
Net nonfarm income	28,419	52,510	20,484
Family living and taxes	69,401	52,556	116,499
Principal due on long term debt	18,040	11,880	33,177
Available for intermediate debt	83,295	-22,083	263,688
Average intermediate debt	110,192	76,457	228,638
Years to turnover interm. debt	1.3	**	0.9
Expense as a % of income	73 %	106 %	68 %
Interest as a % of income	4 %	11 %	3 %

** Income insufficient to meet debt servicing requirements

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

	<u>Avg. Of All Farms</u>		<u>Low20%</u>		<u>High 20%</u>	
	<u>Beginning</u>	<u>Ending</u>	<u>Beginning</u>	<u>Ending</u>	<u>Beginning</u>	<u>Ending</u>
Number of farms	33		6		6	
Assets						
Current Farm Assets						
Cash and checking balance	19,456	34,167	15,537	22,234	-5,103	70,425
Prepaid expenses & supplies	31,845	34,879	3,575	2,147	118,298	117,877
Growing crops	0	0	0	0	0	0
Accounts receivable	1,944	7,932	1,000	0	4,034	23,008
Hedging accounts	2,965	1,715	3,118	833	8,983	5,578
Crops held for sale or feed	128,445	129,217	26,292	33,062	374,612	381,980
Crops under government loan	14,773	17,801	20,782	0	58,561	97,904
Market livestock held for sale	52,107	49,461	38,308	21,481	56,832	61,598
Other current assets	0	0	0	0	0	0
Total current farm assets	251,534	275,171	108,611	79,757	616,217	758,370
Intermediate Farm Assets						
Breeding livestock	51,601	53,065	10,283	9,000	60,117	65,567
Machinery and equipment	201,361	229,369	83,259	86,111	387,142	454,234
Titled vehicles	0	0	0	0	0	0
Other intermediate assets	3,356	3,598	0	0	18,458	19,792
Total intermediate farm assets	256,319	286,032	93,542	95,111	465,717	539,593
Long Term Farm Assets						
Farm land	304,255	339,469	87,217	87,217	676,594	800,163
Buildings and improvements	90,144	93,704	30,870	32,117	135,349	146,576
Other long-term assets	4,778	4,778	5,486	5,486	8,545	8,545
Total long-term farm assets	399,177	437,952	123,573	124,820	820,487	955,283
Total Farm Assets	907,029	999,155	325,726	299,688	1,902,420	2,253,246
Total Nonfarm Assets	233,588	245,983	370,593	382,642	392,846	387,118
Total Assets	1,140,617	1,245,139	696,319	682,330	2,295,267	2,640,364
Liabilities						
Current Farm Liabilities						
Accrued interest	1,528	2,333	41	0	6,491	10,010
Accounts payable	3,047	4,823	1,544	2,749	10,023	19,493
Current notes	49,322	53,757	43,054	21,569	48,313	75,749
Government crop loans	11,494	13,993	16,325	0	45,385	76,960
Principal due on term debt	34,723	26,409	11,405	13,269	72,837	62,124
Total current farm liabilities	100,114	101,315	72,368	37,587	183,049	244,335
Total intermediate farm liabs	88,803	85,468	46,351	52,244	217,076	196,272
Total long term farm liabilities	163,128	179,392	107,516	122,538	366,115	428,494
Total farm liabilities	352,045	366,175	226,235	212,368	766,239	869,101
Total nonfarm liabilities	39,729	42,462	127,265	125,381	11,840	10,940
Total liabilities	391,775	408,637	353,500	337,749	778,079	880,041
Net worth (farm and nonfarm)	748,842	836,502	342,819	344,580	1,517,188	1,760,322
Net worth change		87,659		1,761		243,135
Ratio Analysis						
Current farm liabilities / assets	40 %	37 %	67 %	47 %	30 %	32 %
Curr. & interm farm liab. / assets	37 %	33 %	59 %	51 %	37 %	34 %
Long term farm liab. / assets	41 %	41 %	87 %	98 %	45 %	45 %
Total debt to asset ratio	34 %	33 %	51 %	49 %	34 %	33 %

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

	Avg. Of All Farms		Low20%		High 20%	
Number of farms	33		6		6	
	<u>Beginning</u>	<u>Ending</u>	<u>Beginning</u>	<u>Ending</u>	<u>Beginning</u>	<u>Ending</u>
Assets						
Current Farm Assets						
Cash and checking balance	19,456	34,167	15,537	22,234	-5,103	70,425
Prepaid expenses & supplies	31,845	34,879	3,575	2,147	118,298	117,877
Growing crops	0	0	0	0	0	0
Accounts receivable	1,944	7,932	1,000	0	4,034	23,008
Hedging accounts	2,965	1,715	3,118	833	8,983	5,578
Crops held for sale or feed	128,445	129,217	26,292	33,062	374,612	381,980
Crops under government loan	14,773	17,801	20,782	0	58,561	97,904
Market livestock held for sale	52,107	49,461	38,308	21,481	56,832	61,598
Other current assets	0	0	0	0	0	0
Total current farm assets	251,534	275,171	108,611	79,757	616,217	758,370
Intermediate Farm Assets						
Breeding livestock	51,601	53,065	10,283	9,000	60,117	65,567
Machinery and equipment	256,938	285,962	115,833	118,500	491,500	556,833
Titled vehicles	0	0	0	0	0	0
Other intermediate assets	7,023	6,038	0	0	38,625	33,208
Total intermediate farm assets	315,562	345,065	126,117	127,500	590,242	655,608
Long Term Farm Assets						
Farm land	635,577	688,586	407,844	429,511	1,130,029	1,290,129
Buildings and improvements	122,225	126,206	66,000	67,333	162,300	173,633
Other long-term assets	5,327	5,327	9,336	9,336	8,545	8,545
Total long-term farm assets	763,129	820,119	483,180	506,180	1,300,873	1,472,306
Total Farm Assets	1,330,225	1,440,355	717,908	713,437	2,507,331	2,886,285
Total Nonfarm Assets	256,058	269,147	399,383	413,680	406,338	389,332
Total Assets	1,586,283	1,709,502	1,117,291	1,127,117	2,913,670	3,275,616
Liabilities						
Current Farm Liabilities						
Accrued interest	1,528	2,333	41	0	6,491	10,010
Accounts payable	3,047	4,823	1,544	2,749	10,023	19,493
Current notes	49,322	53,757	43,054	21,569	48,313	75,749
Government crop loans	11,494	13,993	16,325	0	45,385	76,960
Principal due on term debt	34,723	26,409	11,405	13,269	72,837	62,124
Total current farm liabilities	100,114	101,315	72,368	37,587	183,049	244,335
Total intermediate farm liabs	88,803	85,468	46,351	52,244	217,076	196,272
Total long term farm liabilities	163,128	179,392	107,516	122,538	366,115	428,494
Total farm liabilities	352,045	366,175	226,235	212,368	766,239	869,101
Total nonfarm liabilities	39,729	42,462	127,265	125,381	11,840	10,940
Total liabs excluding deferreds	391,775	408,637	353,500	337,749	778,079	880,041
Total deferred liabilities	121,912	122,821	88,150	87,717	183,305	188,639
Total liabilities	513,687	531,458	441,650	425,466	961,384	1,068,680
Retained earnings	748,842	836,502	342,819	344,580	1,517,188	1,760,322
Market valuation equity	323,754	341,542	332,822	357,071	435,098	446,614
Net worth (farm and nonfarm)	1,072,596	1,178,044	675,642	701,651	1,952,285	2,206,936
Net worth excluding deferreds	1,194,508	1,300,865	763,792	789,368	2,135,591	2,395,575
Net worth change		105,447		26,009		254,651
Ratio Analysis						
Current farm liabilities / assets	40 %	37 %	67 %	47 %	30 %	32 %
Curr. & interm farm liab. / assets	33 %	30 %	51 %	43 %	33 %	31 %
Long term farm liab. / assets	21 %	22 %	22 %	24 %	28 %	29 %
Total debt to asset ratio	32 %	31 %	40 %	38 %	33 %	33 %
Debt to assets excl deferreds	25 %	24 %	32 %	30 %	27 %	27 %

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	46	9	10
Beginning cash (farm & nonfarm)	34,112	18,303	22,355
Cash From Operating Activities			
Gross cash farm income	509,817	168,182	1,154,771
Net nonfarm income	28,419	52,510	20,484
Total cash farm expense	-383,908	-167,662	-838,515
Apparent family living expense	-63,099	-50,851	-106,561
Income and social security tax	-6,303	-1,705	-9,938
Cash from operations	84,926	474	220,240
Cash From Investing Activities			
Sale of breeding livestock	-	-	-
Sale of machinery & equipment	1,838	1,447	2,998
Sale of titled vehicles	-	-	-
Sale of farm land	31,687	100,429	34,376
Sale of farm buildings	-	-	-
Sale of other farm assets	2,746	-	12,000
Sale of nonfarm assets	7,812	1,398	34,502
Purchase of breeding livestock	-7,174	-89	-22,445
Purchase of machinery & equip.	-48,101	-12,670	-101,173
Purchase of titled vehicles	-	-	-
Purchase of farm land	-41,093	-	-143,919
Purchase of farm buildings	-16,266	-1,256	-61,057
Purchase of other farm assets	-1,793	-	-8,250
Purchase of nonfarm assets	-10,316	-5,141	-16,600
Cash from investing activities	-80,661	84,118	-269,570
Cash From Financing Activities			
Money borrowed	155,227	113,301	329,873
Cash gifts and inheritances	5,631	25,519	2,292
Principal payments	-140,245	-133,729	-247,090
Dividends paid	-	-	-
Gifts given	-	-	-
Cash from financing activities	20,613	5,091	85,074
Net change in cash balance	24,878	89,683	35,744
Ending cash (farm & nonfarm)	58,990	107,986	58,100

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	46	9	10
Liquidity			
Current ratio	2.70	4.23	3.31
Working capital	204,942	141,864	514,577
Solvency (market)			
Farm debt to asset ratio	31 %	37 %	30 %
Farm equity to asset ratio	69 %	63 %	70 %
Farm debt to equity ratio	46 %	58 %	42 %
Profitability (cost)			
Rate of return on farm assets	8.3 %	-5.8 %	11.2 %
Rate of return on farm equity	9.4 %	-18.6 %	13.2 %
Operating profit margin	21.9 %	-22.1 %	27.9 %
Net farm income	113,462	-20,547	327,847
Repayment Capacity			
Term debt coverage ratio	216 %	-1 %	312 %
Capital replacement margin	59,354	-35,161	213,664
Efficiency			
Asset turnover rate (cost)	37.8 %	26.0 %	40.1 %
Operating expense ratio	68.5 %	95.8 %	64.5 %
Depreciation expense ratio	5.5 %	6.6 %	5.3 %
Interest expense ratio	4.2 %	10.7 %	3.4 %
Net farm income ratio	21.7 %	-13.0 %	26.8 %

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	46	9	10
Acreage Summary			
Total acres owned	434	279	773
Total crop acres	753	308	1,718
Crop acres owned	391	157	865
Crop acres cash rented	357	147	838
Crop acres share rented	6	3	14
Total pasture acres	12	22	-
Average Price Received (Cash Sales Only)			
Corn per bushel	2.50	2.10	2.63
Soybeans per bushel	6.97	5.99	7.74
Hay, Alfalfa per ton	80.70	-	-
Oats per bushel	1.55	-	-
Average Yield Per Acre			
Corn (bushel)	168.88	149.77	170.44
Soybeans (bushel)	43.36	42.88	43.37
Hay, Alfalfa (ton)	4.00	-	4.19
Corn Silage (ton)	20.48	-	24.61
Oats (bushel)	85.11	-	-
Oatlage (ton)	6.08	-	-

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

	Avg. Of All Farms
Number of farms	12
Average family size	2.9
Family Living Expenses	
Food and meals expense	6,287
Medical care	3,757
Health insurance	5,255
Cash donations	3,257
Household supplies	5,110
Clothing	1,061
Personal care	951
Child / Dependent care	891
Alimony and Child support	-
Gifts	3,900
Education	4,058
Recreation	4,056
Utilities (household share)	2,139
Nonfarm vehicle operating expense	3,757
Household real estate taxes	747
Dwelling rent	-
Household repairs	1,753
Nonfarm interest	1,755
Disability / Long term care insuran	-
Life insurance payments	970
Nonfarm property insurance	-
Miscellaneous	1,595
Total cash family living expense	51,300
Family living from the farm	184
Total family living	51,483
Other Nonfarm Expenditures	
Income taxes	11,909
Furnishing & appliance purchases	-
Nonfarm vehicle purchases	3,880
Nonfarm real estate purchases	1,876
Other nonfarm capital purchases	-1,461
Nonfarm savings & investments	939
Total other nonfarm expenditures	17,144
Total cash family living investment & nonfarm capital purch	68,443

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	46	9	10
Operator Information			
Average number of operators	1.3	1.3	1.5
Average age of operators	52.9	58.6	50.3
Average number of years farming	29.8	34.6	29.7
Results Per Operator			
Working capital	162,540	106,398	343,051
Total assets (market)	1,615,563	1,037,482	2,630,237
Total liabilities	475,339	344,129	730,298
Net worth (market)	1,140,223	693,353	1,899,939
Net worth excl deferred liabs	1,282,281	795,353	2,120,272
Gross farm income	414,050	118,447	815,546
Total farm expense	324,062	133,858	596,982
Net farm income	89,987	-15,410	218,565
Net nonfarm income	22,539	39,383	13,656
Family living & tax withdrawals	55,043	39,417	77,666
Total acres owned	344.1	209.3	515.5
Total crop acres	597.2	230.7	1,145.1
Crop acres owned	309.7	117.7	576.6
Crop acres cash rented	283.0	110.6	559.0
Crop acres share rented	4.4	2.4	9.5
Total pasture acres	9.3	16.7	-
Labor Analysis			
Number of farms	46	9	10
Total unpaid labor hours	3,471	2,811	5,185
Total hired labor hours	2,275	457	4,476
Total labor hours per farm	5,746	3,268	9,661
Unpaid hours per operator	2,753	2,108	3,457
Value of farm production / hour	77.28	37.99	110.74
Net farm income / unpaid hour	32.69	-7.31	63.23
Average hourly hired labor wage	13.06	18.20	14.55
Partnerships & LLCs			
Number of farms	11	3	4
Number of operators	2.1	-	-
Owner withdrawals per farm	110,891	-	-
Withdrawals per operator	52,527	-	-

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	46	9	10
Nonfarm Income			
Nonfarm wages & salary	18,800	42,910	5,644
Net nonfarm business income	4,243	4,579	8,100
Nonfarm rental income	2,095	4,184	1,877
Nonfarm interest income	1,084	441	3,623
Nonfarm cash dividends	1	-	-
Tax refunds	795	944	418
Other nonfarm income	1,400	-547	821
Total nonfarm income	28,419	52,510	20,484
Gifts and inheritances	5,631	25,519	2,292
Nonfarm Assets (market)			
Checking & savings	3,542	4,536	813
Stocks & bonds	18,344	46,460	12,087
Other current assets	17,224	4,841	69,509
Furniture & appliances	6,761	22,444	380
Nonfarm vehicles	8,460	7,422	4,150
Cash value of life ins.	13,170	19,050	15,134
Retirement accounts	43,079	47,325	59,350
Other intermediate assets	23,658	17,637	47,481
Nonfarm real estate	72,096	173,556	24,791
Other long term assets	30,037	47,902	37,346
Total nonfarm assets	236,371	391,173	271,039
Nonfarm Liabilities			
Accrued interest	79	-	358
Accounts payable	-	-	-
Current notes	1,098	-	-
Princ due on term debt	1,810	4,161	-
Total current liabilities	2,987	4,161	358
Intermediate liabilities	737	644	-
Long term liabilities	30,256	88,999	6,206
Total nonfarm liabilities	33,980	93,804	6,564
Nonfarm net worth	202,391	297,369	264,475
Nonfarm debt to asset ratio	14 %	24 %	2 %

Crop Reports

The Crop Enterprise Analysis tables show the average physical production, gross return, direct costs, overhead costs, and net returns per acre. There are potentially three tables for each crop 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.

Gross Return Per Acre includes the value of the crop produced plus any other income directly associated with production of the crop, including crop insurance proceeds and any disaster payments that might have been received. It does not include direct and counter-cyclical government payments (see Net Return With Government Payments).

The *Value Per Unit* is assigned by the producer. For cash crops, the value is based on the actual price for crops sold or contracted before year-end and the inventory value for crops still in inventory at year-end. It also includes the per unit value of any LDP payments received before the end of the year. The local harvest-time price is used for forages and other feed crops.

Net Return Per Acre is the amount contributed toward operator labor, management, and equity capital. Any wages and benefits paid to the operator are removed from labor costs (and added to *Labor and Management Charge*) so that all farms are on equal footing. Land costs include land rent on the rented land pages but only actual interest paid and real estate taxes on owned land. For this reason, net returns from owned and rented land should not be compared.

Net Return Over Labor and Management is the return remaining after compensating the operator for unpaid labor and management. This is the per acre return to equity capital before government payments.

Net Return With Government Payments is the return to equity capital after government payments have been added. These payments are generally allocated evenly per acre across all crops except vegetables and pasture.

Cost of Production shows the average cost per unit produced in each cost category. *Total Direct and Overhead Expense per Unit* is the breakeven price needed to cover cash costs and depreciation. *With Labor and Management* is the breakeven price to provide a labor and management return for the operator. *Total Expense Less Government and Other Income* is the final breakeven price if government payments and any miscellaneous income are used to offset some of the expenses.

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	39	7	9
Number of farms	38	7	8
Acres	190.86	106.17	236.01
Yield per acre (bu.)	169.36	147.55	169.91
Operators share of yield %	100.00	100.00	100.00
Value per bu.	2.07	1.95	2.39
Total product return per acre	350.31	287.32	405.92
Miscellaneous income per acre	8.02	-	24.61
Gross return per acre	358.33	287.32	430.52
Direct Expenses			
Seed	41.95	47.01	40.85
Fertilizer	59.18	53.47	57.01
Crop chemicals	30.56	36.33	23.21
Crop insurance	8.65	8.83	14.33
Drying fuel	26.10	24.79	30.51
Fuel & oil	14.15	21.83	12.63
Repairs	26.23	33.92	17.32
Custom hire	10.03	4.25	12.74
Machinery & bldg leases	0.64	-	0.12
Utilities	0.84	-	0.11
Operating interest	3.69	11.45	3.35
Miscellaneous	1.75	2.00	0.18
Total direct expenses per acre	223.76	243.89	212.38
Return over direct exp per acre	134.58	43.43	218.15
Overhead Expenses			
Custom hire	5.09	1.93	3.83
Hired labor	7.48	8.76	10.60
Machinery & bldg leases	1.00	3.65	0.62
RE & pers. property taxes	15.56	16.43	14.74
Farm insurance	4.88	7.59	4.21
Utilities	2.05	2.44	2.22
Interest	32.48	53.03	43.08
Mach & bldg depreciation	22.57	27.36	16.03
Miscellaneous	4.07	11.25	3.76
Total overhead expenses per acre	95.18	132.44	99.08
Total dir & ovhd expenses per acre	318.94	376.33	311.46
Net return per acre	39.39	-89.01	119.06
Lbr & mgt charge per acre	28.01	31.41	23.42
Net return over lbr & mgt	11.38	-120.42	95.64
Government payments	34.14	41.16	28.74
Net return with govt payments	45.53	-79.26	124.38
Cost of Production			
Total direct expense per bu.	1.32	1.65	1.25
Total dir & ovhd exp per bu.	1.88	2.55	1.83
With labor & management	2.05	2.76	1.97
Total exp less govt & oth income	1.80	2.48	1.66
Est. labor hours per acre	2.81	3.92	2.18

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	39	7	11
Number of farms	32	6	7
Acres	217.65	87.46	326.68
Yield per acre (bu.)	168.61	130.77	171.79
Operators share of yield %	100.00	100.00	100.00
Value per bu.	2.24	1.96	2.45
Total product return per acre	377.77	256.19	421.36
Miscellaneous income per acre	12.03	-	27.25
Gross return per acre	389.79	256.19	448.61
Direct Expenses			
Seed	41.28	39.41	41.16
Fertilizer	56.00	58.29	54.97
Crop chemicals	27.70	41.59	22.81
Crop insurance	11.07	6.84	15.16
Drying fuel	29.65	20.13	31.01
Fuel & oil	13.64	15.84	10.62
Repairs	23.44	40.05	20.33
Custom hire	7.72	5.68	13.94
Hired labor	0.14	1.88	-
Land rent	103.38	101.23	103.75
Machinery & bldg leases	2.28	-	5.38
Marketing	0.25	-	0.59
Operating interest	5.45	4.53	4.83
Miscellaneous	0.75	0.36	0.24
Total direct expenses per acre	322.74	335.83	324.78
Return over direct exp per acre	67.05	-79.64	123.83
Overhead Expenses			
Custom hire	4.54	5.59	5.61
Hired labor	8.92	9.00	7.99
Machinery & bldg leases	2.04	-	3.49
Farm insurance	5.48	8.84	4.20
Utilities	2.57	2.01	2.63
Interest	5.46	3.22	7.28
Mach & bldg depreciation	16.35	13.84	13.27
Miscellaneous	3.68	5.09	3.16
Total overhead expenses per acre	49.03	47.59	47.63
Total dir & ovhd expenses per acre	371.78	383.43	372.41
Net return per acre	18.02	-127.23	76.20
Lbr & mgt charge per acre	22.24	31.31	21.33
Net return over lbr & mgt	-4.22	-158.54	54.87
Government payments	32.51	37.70	23.81
Net return with govt payments	28.29	-120.84	78.68
Cost of Production			
Total direct expense per bu.	1.91	2.57	1.89
Total dir & ovhd exp per bu.	2.20	2.93	2.17
With labor & management	2.34	3.17	2.29
Total exp less govt & oth income	2.07	2.88	1.99
Est. labor hours per acre	2.52	4.19	1.88

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	28	5	6
Number of farms	27	5	6
Acres	196.14	239.72	111.02
Yield per acre (bu.)	43.85	43.64	49.44
Operators share of yield %	100.00	100.00	100.00
Value per bu.	5.44	5.28	5.53
Total product return per acre	238.43	230.58	273.42
Miscellaneous income per acre	8.07	5.17	-
Gross return per acre	246.49	235.75	273.42
Direct Expenses			
Seed	23.84	27.67	24.21
Fertilizer	6.66	13.00	6.45
Crop chemicals	17.97	14.94	17.19
Crop insurance	7.25	8.18	1.86
Fuel & oil	10.06	11.02	12.61
Repairs	18.89	25.39	14.54
Custom hire	10.06	0.13	7.46
Machinery & bldg leases	0.85	3.68	0.38
Operating interest	2.88	6.92	0.18
Miscellaneous	0.19	-	0.47
Total direct expenses per acre	98.65	110.93	85.35
Return over direct exp per acre	147.84	124.82	188.07
Overhead Expenses			
Custom hire	3.86	3.76	0.61
Hired labor	5.47	10.86	2.23
Machinery & bldg leases	0.78	0.35	0.02
RE & pers. property taxes	16.59	19.48	12.19
Farm insurance	4.77	7.32	4.10
Utilities	1.36	1.82	2.44
Interest	32.05	53.32	3.58
Mach & bldg depreciation	16.88	18.01	18.20
Miscellaneous	3.58	5.52	3.11
Total overhead expenses per acre	85.34	120.43	46.47
Total dir & ovhd expenses per acre	184.00	231.36	131.82
Net return per acre	62.50	4.39	141.60
Lbr & mgt charge per acre	20.76	12.38	30.84
Net return over lbr & mgt	41.74	-7.99	110.76
Government payments	18.21	18.97	16.66
Net return with govt payments	59.95	10.98	127.42
Cost of Production			
Total direct expense per bu.	2.25	2.54	1.73
Total dir & ovhd exp per bu.	4.20	5.30	2.67
With labor & management	4.67	5.59	3.29
Total exp less govt & oth income	4.07	5.03	2.95
Est. labor hours per acre	1.88	1.83	2.77

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>High 20%</u>
Number of fields	30	5
Number of farms	23	5
Acres	207.11	112.90
Yield per acre (bu.)	42.90	47.82
Operators share of yield %	100.00	100.00
Value per bu.	5.83	5.32
Total product return per acre	250.24	254.61
Miscellaneous income per acre	23.43	7.09
Gross return per acre	273.68	261.70
Direct Expenses		
Seed	24.09	19.76
Fertilizer	12.63	10.54
Crop chemicals	17.16	22.75
Crop insurance	11.70	3.05
Fuel & oil	10.36	9.48
Repairs	18.26	9.68
Custom hire	5.71	4.34
Land rent	109.26	113.42
Machinery & bldg leases	2.59	-
Operating interest	4.42	0.91
Miscellaneous	0.09	-
Total direct expenses per acre	216.27	193.93
Return over direct exp per acre	57.41	67.77
Overhead Expenses		
Custom hire	6.26	0.88
Hired labor	8.65	0.04
Machinery & bldg leases	2.12	1.09
Farm insurance	4.69	3.80
Utilities	1.59	2.19
Interest	5.74	0.29
Mach & bldg depreciation	11.75	14.27
Miscellaneous	3.26	2.20
Total overhead expenses per acre	44.05	24.77
Total dir & ovhd expenses per acre	260.32	218.70
Net return per acre	13.36	43.00
Lbr & mgt charge per acre	18.44	22.33
Net return over lbr & mgt	-5.09	20.67
Government payments	16.57	15.95
Net return with govt payments	11.48	36.62
Cost of Production		
Total direct expense per bu.	5.04	4.06
Total dir & ovhd exp per bu.	6.07	4.57
With labor & management	6.50	5.04
Total exp less govt & oth income	5.57	4.56
Est. labor hours per acre	1.62	1.81

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

Corn Silage on Owned Land

	Avg. Of All Farms
Number of fields	17
Number of farms	17
Acres	55.49
Yield per acre (ton)	21.40
Operators share of yield %	100.00
Value per ton	19.00
Total product return per acre	406.68
Miscellaneous income per acre	-
Gross return per acre	406.68
Direct Expenses	
Seed	40.16
Fertilizer	29.75
Crop chemicals	35.36
Crop insurance	4.53
Fuel & oil	24.55
Repairs	50.45
Custom hire	49.87
Machinery & bldg leases	1.94
Operating interest	2.61
Miscellaneous	2.53
Total direct expenses per acre	241.75
Return over direct exp per acre	164.94
Overhead Expenses	
Custom hire	6.75
Hired labor	11.59
Machinery & bldg leases	2.38
RE & pers. property taxes	10.15
Farm insurance	7.89
Utilities	2.85
Interest	26.06
Mach & bldg depreciation	19.63
Miscellaneous	4.25
Total overhead expenses per acre	91.55
Total dir & ovhd expenses per acre	333.30
Net return per acre	73.38
Lbr & mgt charge per acre	31.86
Net return over lbr & mgt	41.53
Government payments	40.57
Net return with govt payments	82.10
Cost of Production	
Total direct expense per ton	11.29
Total dir & ovhd exp per ton	15.57
With labor & management	17.06
Total exp less govt & oth income	15.16
Est. labor hours per acre	6.45

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

Corn Silage on Cash Rent

	Avg. Of All Farms
Number of fields	9
Number of farms	9
Acres	19.23
Yield per acre (ton)	15.47
Operators share of yield %	100.00
Value per ton	19.00
Total product return per acre	293.97
Miscellaneous income per acre	-
Gross return per acre	293.97
Direct Expenses	
Seed	42.10
Fertilizer	30.84
Crop chemicals	28.13
Crop insurance	2.47
Fuel & oil	25.26
Repairs	43.99
Custom hire	20.43
Land rent	90.76
Machinery & bldg leases	1.32
Operating interest	2.33
Total direct expenses per acre	287.63
Return over direct exp per acre	6.34
Overhead Expenses	
Custom hire	1.17
Hired labor	4.48
Farm insurance	7.51
Utilities	3.16
Interest	10.27
Mach & bldg depreciation	16.68
Miscellaneous	6.53
Total overhead expenses per acre	49.80
Total dir & ovhd expenses per acre	337.43
Net return per acre	-43.46
Lbr & mgt charge per acre	36.25
Net return over lbr & mgt	-79.72
Government payments	32.75
Net return with govt payments	-46.96
Cost of Production	
Total direct expense per ton	18.59
Total dir & ovhd exp per ton	21.81
With labor & management	24.15
Total exp less govt & oth income	22.04
Est. labor hours per acre	7.68

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

Hay, Alfalfa on Owned Land

	<u>Avg. Of All Farms</u>	<u>High 20%</u>
Number of fields	24	5
Number of farms	23	5
Acres	88.22	92.80
Yield per acre (ton)	3.98	5.09
Operators share of yield %	100.00	100.00
Value per ton	90.00	90.00
Total product return per acre	358.21	458.05
Miscellaneous income per acre	-	-
Gross return per acre	358.21	458.05
Direct Expenses		
Seed	16.77	15.37
Fertilizer	17.21	9.58
Crop chemicals	4.82	5.10
Fuel & oil	18.48	18.07
Repairs	54.81	45.80
Custom hire	38.87	4.16
Operating interest	1.50	0.38
Miscellaneous	2.05	-
Total direct expenses per acre	154.50	98.46
Return over direct exp per acre	203.71	359.59
Overhead Expenses		
Custom hire	8.03	5.25
Hired labor	14.59	6.43
Machinery & bldg leases	1.31	-
RE & pers. property taxes	12.21	8.45
Farm insurance	5.82	7.21
Utilities	1.67	1.19
Interest	18.79	-
Mach & bldg depreciation	31.63	27.94
Miscellaneous	3.78	1.68
Total overhead expenses per acre	97.84	58.15
Total dir & ovhd expenses per acre	252.34	156.61
Net return per acre	105.87	301.44
Lbr & mgt charge per acre	40.87	40.87
Net return over lbr & mgt	65.00	260.57
Government payments	-	-
Net return with govt payments	65.00	260.57
Cost of Production		
Total direct expense per ton	38.82	19.35
Total dir & ovhd exp per ton	63.40	30.77
With labor & management	73.67	38.80
Total exp less govt & oth income	73.67	38.80
Est. labor hours per acre	6.45	5.15

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

Hay, Alfalfa on Cash Rent

	Avg. Of All Farms
Number of fields	18
Number of farms	17
Acres	44.32
Yield per acre (ton)	4.18
Operators share of yield %	100.00
Value per ton	90.00
Total product return per acre	376.22
Miscellaneous income per acre	-
Gross return per acre	376.22
Direct Expenses	
Seed	20.04
Fertilizer	25.58
Crop chemicals	7.82
Fuel & oil	18.03
Repairs	39.86
Custom hire	16.28
Land rent	87.57
Machinery & bldg leases	1.01
Operating interest	2.09
Miscellaneous	0.17
Total direct expenses per acre	218.46
Return over direct exp per acre	157.76
Overhead Expenses	
Custom hire	8.39
Hired labor	15.69
Machinery & bldg leases	2.63
Farm insurance	5.70
Utilities	1.49
Interest	3.33
Mach & bldg depreciation	29.95
Miscellaneous	7.17
Total overhead expenses per acre	74.36
Total dir & ovhd expenses per acre	292.82
Net return per acre	83.40
Lbr & mgt charge per acre	32.56
Net return over lbr & mgt	50.84
Government payments	-
Net return with govt payments	50.84
Cost of Production	
Total direct expense per ton	52.26
Total dir & ovhd exp per ton	70.05
With labor & management	77.84
Total exp less govt & oth income	77.84
Est. labor hours per acre	6.66

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

Pasture on Owned Land

	Avg. Of All Farms
Number of fields	6
Number of farms	6
Acres	59.92
Yield per acre (aum)	4.04
Operators share of yield %	100.00
Value per aum	10.00
Total product return per acre	40.42
Miscellaneous income per acre	1.16
Gross return per acre	41.58
Direct Expenses	
Fuel & oil	2.02
Repairs	4.28
Miscellaneous	0.44
Total direct expenses per acre	6.74
Return over direct exp per acre	34.84
Overhead Expenses	
Custom hire	3.99
Hired labor	0.95
Machinery & bldg leases	3.40
RE & pers. property taxes	11.07
Farm insurance	1.74
Utilities	0.52
Interest	7.72
Mach & bldg depreciation	1.83
Miscellaneous	1.46
Total overhead expenses per acre	32.69
Total dir & ovhd expenses per acre	39.42
Net return per acre	2.16
Lbr & mgt charge per acre	6.08
Net return over lbr & mgt	-3.93
Government payments	-
Net return with govt payments	-3.93
Cost of Production	
Total direct expense per aum	1.67
Total dir & ovhd exp per aum	9.75
With labor & management	11.26
Total exp less govt & oth income	10.97
Est. labor hours per acre	0.65

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

CRP on Owned Land

	Avg. Of All Farms
Number of fields	6
Number of farms	6
Acres	48.95
Yield per acre (\$)	88.99
Operators share of yield %	100.00
Value per \$	1.00
Total product return per acre	88.99
Miscellaneous income per acre	7.83
Gross return per acre	96.82
Direct Expenses	
Seed	2.10
Crop chemicals	0.85
Fuel & oil	0.55
Operating interest	2.23
Total direct expenses per acre	5.74
Return over direct exp per acre	91.08
Overhead Expenses	
Custom hire	2.12
Machinery & bldg leases	0.92
RE & pers. property taxes	9.99
Farm insurance	3.54
Utilities	0.38
Interest	19.08
Miscellaneous	2.91
Total overhead expenses per acre	38.94
Total dir & ovhd expenses per acre	44.68
Net return per acre	52.14
Lbr & mgt charge per acre	2.10
Net return over lbr & mgt	50.04
Government payments	-
Net return with govt payments	50.04
Cost of Production	
Total direct expense per \$	0.06
Total dir & ovhd exp per \$	0.50
With labor & management	0.53
Total exp less govt & oth income	0.44
Est. labor hours per acre	0.18

Livestock Reports

The Livestock Enterprise Analysis tables show the average physical production, gross returns, direct costs, overhead costs, and net returns per budget unit. Consistent with statewide trends, fewer and fewer Association farms have livestock. In order to provide more complete information, 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.”

Gross Return is the accrual gross value produced by the enterprise. It includes income from sale of offspring and livestock products, cull income, non-cash transfers to other enterprises, and the value of production used in the home or for feed. It also includes the value of inventory change from beginning to the end of the year. The cost of livestock purchased and the value of animals transferred in are deducted.

Net Return is the amount contributed by a unit of the enterprise toward operator labor, management, and equity capital. Any wages and benefits paid to the operator are removed from labor costs (and added to *Labor and Management Charge*) so that all farms are on equal footing.

Net Return Over Labor and Management is the return remaining after compensating the operator for unpaid labor and management. This is the per unit return to equity capital.

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

Other Information contains both economic and technical efficiency measures for each enterprise.

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 Association
(Farms Sorted By Net Return Per Unit)

Dairy -- Average Per Cow

	<u>Avg. Of All Farms</u>		<u>Low20%</u>		<u>High 20%</u>	
	26		5		6	
	Quantity	Value	Quantity	Value	Quantity	Value
Number of farms		26		5		6
Milk sold (lb)	21,971.63	3,565.42	17,722.06	2,844.15	22,449.74	3,806.55
Milk used in home (lb)	8.04	1.12	-	-	5.21	0.61
Milk fed to animals (lb)	26.33	2.03	-	-	40.11	4.01
Dairy Calves sold (hd)	0.42	71.00	0.07	5.65	0.20	52.59
Transferred out (hd)	0.48	77.07	0.37	61.30	0.97	157.28
Cull sales (hd)	0.30	175.11	0.54	332.66	0.36	229.14
Butchered (hd)	0.00	0.71	0.01	2.26	-	-
Less purchased (hd)	-0.07	-103.50	-	-	-	-
Less transferred in (hd)	-0.32	-436.77	-0.21	-288.14	-0.41	-544.40
Inventory change (hd)	0.00	-58.07	-0.45	-430.51	0.01	-21.83
Total production		3,294.12		2,527.37		3,683.94
Other income		39.30		71.76		28.49
Gross return		3,333.43		2,599.13		3,712.43
Direct Expenses						
Corn (bu.)	88.53	177.56	89.69	211.41	121.91	277.57
Corn Silage (lb.)	13,010.97	127.73	14,564.97	133.28	9,772.39	92.84
Hay, Alfalfa (lb.)	2,499.22	114.83	2,077.97	92.00	2,690.30	127.04
Hay, Grass & Other (lb.)	172.28	5.13	1,276.84	38.31	-	-
Haylage, Alfalfa (lb.)	6,508.44	156.31	9,802.26	220.55	9,358.21	210.56
Complete Ration (lb.)	631.63	93.79	-	-	-	-
Protein Vit Minerals (lb.)	3,998.39	485.10	3,346.10	532.98	2,760.07	433.95
Other feed stuffs	466.46	18.41	3.67	5.51	0.56	0.84
Breeding fees		35.47		63.16		43.94
Veterinary		112.81		165.52		78.74
BST		20.87		-		-
Supplies		195.83		242.03		170.33
DHIA		8.17		20.07		8.48
Fuel & oil		32.87		37.15		26.90
Repairs		114.82		190.63		187.92
Custom hire		34.76		62.27		11.31
Marketing		36.27		37.85		21.22
Total direct expenses		1,770.73		2,052.70		1,691.64
Return over direct expense		1,562.70		546.43		2,020.79
Overhead Expenses						
Custom hire		23.38		20.11		17.78
Hired labor		370.59		166.32		246.42
RE & pers. property taxes		8.09		18.25		15.89
Farm insurance		28.13		51.99		42.14
Utilities		50.75		131.07		56.20
Interest		61.76		80.66		7.18
Mach & bldg depreciation		123.02		39.87		130.53
Miscellaneous		37.83		46.04		13.47
Total overhead expenses		703.54		554.30		529.60
Total dir & ovhd expenses		2,474.27		2,607.00		2,221.24
Net return		859.16		-7.87		1,491.19
Labor & management charge		219.51		472.28		315.38
Net return over lbr & mgt		639.65		-480.15		1,175.81
Cost of Production						
Total direct expense per cwt.		8.05		11.58		7.52
Total dir & ovhd expense per cwt.		11.24		14.71		9.87
With labor and management		12.24		17.38		11.28
With other revenue adjustments		13.31		18.76		11.72
Est. labor hours per unit		44.99		68.11		50.20
Other Information						
Avg. number of Cows		152.2		35.4		89.3
Milk produced per Cow		22,006		17,722		22,495
Culling percentage		30.0		53.7		36.2
Turnover rate		37.8		67.2		39.2
Percent of barn capacity		109.0		71.4		106.3
Lbs. milk/lb grain & conc.		2.3		2.1		2.9
Feed cost per cwt of milk		5.36		6.96		5.08
Feed cost per Cow		1,178.86		1,234.03		1,142.80
Avg. milk price per cwt.		16.23		16.05		16.96

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

Dairy Replacement Heifers -- Average Per Head Sold/Trans

	<u>Avg. Of All Farms</u>		<u>Low20%</u>		<u>High 20%</u>	
	25		5		5	
	Quantity	Value	Quantity	Value	Quantity	Value
Number of farms						
Replacements sold (hd)	0.21	227.18	0.08	63.45	0.25	289.05
Transferred out (hd)	0.79	1,014.29	0.92	1,146.70	0.75	1,225.93
Butchered (hd)	0.00	1.64	0.00	2.20	0.00	1.49
Less purchased (hd)	-0.05	-59.21	-0.01	-16.28	-	-
Less transferred in (hd)	-1.08	-167.35	-1.03	-202.69	-1.08	-138.34
Inventory change (hd)	-0.06	15.97	-0.26	-58.19	0.02	62.79
Total production (hd)	0.00	1,032.52	0.00	935.19	0.00	1,440.92
Other income		-		-		-
Gross return		1,032.52		935.19		1,440.92
Direct Expenses						
Corn (bu.)	28.02	64.90	41.41	94.81	25.62	59.24
Corn Silage (lb.)	9,452.46	91.80	12,039.12	121.84	10,006.95	98.91
Hay, Alfalfa (lb.)	2,706.13	112.04	2,982.89	147.27	4,447.64	153.92
Hay, Grass & Other (lb.)	357.71	11.93	97.80	2.93	-	-
Haylage, Alfalfa (lb.)	3,812.17	86.35	7,499.76	181.47	675.93	15.21
Pasture (aum)	0.69	9.41	0.10	0.98	1.37	13.70
Protein Vit Minerals (lb.)	2,983.59	171.55	1,603.80	325.81	716.77	153.55
Other feed stuffs	825.74	22.32	125.92	6.81	720.37	15.42
Breeding fees		18.01		26.04		12.06
Veterinary		27.13		55.09		10.85
Supplies		22.18		54.67		9.56
Contract production exp.		84.26		-		-
Fuel & oil		10.70		17.05		6.41
Repairs		38.35		55.17		13.86
Custom hire		51.72		127.74		90.71
Total direct expenses		822.65		1,217.69		653.40
Return over direct expense		209.87		-282.51		787.52
Overhead Expenses						
Custom hire		5.14		10.33		0.55
Hired labor		82.32		124.03		106.83
Machinery & bldg leases		5.16		8.34		0.65
Farm insurance		9.54		10.28		10.37
Utilities		14.45		22.34		8.55
Interest		13.36		42.01		1.07
Mach & bldg depreciation		40.58		72.24		18.98
Miscellaneous		12.40		9.38		16.68
Total overhead expenses		182.94		298.94		163.69
Total dir & ovhd expenses		1,005.59		1,516.63		817.09
Net return		26.93		-581.45		623.83
Labor & management charge		81.44		61.80		76.73
Net return over lbr & mgt		-54.51		-643.25		547.10
Cost of Production						
Total direct expense per head		1,031.59		1,492.65		727.46
Total dir & ovhd expense per head		1,214.53		1,791.60		891.15
With labor and management		1,295.97		1,853.40		967.88
With other revenue adjustments		1,295.97		1,853.40		967.88
Est. labor hours per unit		15.58		13.97		14.79
Other Information						
No. purchased or trans in		79		85		87
Number sold or trans out		70		82		81
Average number of head		135		187		146
Percentage death loss		6.1		5.6		1.8
Feed cost per average head		296.32		386.19		281.91
Feed cost/head sold+trans		570.30		881.92		509.95
Avg. purchase weight		-		-		-
Avg. sales weight		-		-		-
Avg. purch price / head		1,218.99		2,220.00		-
Avg. sales price / head		1,107.40		786.39		1,176.64

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

Dairy and Repl Heifers -- Average Per Cow

	<u>Avg. Of All Farms</u>
Number of farms	19
	Quantity Value
Milk sold (lb)	21,828.99 3,542.30
Milk used in home (lb)	6.96 0.89
Milk fed to animals (lb)	34.33 2.50
Dairy Calves sold (hd)	0.44 168.70
Transferred out (hd)	0.99 590.27
Cull sales (hd)	0.29 175.74
Butchered (hd)	0.00 1.20
Less purchased (hd)	-0.06 -78.47
Less transferred in (hd)	-0.95 -570.51
Inventory change (hd)	-0.04 -32.00
Total production	3,800.63
Other income	46.65
Gross return	3,847.27
Direct Expenses	
Corn (bu.)	102.51 195.95
Corn Silage (lb.)	16,212.18 157.21
Hay, Alfalfa (lb.)	3,139.99 149.05
Haylage, Alfalfa (lb.)	10,317.25 247.67
Complete Ration (lb.)	975.92 147.73
Protein Vit Minerals (lb.)	6,154.27 579.71
Other feed stuffs	1,372.28 35.82
Breeding fees	44.27
Veterinary	149.46
BST	30.38
Supplies	209.32
Contract production exp.	57.18
Fuel & oil	36.21
Repairs	140.87
Custom hire	32.82
Marketing	36.62
Operating interest	8.21
Total direct expenses	2,258.47
Return over direct expense	1,588.80
Overhead Expenses	
Custom hire	27.90
Hired labor	407.49
Farm insurance	29.96
Utilities	63.43
Interest	67.59
Mach & bldg depreciation	163.36
Miscellaneous	47.10
Total overhead expenses	806.82
Total dir & ovhd expenses	3,065.30
Net return	781.98
Labor & management charge	248.35
Net return over lbr & mgt	533.63
Cost of Production	
Total direct expense per cwt.	10.33
Total dir & ovhd expense per cwt.	14.02
With labor and management	15.15
With other revenue adjustments	13.77
Est. labor hours per unit	51.00
Other Information	
Avg. number of Cows	135.7
Milk produced per Cow	21,870
Culling percentage	29.1
Turnover rate	37.5
Percent of barn capacity	109.0
Lbs. milk/lb grain & conc.	1.7
Feed cost per cwt of milk	6.92
Feed cost per Cow	1,513.13
Avg. milk price per cwt.	16.23

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

Beef Cow-Calf -- Average Per Cow

	<u>Avg. Of All Farms</u>
Number of farms	13
	Quantity Value
Beef Calves sold (lb)	66.51 63.53
Transferred out (lb)	402.38 443.25
Cull sales (lb)	135.31 81.58
Butchered (lb)	- 0.69
Less purchased (lb)	-81.86 -86.06
Less transferred in (lb)	-101.51 -100.05
Inventory change (lb)	42.90 110.63
Total production (lb)	463.73 513.57
Other income	-
Gross return	513.57
Direct Expenses	
Corn (bu.)	3.05 7.05
Corn Silage (lb.)	3,467.03 30.98
Hay, Alfalfa (lb.)	1,487.21 52.76
Hay, Grass & Other (lb.)	2,837.01 88.83
Pasture (aum)	2.84 33.41
Complete Ration (lb.)	28.26 3.12
Protein Vit Minerals (lb.)	47.85 9.16
Other feed stuffs	792.26 9.84
Breeding fees	6.65
Veterinary	26.41
Supplies	11.42
Fuel & oil	15.73
Repairs	28.71
Livestock leases	57.81
Marketing	3.70
Operating interest	9.20
Total direct expenses	394.79
Return over direct expense	118.78
Overhead Expenses	
Custom hire	2.62
Hired labor	5.45
Machinery & bldg leases	18.53
RE & pers. property taxes	2.71
Farm insurance	4.71
Utilities	9.24
Dues & professional fees	3.61
Interest	12.01
Mach & bldg depreciation	15.71
Miscellaneous	4.78
Total overhead expenses	79.37
Total dir & ovhd expenses	474.16
Net return	39.41
Labor & management charge	59.77
Net return over lbr & mgt	-20.36
Cost of Production	
Total direct expense per cwt.	85.13
Total dir & ovhd expense per cwt.	102.25
With labor and management	115.14
With other revenue adjustments	97.60
Est. labor hours per unit	8.04
Other Information	
Number of cows	57.2
Pregnancy percentage	99.2
Pregnancy loss percentage	1.1
Culling percentage	11.4
Calving percentage	98.1
Weaning percentage	90.4
Calves sold per cow	0.87
Calf death loss percent	7.0
Average weaning weight	528
Lbs weaned/exposed female	477
Feed cost per cow	235.16
Avg wgt/Beef Calf sold	625
Avg price / cwt	95.52

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

Beef, Finish Beef Calves -- Average Per Head

	Avg. Of All Farms	
Number of farms	18	
	Quantity	Value
Finish Beef sold (lb)	1,298.52	1,099.57
Transferred out (lb)	20.41	20.25
Butchered (lb)	6.98	5.75
Less purchased (lb)	-647.43	-723.56
Less transferred in (lb)	-60.93	-58.91
Inventory change (lb)	8.37	114.02
Total production (lb)	625.90	457.11
Other income		-
Gross return		457.11
Direct Expenses		
Corn (bu.)	56.86	123.12
Corn Silage (lb.)	2,197.56	19.10
Hay, Alfalfa (lb.)	234.61	8.63
Hay, Grass & Other (lb.)	179.46	5.74
Complete Ration (lb.)	18.97	3.23
Protein Vit Minerals (lb.)	265.34	37.84
Corn Distillers Grn (dry) (lb.)	187.22	10.10
Corn Gluten (lb.)	635.06	26.08
Other feed stuffs	183.37	2.29
Veterinary		8.42
Supplies		8.53
Fuel & oil		5.82
Repairs		13.96
Marketing		2.13
Operating interest		13.44
Total direct expenses		288.42
Return over direct expense		168.69
Overhead Expenses		
Custom hire		3.11
Hired labor		3.29
Machinery & bldg leases		3.34
RE & pers. property taxes		2.07
Farm insurance		2.60
Utilities		4.38
Dues & professional fees		0.64
Interest		8.29
Mach & bldg depreciation		14.78
Miscellaneous		4.31
Total overhead expenses		46.82
Total dir & ovhd expenses		335.25
Net return		121.87
Labor & management charge		32.37
Net return over lbr & mgt		89.50
Cost of Production		
Total direct expense per cwt.		72.11
Total dir & ovhd expense per cwt.		75.66
With labor and management		78.12
With other revenue adjustments		78.12
Est. labor hours per unit		3.56
Other Information		
No. purchased or trans in		265
Number sold or trans out		250
Percentage death loss		0.7
Avg. daily gain (lbs)		2.28
Lbs of conc / lb of gain		6.84
Lbs of feed / lb of gain		8.82
Feed cost per cwt of gain		37.72
Feed cost per head		236.12
Average purchase weight		664
Average sales weight		1,297
Avg purch price / cwt		111.76
Avg sales price / cwt		84.68

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

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

	Avg. Of All Farms	
Number of farms	18	
	Quantity	Value
Finish Beef sold (lb)	207.46	175.68
Transferred out (lb)	3.26	3.24
Butchered (lb)	1.11	0.92
Less purchased (lb)	-103.44	-115.60
Less transferred in (lb)	-9.73	-9.41
Inventory change (lb)	1.34	18.22
Total production (lb)	100.00	73.03
Other income		-
Gross return		73.03
Direct Expenses		
Corn (bu.)	9.08	19.67
Corn Silage (lb.)	351.10	3.05
Hay, Alfalfa (lb.)	37.48	1.38
Hay, Grass & Other (lb.)	28.67	0.92
Complete Ration (lb.)	3.03	0.52
Protein Vit Minerals (lb.)	42.39	6.05
Corn Distillers Grn (dry) (lb.)	29.91	1.61
Corn Gluten (lb.)	101.46	4.17
Other feed stuffs	29.30	0.37
Veterinary		1.35
Supplies		1.36
Fuel & oil		0.93
Repairs		2.23
Marketing		0.34
Operating interest		2.15
Total direct expenses		46.08
Return over direct expense		26.95
Overhead Expenses		
Custom hire		0.50
Hired labor		0.53
Machinery & bldg leases		0.53
RE & pers. property taxes		0.33
Farm insurance		0.42
Utilities		0.70
Dues & professional fees		0.10
Interest		1.32
Mach & bldg depreciation		2.36
Miscellaneous		0.69
Total overhead expenses		7.48
Total dir & ovhd expenses		53.56
Net return		19.47
Labor & management charge		5.17
Net return over lbr & mgt		14.30
Cost of Production		
Total direct expense per cwt.		72.11
Total dir & ovhd expense per cwt.		75.66
With labor and management		78.12
With other revenue adjustments		78.12
Est. labor hours per unit		0.57
Other Information		
No. purchased or trans in		265
Number sold or trans out		250
Percentage death loss		0.7
Avg. daily gain (lbs)		2.28
Lbs of conc / lb of gain		6.84
Lbs of feed / lb of gain		8.82
Feed cost per cwt of gain		37.72
Feed cost per head		236.12
Average purchase weight		664
Average sales weight		1,297
Avg purch price / cwt		111.76
Avg sales price / cwt		84.68

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

Dairy Steers -- Average Per Head

	<u>Avg. Of All Farms</u>
Number of farms	11
	Quantity Value
Dairy Steers sold (lb)	1,109.53 867.68
Transferred out (lb)	1.49 2.15
Butchered (lb)	2.24 1.12
Less purchased (lb)	-188.68 -233.64
Less transferred in (lb)	-167.07 -145.77
Inventory change (lb)	43.70 120.20
Total production (lb)	801.22 611.73
Other income	-
Gross return	611.73
Direct Expenses	
Corn (bu.)	73.05 161.11
Corn Silage (lb.)	1,857.37 16.58
Hay, Alfalfa (lb.)	505.35 18.70
Hay, Grass & Other (lb.)	179.20 5.08
Haylage, Alfalfa (lb.)	751.35 16.90
Oats (bu.)	2.06 2.90
Pasture (aum)	-
Complete Ration (lb.)	134.25 6.71
Protein Vit Minerals (lb.)	506.67 97.22
Other feed stuffs	0.65 0.98
Veterinary	18.38
Supplies	11.86
Fuel & oil	5.83
Repairs	17.07
Marketing	3.32
Operating interest	8.10
Total direct expenses	396.34
Return over direct expense	215.39
Overhead Expenses	
Custom hire	3.51
Hired labor	12.70
Machinery & bldg leases	1.52
RE & pers. property taxes	5.53
Farm insurance	7.11
Utilities	7.64
Mach & bldg depreciation	20.42
Miscellaneous	4.83
Total overhead expenses	63.26
Total dir & ovhd expenses	459.60
Net return	152.13
Labor & management charge	50.04
Net return over lbr & mgt	102.09
Cost of Production	
Total direct expense per cwt.	58.90
Total dir & ovhd expense per cwt.	64.60
With labor and management	69.10
With other revenue adjustments	69.10
Est. labor hours per unit	5.99
Other Information	
No. purchased or trans in	53
Number sold or trans out	43
Percentage death loss	2.2
Avg. daily gain (lbs)	2.02
Lbs of conc / lb of gain	5.88
Lbs of feed / lb of gain	7.97
Feed cost per cwt of gain	41.41
Feed cost per head	331.78
Average purchase weight	261
Average sales weight	1,249
Avg purch price / head	323.42
Avg sales price / cwt	78.20

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

Dairy Steers -- Average Per Cwt. Produced

	Avg. Of All Farms	
Number of farms	11	
	Quantity	Value
Dairy Steers sold (lb)	138.48	108.29
Transferred out (lb)	0.19	0.27
Butchered (lb)	0.28	0.14
Less purchased (lb)	-23.55	-29.16
Less transferred in (lb)	-20.85	-18.19
Inventory change (lb)	5.45	15.00
Total production (lb)	100.00	76.35
Other income		-
Gross return		76.35
Direct Expenses		
Corn (bu.)	9.12	20.11
Corn Silage (lb.)	231.82	2.07
Hay, Alfalfa (lb.)	63.07	2.33
Hay, Grass & Other (lb.)	22.37	0.63
Haylage, Alfalfa (lb.)	93.78	2.11
Oats (bu.)	0.26	0.36
Pasture (aum)	-	0.70
Complete Ration (lb.)	16.76	0.84
Protein Vit Minerals (lb.)	63.24	12.13
Other feed stuffs	0.08	0.12
Veterinary		2.29
Supplies		1.48
Fuel & oil		0.73
Repairs		2.13
Marketing		0.41
Operating interest		1.01
Total direct expenses		49.47
Return over direct expense		26.88
Overhead Expenses		
Custom hire		0.44
Hired labor		1.59
Machinery & bldg leases		0.19
RE & pers. property taxes		0.69
Farm insurance		0.89
Utilities		0.95
Mach & bldg depreciation		2.55
Miscellaneous		0.60
Total overhead expenses		7.90
Total dir & ovhd expenses		57.36
Net return		18.99
Labor & management charge		6.25
Net return over lbr & mgt		12.74
Cost of Production		
Total direct expense per cwt.		58.90
Total dir & ovhd expense per cwt.		64.60
With labor and management		69.10
With other revenue adjustments		69.10
Est. labor hours per unit		0.75
Other Information		
No. purchased or trans in		53
Number sold or trans out		43
Percentage death loss		2.2
Avg. daily gain (lbs)		2.02
Lbs of conc / lb of gain		5.88
Lbs of feed / lb of gain		7.97
Feed cost per cwt of gain		41.41
Feed cost per head		331.78
Average purchase weight		261
Average sales weight		1,249
Avg purch price / head		323.42
Avg sales price / cwt		78.20

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

Hogs, Farrow To Finish -- Average Per Litter

	Avg. Of All Farms	
Number of farms	13	
	Quantity	Value
Raised Hogs sold (lb)	2,070.70	1,086.28
Cull sales (lb)	123.46	46.21
Butchered (lb)	2.72	1.33
Less purchased (lb)	-48.99	-53.82
Inventory change (lb)	-73.28	51.24
Total production (lb)	2,074.61	1,131.24
Other income		-
Gross return		1,131.24
Direct Expenses		
Corn (bu.)	92.98	198.38
Oats (bu.)	1.71	2.37
Complete Ration (lb.)	110.17	16.42
Protein Vit Minerals (lb.)	1,726.71	302.73
Corn Distillers Grn (dry) (lb.)	52.38	2.60
Other feed stuffs	38.22	6.66
Breeding fees		11.17
Veterinary		31.34
Supplies		11.58
Fuel & oil		24.67
Repairs		23.90
Custom hire		19.08
Operating interest		12.15
Total direct expenses		663.03
Return over direct expense		468.21
Overhead Expenses		
Custom hire		9.70
Hired labor		56.34
Machinery & bldg leases		8.07
RE & pers. property taxes		6.45
Farm insurance		18.77
Utilities		29.68
Dues & professional fees		4.93
Interest		20.74
Mach & bldg depreciation		39.45
Miscellaneous		13.97
Total overhead expenses		208.11
Total dir & ovhd expenses		871.14
Net return		260.10
Labor & management charge		69.73
Net return over lbr & mgt		190.37
Cost of Production		
Total direct expense per cwt.		31.96
Total dir & ovhd expense per cwt.		41.99
With labor and management		45.35
With other revenue adjustments		44.99
Est. labor hours per unit		9.18
Other Information		
Average number of sows		91.6
Litters farrowed		180
Litters per sow		1.97
Litters per crate		7.04
Pigs born per litter		10.73
Pigs weaned per litter		9.40
Pigs weaned per sow		18.25
Number sold per litter		7.99
Lbs of feed / lb of gain		3.49
Feed cost / cwt. of gain		25.51
Feed cost per litter		529.14
Avg wgt/Raised Hog sold		259
Avg price / cwt		52.46

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

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

	Avg. Of All Farms	
Number of farms	13	
	Quantity	Value
Raised Hogs sold (lb)	99.81	52.36
Cull sales (lb)	5.95	2.23
Butchered (lb)	0.13	0.06
Less purchased (lb)	-2.36	-2.59
Inventory change (lb)	-3.53	2.47
Total production (lb)	100.00	54.53
Other income		-
Gross return		54.53
Direct Expenses		
Corn (bu.)	4.48	9.56
Complete Ration (lb.)	5.31	0.79
Protein Vit Minerals (lb.)	83.23	14.59
Corn Distillers Grn (dry) (lb.)	2.52	0.13
Other feed stuffs	1.92	0.43
Breeding fees		0.54
Veterinary		1.51
Supplies		0.56
Fuel & oil		1.19
Repairs		1.15
Custom hire		0.92
Operating interest		0.59
Total direct expenses		31.96
Return over direct expense		22.57
Overhead Expenses		
Custom hire		0.47
Hired labor		2.72
Machinery & bldg leases		0.39
RE & pers. property taxes		0.31
Farm insurance		0.90
Utilities		1.43
Dues & professional fees		0.24
Interest		1.00
Mach & bldg depreciation		1.90
Miscellaneous		0.67
Total overhead expenses		10.03
Total dir & ovhd expenses		41.99
Net return		12.54
Labor & management charge		3.36
Net return over lbr & mgt		9.18
Cost of Production		
Total direct expense per cwt.		31.96
Total dir & ovhd expense per cwt.		41.99
With labor and management		45.35
With other revenue adjustments		44.99
Est. labor hours per unit		0.44
Other Information		
Average number of sows		91.6
Litters farrowed		180
Litters per sow		1.97
Litters per crate		7.04
Pigs born per litter		10.73
Pigs weaned per litter		9.40
Pigs weaned per sow		18.25
Number sold per litter		7.99
Lbs of feed / lb of gain		3.49
Feed cost / cwt. of gain		25.51
Feed cost per litter		529.14
Avg wgt/Raised Hog sold		259
Avg price / cwt		52.46

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

Hogs, Finish Feeder Pigs -- Average Per Head

	Avg. Of All Farms	
Number of farms	8	
	Quantity	Value
Finish Hogs sold (lb)	247.05	123.05
Butchered (lb)	0.41	0.20
Less purchased (lb)	-52.97	-52.18
Inventory change (lb)	18.93	15.82
Total production (lb)	213.41	86.88
Other income		-
Gross return		86.88
Direct Expenses		
Corn (bu.)	7.40	16.31
Complete Ration (lb.)	95.40	17.40
Protein Vit Minerals (lb.)	91.51	13.88
Other feed stuffs	0.03	0.05
Veterinary		0.48
Supplies		0.67
Fuel & oil		0.56
Repairs		1.27
Custom hire		0.32
Livestock leases		0.66
Marketing		0.44
Operating interest		1.52
Total direct expenses		53.56
Return over direct expense		33.32
Overhead Expenses		
Custom hire		0.31
Machinery & bldg leases		5.22
RE & pers. property taxes		0.32
Farm insurance		0.57
Utilities		0.70
Interest		1.46
Mach & bldg depreciation		2.06
Miscellaneous		0.52
Total overhead expenses		11.17
Total dir & ovhd expenses		64.73
Net return		22.16
Labor & management charge		5.06
Net return over lbr & mgt		17.10
Cost of Production		
Total direct expense per cwt.		36.32
Total dir & ovhd expense per cwt.		40.84
With labor and management		42.89
With other revenue adjustments		42.89
Est. labor hours per unit		0.35
Other Information		
No. purchased or trans in		1,655
Number sold or trans out		1,502
Percentage death loss		4.5
Avg. daily gain (lbs)		1.29
Lbs of conc / lb of gain		2.77
Lbs of feed / lb of gain		2.77
Feed cost per cwt of gain		22.32
Feed cost per head		47.64
Average purchase weight		51
Average sales weight		261
Avg purch price / head		49.94
Avg sales price / cwt		49.81

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

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

	Avg. Of All Farms	
Number of farms	8	
	Quantity	Value
Finish Hogs sold (lb)	115.76	57.66
Butchered (lb)	0.19	0.10
Less purchased (lb)	-24.82	-24.45
Inventory change (lb)	8.87	7.41
Total production (lb)	100.00	40.71
Other income		-
Gross return		40.71
Direct Expenses		
Corn (bu.)	3.47	7.64
Complete Ration (lb.)	44.70	8.15
Protein Vit Minerals (lb.)	42.88	6.51
Other feed stuffs	0.01	0.02
Veterinary		0.23
Supplies		0.31
Fuel & oil		0.26
Repairs		0.59
Custom hire		0.15
Livestock leases		0.31
Marketing		0.21
Operating interest		0.71
Total direct expenses		25.10
Return over direct expense		15.61
Overhead Expenses		
Custom hire		0.14
Machinery & bldg leases		2.45
RE & pers. property taxes		0.15
Farm insurance		0.27
Utilities		0.33
Interest		0.68
Mach & bldg depreciation		0.97
Miscellaneous		0.24
Total overhead expenses		5.23
Total dir & ovhd expenses		30.33
Net return		10.38
Labor & management charge		2.37
Net return over lbr & mgt		8.01
Cost of Production		
Total direct expense per cwt.		36.32
Total dir & ovhd expense per cwt.		40.84
With labor and management		42.89
With other revenue adjustments		42.89
Est. labor hours per unit		0.16
Other Information		
No. purchased or trans in		1,655
Number sold or trans out		1,502
Percentage death loss		4.5
Avg. daily gain (lbs)		1.29
Lbs of conc / lb of gain		2.77
Lbs of feed / lb of gain		2.77
Feed cost per cwt of gain		22.32
Feed cost per head		47.64
Average purchase weight		51
Average sales weight		261
Avg purch price / head		49.94
Avg sales price / cwt		49.81

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

Hogs, Weaning to Finish -- Average Per Head

	Avg. Of All Farms	
Number of farms	7	
	Quantity	Value
Wean-Fin Pig sold (lb)	255.61	128.06
Butchered (lb)	0.03	0.02
Less purchased (lb)	-16.33	-41.00
Inventory change (lb)	11.22	5.70
Total production (lb)	250.53	92.78
Other income		2.82
Gross return		95.60
Direct Expenses		
Corn (bu.)	8.84	20.02
Complete Ration (lb.)	14.02	4.50
Protein Vit Minerals (lb.)	70.90	14.05
Other feed stuffs	0.04	8.95
Veterinary		2.46
Supplies		1.34
Fuel & oil		1.34
Repairs		1.31
Custom hire		0.89
Operating interest		0.66
Total direct expenses		55.52
Return over direct expense		40.08
Overhead Expenses		
Custom hire		0.65
Hired labor		2.33
Machinery & bldg leases		6.61
Farm insurance		1.15
Utilities		0.90
Interest		1.83
Mach & bldg depreciation		2.28
Miscellaneous		0.77
Total overhead expenses		16.51
Total dir & ovhd expenses		72.03
Net return		23.57
Labor & management charge		3.27
Net return over lbr & mgt		20.30
Cost of Production		
Total direct expense per cwt.		35.53
Total dir & ovhd expense per cwt.		41.98
With labor and management		43.26
With other revenue adjustments		42.16
Est. labor hours per unit		0.33
Other Information		
No. purchased or trans in		15,526
Number sold or trans out		13,848
Percentage death loss		6.5
Avg. daily gain (lbs)		1.46
Lbs of conc / lb of gain		2.31
Lbs of feed / lb of gain		2.67
Feed cost per cwt of gain		18.97
Feed cost per head		47.53
Average purchase weight		14
Average sales weight		249
Avg purch price / head		35.68
Avg sales price / cwt		50.10

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

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

	<u>Avg. Of All Farms</u>	
Number of farms	7	
	Quantity	Value
Wean-Fin Pig sold (lb)	102.02	51.12
Butchered (lb)	0.01	0.01
Less purchased (lb)	-6.52	-16.37
Inventory change (lb)	4.48	2.28
Total production (lb)	100.00	37.03
Other income		1.12
Gross return		38.16
Direct Expenses		
Corn (bu.)	3.53	7.99
Complete Ration (lb.)	5.60	1.80
Protein Vit Minerals (lb.)	28.30	5.61
Other feed stuffs	0.02	3.57
Veterinary		0.98
Supplies		0.53
Fuel & oil		0.54
Repairs		0.52
Custom hire		0.36
Operating interest		0.26
Total direct expenses		22.16
Return over direct expense		16.00
Overhead Expenses		
Custom hire		0.26
Hired labor		0.93
Machinery & bldg leases		2.64
Farm insurance		0.46
Utilities		0.36
Interest		0.73
Mach & bldg depreciation		0.91
Miscellaneous		0.31
Total overhead expenses		6.59
Total dir & ovhd expenses		28.75
Net return		9.41
Labor & management charge		1.31
Net return over lbr & mgt		8.10
Cost of Production		
Total direct expense per cwt.		35.53
Total dir & ovhd expense per cwt.		41.98
With labor and management		43.26
With other revenue adjustments		42.16
Est. labor hours per unit		0.13
Other Information		
No. purchased or trans in		15,526
Number sold or trans out		13,848
Percentage death loss		6.5
Avg. daily gain (lbs)		1.46
Lbs of conc / lb of gain		2.31
Lbs of feed / lb of gain		2.67
Feed cost per cwt of gain		18.97
Feed cost per head		47.53
Average purchase weight		14
Average sales weight		249
Avg purch price / head		35.68
Avg sales price / cwt		50.10

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

Hogs, Contractee -- Average Per Pig Space

	Avg. Of All Farms	
Number of farms	13	
	Quantity	Value
Total production (hd)	0.00	0.00
Other income		33.70
Gross return		33.70
Direct Expenses		
Supplies		2.45
Fuel & oil		0.70
Repairs		2.32
Custom hire		0.14
Total direct expenses		5.60
Return over direct expense		28.09
Overhead Expenses		
Custom hire		0.73
Hired labor		1.16
Machinery & bldg leases		2.58
RE & pers. property taxes		0.35
Farm insurance		0.92
Utilities		1.86
Dues & professional fees		0.07
Interest		5.19
Mach & bldg depreciation		6.84
Miscellaneous		0.37
Total overhead expenses		20.07
Total dir & ovhd expenses		25.67
Net return		8.02
Labor & management charge		4.04
Net return over lbr & mgt		3.98
Cost of Production		
Total direct expense per head		-
Total dir & ovhd expense per head		-
With labor and management		-
With other revenue adjustments		-
Est. labor hours per unit		0.44
Other Information		
Number of pigs		5,629
Pigs per pig space (per year)		2.32
Pigs per 100 sq. ft. (per yr)		30.99
Net return per 100 sq. ft.		107.02
Net return per labor hour		18.17
Square feet per pig space		7.50

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

Sheep, Market Lamb Prod -- Average Per Ewe

	<i>Avg. Of All Farms</i>	
Number of farms	5	
	Quantity	Value
Lambs sold (lb)	6.89	3.67
Mkt Lambs sold (lb)	159.41	160.47
Cull sales (lb)	37.47	11.24
Butchered (lb)	0.13	0.13
Less purchased (lb)	-0.27	-1.17
Inventory change (lb)	-4.55	4.45
Total production (lb)	192.19	178.80
Other income		0.90
Gross return		179.70
Direct Expenses		
Corn (bu.)	10.76	24.34
Hay, Alfalfa (lb.)	571.32	23.11
Hay, Grass & Other (lb.)	429.47	10.83
Complete Ration (lb.)	15.08	2.48
Protein Vit Minerals (lb.)	68.61	11.73
Other feed stuffs	7.14	2.02
Veterinary		6.26
Supplies		4.66
Fuel & oil		5.22
Repairs		12.82
Marketing		0.85
Bedding		1.29
Operating interest		1.03
Total direct expenses		106.64
Return over direct expense		73.06
Overhead Expenses		
Custom hire		3.17
Hired labor		4.81
Machinery & bldg leases		0.65
RE & pers. property taxes		1.31
Farm insurance		3.20
Utilities		3.30
Interest		4.45
Mach & bldg depreciation		11.79
Miscellaneous		3.05
Total overhead expenses		35.73
Total dir & ovhd expenses		142.36
Net return		37.33
Labor & management charge		27.12
Net return over lbr & mgt		10.21
Cost of Production		
Total direct expense per cwt.		55.49
Total dir & ovhd expense per cwt.		74.08
With labor and management		88.19
With other revenue adjustments		80.16
Est. labor hours per unit		2.21
Other Information		
Number of ewes		306.8
Pregnancy percentage		94.4
Pregnancy loss percentage		1.0
Female turnover rate		17.54
Lambs born / ewe exposed		1.61
Lambs born / ewe lambing		1.73
Lambs weaned/ewe exposed		1.48
Lambs sold per ewe		1.30
Lamb dth loss (died/born)		10.5
Average weaning weight		48
Lbs weaned/exposed female		70
Feed cost per ewe		74.51
Avg wgt/Mkt Lamb sold		123
Avg price / cwt		100.67

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

Sheep, Market Lamb Prod -- Average Per Cwt. Produced

	<i>Avg. Of All Farms</i>	
Number of farms	5	
	Quantity	Value
Lambs sold (lb)	3.59	1.91
Mkt Lambs sold (lb)	82.94	83.50
Cull sales (lb)	19.50	5.85
Butchered (lb)	0.07	0.07
Less purchased (lb)	-0.14	-0.61
Inventory change (lb)	-2.37	2.32
Total production (lb)	100.00	93.03
Other income		0.47
Gross return		93.50
Direct Expenses		
Corn (bu.)	5.60	12.67
Hay, Alfalfa (lb.)	297.27	12.02
Hay, Grass & Other (lb.)	223.46	5.63
Complete Ration (lb.)	7.85	1.29
Protein Vit Minerals (lb.)	35.70	6.10
Other feed stuffs	3.71	1.05
Veterinary		3.26
Supplies		2.43
Fuel & oil		2.72
Repairs		6.67
Marketing		0.44
Bedding		0.67
Operating interest		0.54
Total direct expenses		55.49
Return over direct expense		38.02
Overhead Expenses		
Custom hire		1.65
Hired labor		2.50
Machinery & bldg leases		0.34
RE & pers. property taxes		0.68
Farm insurance		1.67
Utilities		1.72
Interest		2.32
Mach & bldg depreciation		6.14
Miscellaneous		1.59
Total overhead expenses		18.59
Total dir & ovhd expenses		74.08
Net return		19.42
Labor & management charge		14.11
Net return over lbr & mgt		5.31
Cost of Production		
Total direct expense per cwt.		55.49
Total dir & ovhd expense per cwt.		74.08
With labor and management		88.19
With other revenue adjustments		80.16
Est. labor hours per unit		1.15
Other Information		
Number of ewes		306.8
Pregnancy percentage		94.4
Pregnancy loss percentage		1.0
Female turnover rate		17.54
Lambs born / ewe exposed		1.61
Lambs born / ewe lambing		1.73
Lambs weaned/ewe exposed		1.48
Lambs sold per ewe		1.30
Lamb dth loss (died/born)		10.5
Average weaning weight		48
Lbs weaned/exposed female		70
Feed cost per ewe		74.51
Avg wgt/Mkt Lamb sold		123
Avg price / cwt		100.67

Summary Tables

Financial Summary by Years

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* table. 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.

<u>Year</u>	<u>CPI-U</u> <u>1982-84=100</u>	<u>Year</u>	<u>CPI-U</u> <u>1982-84=100</u>
1985	107.6	1995	152.4
1986	109.6	1996	156.9
1987	113.6	1997	160.5
1988	118.3	1998	163.0
1989	124.0	1999	166.6
1990	130.7	2000	172.2
1991	136.2	2001	177.0
1992	140.3	2002	179.9
1993	144.5	2003	184.0
1994	148.2	2004	188.9

Financial Summary by County

This table summarizes whole-farm financial performance by county. Counties are grouped by proximity and similar crop production potential.

Financial Summary by Farm Size (Gross Farm Income)

This table summarizes whole-farm financial performance by size of farm. Farms are categorized based on gross farm income.

Financial Summary by Farm Type

This table summarizes whole-farm financial performance by type of farm. Farm type is assigned based on greater than 70 percent of sales from that commodity or combination of commodities.

Financial Summary by Debt To Asset Ratio

This table summarizes whole-farm financial performance by debt level. Farms are categorized based on total farm and nonfarm Debt To Asset Ratio.

Financial Summary by Age of Operator

This table summarizes whole-farm financial performance based on age of the primary operator.

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

Row	Items	1985	1986	1987	1988	1989	1990	1991	1992	1993
1	Number of Farms	59	61	62	63	58	65	65	63	65
Farm Income Statement										
2	Gross Cash Farm Income	197,842	190,124	190,481	187,712	203,126	219,696	212,943	219,457	236,401
3	Total Cash Farm Expense	151,162	141,090	136,802	135,159	146,353	146,315	144,519	153,908	172,893
4	Inventory Change	415	1,833	9,817	2,922	3,482	8,706	1,827	-7,685	2,930
5	Depr. & Cap. Adj.	-30,386	-25,685	-18,298	-13,646	-15,010	-20,043	-19,416	-17,897	-23,192
6	Net Farm Income	16,709	25,180	45,197	41,829	45,244	62,044	50,835	39,967	43,246
7	Net Farm Income (Constant \$)	29,334	43,399	75,156	66,792	68,924	89,672	70,505	53,812	56,534
Profitability and Liquidity Analysis										
8	Labor and Management Earnings	6,630	16,418	34,905	29,793	31,106	46,923	34,143	22,049	25,084
Rate of return on:										
9	Average Assets (%)	5	8	12	10	10	12	9	5	6
10	Average Equity (%)	-1	5	15	11	10	15	9	3	5
11	Operating Profit Margin (%)	10	16	22	20	19	23	19	11	14
12	Asset Turnover Rate (%)	50	50	54	52	50	53	46	42	38
13	Value of Farm Production	190,882	173,619	194,420	187,789	199,804	215,976	200,904	198,818	184,576
14	Farm Interest Paid	22,207	21,168	16,542	15,543	15,151	12,963	13,983	12,509	13,339
15	Cash Expense as a % of Income	76	74	72	72	72	67	68	70	73
Interest Paid as a % of:										
16	Gross Cash Income	11	11	9	8	7	6	7	6	6
17	Total Cash Expenses	15	15	12	11	10	9	10	8	8
18	Yrs. to T/O Non R.E. Debt	1.9	3.6	4.1	3.4	4.5	1.5	1.5	2.0	1.5
Comparative Financial Statement (Cost Basis)										
19	No. of Sole Proprietors	40	46	49	48	44	51	48	46	47
20	Total Ending Assets	370,853	320,601	326,849	331,420	376,054	384,259	417,616	474,752	455,144
21	Total Ending Liabilities	201,572	170,318	162,013	154,430	164,661	159,333	172,612	192,695	198,475
22	Ending Net Worth	169,281	150,283	164,836	176,990	211,393	224,926	245,004	282,057	256,670
23	Ending Farm C+I Debt to Asset %	50	45	38	33	33	31	31	33	40
24	Ending Total Debt to Asset %	54	53	50	47	44	41	41	41	44
Acreage Information										
25	Total Acres Owned	288	264	268	274	294	280	272	285	325
26	Total Crop Acres Farmed	423	376	365	348	372	350	401	417	432
27	Crop Acres Owned	231	198	225	223	222	210	237	261	264
28	Crop Acres Cash Rented	180	157	123	105	128	124	159	152	162
29	Crop Acres Share Rented	12	21	18	20	22	16	5	4	5
Crop Yields										
30	Corn per acre	125	140	143	88	142	140	134	117	91
31	Soybean per acre	37	41	44	31	42	41	42	32	33
Crop Prices Received (cash sales)										
32	Corn per Bushel	2.44	2.02	1.77	2.17	2.36	2.39	2.28	2.34	1.97
33	Soybeans per Bushel	5.06	5.07	4.95	6.87	6.88	5.89	5.33	5.28	5.98
Household Information										
34	No. Farms Reporting HseHld Info	15	15	14	12	11	16	16	16	19
35	Average Family Size	3.4	3.5	3.5	3.5	3.7	3.4	3.8	4.0	3.3
36	Total Family Use of Cash	27,308	26,945	35,772	41,392	44,050	49,370	46,635	44,940	32,132
37	Average Net Nonfarm Income	6,065	8,429	8,788	8,396	9,370	8,403	8,343	10,377	12,192

* Not available.

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

1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	Row
----	----	----	----	----	----	----	----	----	----	----	----
64	62	61	64	60	62	58	59	54	50	46	1
242,784	269,666	291,050	294,687	320,356	411,665	352,354	365,819	402,565	470,459	509,817	2
178,968	198,873	211,486	225,501	239,611	314,644	267,986	274,867	328,740	366,322	383,908	3
7,424	20,130	3,690	21,010	1,575	-53	19,036	-6,480	14,376	12,101	16,409	4
-15,047	-19,541	-15,676	-16,885	-16,580	-30,556	-25,732	-23,494	-23,536	-30,568	-28,855	5
56,192	71,382	67,579	73,311	65,739	66,412	77,672	60,978	64,666	85,669	113,462	6
71,624	88,478	81,362	86,283	76,185	75,301	85,205	65,078	67,901	87,950	113,462	7
37,384	47,696	41,777	45,620	36,896	35,032	45,373	26,509	25,398	44,067	64,967	8
8	9	8	9	7	7	8	6	5	7	8	9
9	10	8	9	7	7	9	5	5	7	9	10
20	22	21	24	19	18	22	17	15	17	22	11
40	40	39	37	36	39	37	34	35	40	38	12
201,239	239,151	242,598	256,273	268,551	320,367	309,214	287,161	338,181	409,738	444,067	13
14,175	15,370	15,571	18,957	17,964	22,135	22,111	19,291	20,758	20,191	21,517	14
74	74	73	77	75	76	76	75	82	78	75	15
6	6	5	6	6	5	6	5	5	4	4	16
8	8	7	8	7	7	8	7	6	6	6	17
1.3	1.2	1.0	1.4	1.4	1.2	2.1	1.4	2.4	1.5	1.6	18
46	44	45	47	45	49	46	45	41	36	33	19
507,456	571,147	610,645	673,379	735,178	789,710	849,829	878,408	1,045,929	1,066,423	1,245,139	20
218,738	227,621	217,061	251,000	260,958	266,181	296,006	295,360	378,343	361,425	408,637	21
288,718	343,526	393,584	422,379	474,219	523,529	553,823	583,049	667,586	704,997	836,502	22
38	36	35	37	35	36	37	35	39	34	33	23
43	40	36	37	35	34	35	34	36	34	33	24
335	362	336	325	367	330	342	336	355	391	434	25
430	496	504	513	560	580	576	577	634	691	753	26
258	276	252	266	285	304	301	301	317	346	391	27
163	214	244	241	268	271	266	275	314	339	357	28
8	6	8	7	7	5	9	2	3	5	6	29
158	129	126	146	167	156	154	143	163	158	169	30
46	44	42	44	50	45	49	40	50	37	43	31
2.22	2.37	3.19	2.54	2.15	1.86	1.85	1.88	2.02	2.14	2.50	32
5.94	5.72	7.00	7.11	5.72	4.59	4.65	4.43	4.90	6.18	6.97	33
30	21	18	17	15	16	13	18	16	9	12	34
3.0	2.1	3.6	3.5	3.7	3.8	4.0	3.6	2.8	3.0	2.9	35
37,652	41,005	36,438	60,231	50,081	61,086	86,083	81,341	73,210	56,374	68,443	36
12,435	14,786	20,634	26,290	20,692	27,419	26,602	29,753	28,780	31,939	34,050	37

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

	<u>Avg. Of All Farms</u>	<u>Dakota Le Sueur Nicollet Rice Scott Washington</u>	<u>Dodge Faribault Freeborn Mower Steele Waseca</u>	<u>Fillmore Goodhue Houston Olmsted Wabasha Winona</u>
Number of farms	46	12	5	29
Income Statement				
Gross cash farm income	509,817	657,973	321,708	480,943
Total cash farm expense	383,908	488,208	213,122	370,196
Net cash farm income	125,909	169,765	108,586	110,748
Inventory change	16,409	14,103	11,193	18,263
Depreciation and capital adjust	-28,855	-30,987	-15,632	-30,253
Net farm income	113,462	152,881	104,147	98,757
Profitability (cost)				
Labor and management earnings	64,967	67,481	56,614	65,368
Rate of return on assets	8.3 %	7.7 %	7.8 %	8.8 %
Rate of return on equity	9.4 %	8.2 %	8.7 %	10.8 %
Operating profit margin	21.9 %	22.4 %	28.2 %	20.6 %
Asset turnover rate	37.8 %	34.4 %	27.8 %	42.8 %
Liquidity				
Ending current ratio	2.72	3.15	4.25	2.44
Ending working capital	124,723	206,556	34,885	106,350
End working capital to gross inc	24.5 %	31.4 %	10.8 %	22.1 %
Term debt coverage ratio	216.0 %	233.5 %	203.3 %	207.9 %
Expense as a percent of income	72.7 %	73.0 %	64.0 %	73.6 %
Interest as a percent of income	4.2 %	3.3 %	6.3 %	4.5 %
Solvency (market)				
Number of sole proprietors	33	7	2	24
Ending farm assets	1,440,355	2,481,007	-	1,166,073
Ending farm liabilities	488,996	850,958	-	397,749
Ending total assets	1,709,502	2,800,034	-	1,415,681
Ending total liabilities	531,458	872,575	-	447,273
Ending net worth	1,178,044	1,927,460	-	968,409
Net worth change	105,447	172,753	-	86,614
Ending farm debt to asset ratio	34 %	34 %	-	34 %
Beg total debt to asset ratio	32 %	32 %	-	33 %
End total debt to asset ratio	31 %	31 %	-	32 %
Nonfarm Information				
Net nonfarm income	28,419	33,677	47,465	22,959
Farms reporting living expenses	13	1	1	11
Total family living expense	51,229	-	-	53,101
Total living, invest, & capital	65,196	-	-	65,512
Crop Acres				
Total acres owned	434	584	469	366
Total crop acres	753	1,090	757	613
Total crop acres owned	391	592	537	282
Total crop acres cash rented	357	496	220	323
Total crop acres share rented	6	2	-	8

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

	<u>Avg. Of All Farms</u>	<u>100,001 - 250,000</u>	<u>250,001 - 500,000</u>	<u>500,001 - 1,000,000</u>	<u>Over 1,000,000</u>
Number of farms	46	10	13	10	6
Income Statement					
Gross cash farm income	509,817	186,458	346,476	658,075	1,682,089
Total cash farm expense	383,908	138,860	261,374	490,279	1,255,379
Net cash farm income	125,909	47,599	85,103	167,796	426,710
Inventory change	16,409	-2,844	6,791	45,229	33,140
Depreciation and capital adjust	-28,855	-8,503	-16,444	-40,918	-95,638
Net farm income	113,462	36,252	75,450	172,108	364,213
Profitability (cost)					
Labor and management earnings	64,967	5,057	49,705	111,268	217,210
Rate of return on assets	8.3 %	3.3 %	8.5 %	10.2 %	9.9 %
Rate of return on equity	9.4 %	2.2 %	10.0 %	12.2 %	11.6 %
Operating profit margin	21.9 %	14.9 %	19.2 %	25.4 %	24.3 %
Asset turnover rate	37.8 %	22.5 %	44.6 %	40.1 %	40.7 %
Liquidity					
Ending current ratio	2.72	7.76	2.16	2.65	2.94
Ending working capital	124,723	80,527	86,042	194,458	293,274
End working capital to gross inc	24.5 %	43.2 %	24.8 %	29.5 %	17.4 %
Term debt coverage ratio	216.0 %	121.8 %	193.5 %	296.8 %	223.8 %
Expense as a percent of income	72.7 %	75.6 %	73.4 %	69.4 %	73.2 %
Interest as a percent of income	4.2 %	7.3 %	4.2 %	3.9 %	3.8 %
Solvency (market)					
Number of sole proprietors	33	7	9	9	2
Ending farm assets	1,440,355	997,376	1,089,509	1,998,988	-
Ending farm liabilities	488,996	300,355	380,802	594,673	-
Ending total assets	1,709,502	1,205,565	1,359,025	2,305,080	-
Ending total liabilities	531,458	313,880	446,981	617,118	-
Ending net worth	1,178,044	891,685	912,044	1,687,962	-
Net worth change	105,447	72,231	69,993	140,490	-
Ending farm debt to asset ratio	34 %	30 %	35 %	30 %	- %
Beg total debt to asset ratio	32 %	30 %	33 %	27 %	- %
End total debt to asset ratio	31 %	26 %	33 %	27 %	- %
Nonfarm Information					
Net nonfarm income	28,419	38,052	18,287	17,436	20,859
Farms reporting living expenses	13	3	4	3	1
Total family living expense	51,229	-	-	-	-
Total living, invest, & capital	65,196	-	-	-	-
Crop Acres					
Total acres owned	434	307	326	487	1,033
Total crop acres	753	374	506	1,060	2,059
Total crop acres owned	391	264	240	505	1,071
Total crop acres cash rented	357	109	259	541	988
Total crop acres share rented	6	-	7	14	-

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	46	13	13	6	8
Income Statement					
Gross cash farm income	509,817	527,068	730,512	521,808	262,686
Total cash farm expense	383,908	397,225	540,851	367,467	215,385
Net cash farm income	125,909	129,843	189,660	154,341	47,300
Inventory change	16,409	29,114	17,581	8,248	11,149
Depreciation and capital adjust	-28,855	-19,941	-49,071	-32,192	-17,345
Net farm income	113,462	139,016	158,170	130,397	41,104
Profitability (cost)					
Labor and management earnings	64,967	87,283	110,018	43,501	11,864
Rate of return on assets	8.3 %	10.1 %	10.9 %	5.9 %	4.1 %
Rate of return on equity	9.4 %	12.8 %	12.8 %	5.8 %	3.3 %
Operating profit margin	21.9 %	24.9 %	23.2 %	21.2 %	13.2 %
Asset turnover rate	37.8 %	40.8 %	46.9 %	27.7 %	30.8 %
Liquidity					
Ending current ratio	2.72	3.46	4.45	1.00	1.69
Ending working capital	124,723	221,695	114,957	366	79,971
End working capital to gross inc	24.5 %	42.1 %	15.7 %	0.1 %	30.4 %
Term debt coverage ratio	216.0 %	201.3 %	284.2 %	245.5 %	155.9 %
Expense as a percent of income	72.7 %	71.8 %	71.6 %	68.9 %	78.2 %
Interest as a percent of income	4.2 %	5.2 %	2.8 %	3.8 %	5.7 %
Solvency (market)					
Number of sole proprietors	33	9	9	2	8
Ending farm assets	1,440,355	1,924,434	1,394,231	-	1,204,358
Ending farm liabilities	488,996	658,087	380,452	-	394,050
Ending total assets	1,709,502	2,290,714	1,570,917	-	1,527,455
Ending total liabilities	531,458	713,854	380,452	-	498,486
Ending net worth	1,178,044	1,576,860	1,190,465	-	1,028,969
Net worth change	105,447	136,714	106,851	-	110,984
Ending farm debt to asset ratio	34 %	34 %	27 %	- %	33 %
Beg total debt to asset ratio	32 %	32 %	28 %	- %	35 %
End total debt to asset ratio	31 %	31 %	24 %	- %	33 %
Nonfarm Information					
Net nonfarm income	28,419	41,162	7,584	23,739	45,803
Farms reporting living expenses	13	3	4	1	3
Total family living expense	51,229	-	-	-	-
Total living, invest, & capital	65,196	-	-	-	-
Crop Acres					
Total acres owned	434	578	305	685	357
Total crop acres	753	1,280	359	975	535
Total crop acres owned	391	576	235	700	231
Total crop acres cash rented	357	693	124	271	300
Total crop acres share rented	6	11	-	4	4

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

	<u>Avg. Of All Farms</u>	<u>Less than 20%</u>	<u>20% - 40%</u>	<u>40% - 60%</u>
Number of farms	46	18	15	10
Income Statement				
Gross cash farm income	509,817	418,338	504,385	589,920
Total cash farm expense	383,908	264,508	398,351	487,026
Net cash farm income	125,909	153,830	106,034	102,893
Inventory change	16,409	1,849	14,484	27,799
Depreciation and capital adjust	-28,855	-24,994	-22,922	-25,829
Net farm income	113,462	130,686	97,596	104,864
Profitability (cost)				
Labor and management earnings	64,967	59,485	54,779	76,886
Rate of return on assets	8.3 %	7.2 %	7.9 %	9.8 %
Rate of return on equity	9.4 %	7.4 %	8.8 %	17.0 %
Operating profit margin	21.9 %	24.1 %	20.9 %	20.5 %
Asset turnover rate	37.8 %	30.0 %	37.7 %	48.0 %
Liquidity				
Ending current ratio	2.72	32.66	2.34	2.37
Ending working capital	124,723	124,509	112,761	190,002
End working capital to gross inc	24.5 %	29.8 %	22.4 %	32.2 %
Term debt coverage ratio	216.0 %	801.1 %	175.5 %	139.4 %
Expense as a percent of income	72.7 %	62.4 %	76.7 %	79.3 %
Interest as a percent of income	4.2 %	0.6 %	4.7 %	7.1 %
Solvency (market)				
Number of sole proprietors	33	10	14	7
Ending farm assets	1,440,355	1,266,198	1,535,528	1,671,697
Ending farm liabilities	488,996	177,204	508,571	859,849
Ending total assets	1,709,502	1,631,091	1,716,697	2,045,919
Ending total liabilities	531,458	184,044	529,108	1,009,182
Ending net worth	1,178,044	1,447,048	1,187,589	1,036,737
Net worth change	105,447	92,226	100,345	153,141
Ending farm debt to asset ratio	34 %	14 %	33 %	51 %
Beg total debt to asset ratio	32 %	12 %	32 %	52 %
End total debt to asset ratio	31 %	11 %	31 %	49 %
Nonfarm Information				
Net nonfarm income	28,419	24,388	27,631	40,537
Farms reporting living expenses	13	6	5	2
Total family living expense	51,229	47,304	50,161	-
Total living, invest, & capital	65,196	77,762	44,121	-
Crop Acres				
Total acres owned	434	490	413	405
Total crop acres	753	628	640	1,182
Total crop acres owned	391	437	363	414
Total crop acres cash rented	357	191	260	768
Total crop acres share rented	6	-	16	-

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

	<u>Avg. Of All Farms</u>	<u>31 - 40</u>	<u>41 - 50</u>	<u>51 - 60</u>	<u>Over 60</u>
Number of farms	46	5	12	17	12
Income Statement					
Gross cash farm income	509,817	727,173	534,178	419,155	523,328
Total cash farm expense	383,908	584,119	394,864	305,994	399,911
Net cash farm income	125,909	143,053	139,314	113,162	123,417
Inventory change	16,409	86,585	17,384	8,104	-2,041
Depreciation and capital adjust	-28,855	-16,254	-39,285	-27,916	-25,007
Net farm income	113,462	213,384	117,413	93,350	96,370
Profitability (cost)					
Labor and management earnings	64,967	168,500	86,356	35,162	42,665
Rate of return on assets	8.3 %	14.3 %	11.2 %	6.2 %	6.0 %
Rate of return on equity	9.4 %	24.1 %	14.8 %	6.2 %	5.8 %
Operating profit margin	21.9 %	27.9 %	23.9 %	19.8 %	17.7 %
Asset turnover rate	37.8 %	51.3 %	46.6 %	31.1 %	34.0 %
Liquidity					
Ending current ratio	2.72	2.61	3.20	2.59	3.02
Ending working capital	124,723	417,357	62,991	119,354	72,130
End working capital to gross inc	24.5 %	57.4 %	11.8 %	28.5 %	13.8 %
Term debt coverage ratio	216.0 %	249.5 %	235.6 %	232.1 %	156.7 %
Expense as a percent of income	72.7 %	72.8 %	70.6 %	71.2 %	76.6 %
Interest as a percent of income	4.2 %	4.1 %	4.8 %	3.8 %	4.2 %
Solvency (market)					
Number of sole proprietors	33	5	7	14	7
Ending farm assets	1,440,355	1,918,752	745,390	1,429,889	1,814,538
Ending farm liabilities	488,996	962,002	227,648	442,251	505,973
Ending total assets	1,709,502	2,112,000	865,728	1,811,715	2,061,349
Ending total liabilities	531,458	976,539	229,817	522,731	532,638
Ending net worth	1,178,044	1,135,461	635,911	1,288,985	1,528,711
Net worth change	105,447	228,802	78,157	76,829	101,865
Ending farm debt to asset ratio	34 %	50 %	31 %	31 %	28 %
Beg total debt to asset ratio	32 %	47 %	28 %	31 %	28 %
End total debt to asset ratio	31 %	46 %	27 %	29 %	26 %
Nonfarm Information					
Net nonfarm income	28,419	28,636	14,446	32,886	35,972
Farms reporting living expenses	13	1	3	6	3
Total family living expense	51,229	-	-	62,322	-
Total living, invest, & capital	65,196	-	-	48,642	-
Crop Acres					
Total acres owned	434	272	303	556	460
Total crop acres	753	1,369	687	775	531
Total crop acres owned	391	379	296	467	381
Total crop acres cash rented	357	976	391	298	147
Total crop acres share rented	6	13	-	10	2

Appendix I

Whole Farm Analysis Procedures and Measures

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

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

Farm Income Statement

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

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

Inventory Changes

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

Depreciation and Other Capital Adjustments

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

The accounting method used for calculating depreciation was changed in 2000. Previously tax depreciation was used. The new method is designed to estimate actual economic depreciation more closely. This method depreciates machinery and equipment at 10 to 12% of beginning cost basis plus boot purchases less basis of sales items. For buildings and other improvements, the percentage was 5 to 8%; for breeding livestock, the percentage varied between 20 to 25%.

Profitability Measures

Profitability is measured using assets valued first at cost and then at market. The reports include six measures of profit followed by the values used to calculate the measures.

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

Labor and Management Earnings equals *Net Farm Income* minus an opportunity interest cost of 6% on average farm net worth.

Rate of Return on Assets is the *Return to Farm Assets* divided by *Average Farm Assets*.

Rate of Return on Equity is the *Return to Farm Equity* divided by *Average Farm Equity*.

Operating Profit Margin is the *Return to Farm Assets* divided by *Value of Farm Production*.

Asset Turnover Rate is the *Value of Farm Production* divided by *Average Farm Assets*.

Interest on Farm Net Worth is the *Average Farm Net Worth* multiplied by a 6% opportunity interest cost charge.

Farm Interest Expense is the accrued interest cost so it will be different from the cash interest paid shown in the Farm Income Statement.

Value of Operator's Labor and Management is its opportunity cost. It is assigned by farm within suggested guidelines.

Return on Farm Assets is calculated by adding *Farm Interest Expense* and *Net Farm Income* and then subtracting the *Value of Operator's Labor and Management*.

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

Return to Farm Equity is calculated by subtracting the *Value of Operator's Labor and Management* from *Net Farm Income*.

Average Farm Equity is the average of beginning and ending farm net worth.

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

Liquidity Measures

Net Cash Farm Income is from the Farm Income Statement.

Net Nonfarm Income is the average for all farms, not including *Gifts and Inheritances*.

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

Real Estate Principal Payments are taken from the farmer's data.

Cash Available for Intermediate Debt Service (cash basis) is *Total Net Income* minus *Family Living and Taxes* and *Real Estate Principal Payments*. *Available for Intermediate Debt Service* (accrual basis) is *Net Accrual Operating Income* plus *Net Nonfarm Income* and minus *Family Living and Taxes* and *Real Estate Principal Payments*.

Average Intermediate Debt is the average of beginning and ending intermediate farm liabilities.

Years to Turn Over Intermediate Debt is *Average Intermediate Debt* divided by *Cash Available for Intermediate Debt Service*. If either the cash-based or accrual-based *Cash Available for Intermediate Debt* is a negative number, debt repayment is not possible because of negative cash flow and *Years to Turn Over Intermediate Debt* cannot be calculated.

Expense as a Percent of Income (cash basis) is *Total Cash Expense* divided by *Gross Cash Farm Income*. *Expense as a Percent of Income* (accrual basis) is *Total Accrual Farm Expense* divided by *Total Accrual Farm Income*.

Interest as a Percent of Income (cash basis) is *Interest* divided by *Gross Cash Farm Income*. *Interest as a Percent of Income* (accrual basis) is *Interest* minus beginning accrued interest plus ending accrued interest divided by *Total Accrual Farm Income*.

Balance Sheets at Cost and Market Values

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

Statement of Cash Flows

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

Financial Standards Measures

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

Liquidity

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

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.

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.

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

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 $\text{Average Farm Investment} = (\text{Beginning Total Farm Assets} + \text{Ending Total Farm Assets}) \div 2$.

Rate of Return on Farm Equity represents the interest rate being earned on farm net worth. If assets are valued at market value, this return can be compared to returns available if the assets were liquidated and invested in alternate investments. If assets are valued at cost value, this more closely represents the actual return on the funds that have been invested or retained in the business. The rate of return on farm equity is calculated as follows: $\text{Rate of Return on Equity} = \text{Return on Farm Equity} \div \text{Average Farm Net Worth}$, where: $\text{Return on Farm Equity} = \text{Net Farm}$

Income - Value of Operator's Labor & Management, and Average Farm Net Worth = (Beginning Farm Net Worth + Ending Farm Net Worth) ÷ 2.

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

Net Farm Income represents the returns to unpaid labor, management, and equity capital invested in the business.

Repayment Capacity

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.

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

Efficiency

Asset Turnover Rate is a measure of efficiency in using capital. It is calculated as follows:
 $\text{Asset Turnover Rate} = \text{Value of Farm Production} \div \text{Total Farm Assets}$.

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

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.

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.

Interest Expense Ratio is calculated as $\text{Farm Interest Expense} \div \text{Gross Farm Income}$. This ratio indicates the percent of the gross farm income used for farm interest expenses. This is the same ratio as the accrual interest as a percent of income from the Liquidity table.

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 Hour* 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).

Appendix II

Crop Enterprise Analysis Procedures and Measures

The Crop Enterprise Analysis tables show the profitability of each crop enterprise produced by five or more farms.

Gross Return is the average Yield multiplied by the Value Per Unit plus any other production or income related to the crop. Value Per Unit for cash crops is the average sales price for crops sold before the end of the year and the average ending inventory value for crops remaining unsold. For feed crops, it is the estimated harvest-time value. LDP payments and other commodity-specific income are added to estimate the total value received for crop production.

Direct Expenses include expenses that are directly related to the production of the specific crop. Most direct expenses are directly assigned to production of the crop and simply divided by acres. Some, such as Fuel and Oil and Repairs, which are difficult to assign directly to specific fields or crops, are determined by allocating the total annual expense across all enterprises using allocation factors entered for each crop.

Overhead Expenses are also determined by allocating the total annual expense across all enterprises using allocation factors entered for each crop.

Net Return per Acre is the Gross Return per Acre minus Total Direct and Overhead Expenses.

Net Return over Labor and Management is calculated by allocating the farmer's charge for unpaid labor and management across all enterprises and subtracting it from Net Return Per Acre.

Net return with government payments is Net Return Over Lbr & Mgt plus Government Payments. Government Payments includes only direct payments and counter-cyclical payments. Payments that are directly attached to production of the crop, such as LDP and disaster payments are included in Gross Return. Because direct government payments have been decoupled from actual production, these payments are generally allocated to all crops excluding vegetables and pasture. This is done for each farm by allocating the direct payments from the whole farm to these crops.

Cost of Production is calculated by dividing the total expense for each category by the yield per acre. *Total Expense Less Government and Other Income* is total expense including labor and management minus government payments, income from secondary products, and other income, divided by yield per acre.

Estimated Labor Hours Per Acre is calculated by allocating the farmer's estimate of total operator and hired labor hours for the year across all enterprises.

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

Appendix III

Livestock Enterprise Analysis Procedures and Measures

The Livestock Enterprise Analysis tables show the profitability of each livestock enterprise produced by five or more farms.

Gross Return includes product and livestock sales, cull sales, the value of offspring transferred out of the enterprise, the value of inventory change from beginning to end of year, and any other income assigned to the enterprise. Livestock purchases and the value of animals transferred in from other enterprises are subtracted.

Direct Expenses include expenses that are directly related to the specific livestock enterprise. Feed and most other direct expenses are directly assigned based on farm records. Some, such as Fuel and Oil and Repairs, which are difficult to assign directly to enterprises, are determined by allocating the total annual expense across all enterprises using allocation factors entered for each farm.

Overhead Expenses are also determined by allocating the total annual expense across all enterprises using allocation factors entered for each farm.

Net Return is the Gross Return minus Total Direct and Overhead Expenses.

Net Return over Labor and Management is calculated by allocating the farmer's charge for unpaid labor and management across all enterprises and subtracting it from Net Return.

Estimated Labor Hours is calculated by allocating the farmer's estimate of total operator and hired labor hours for the year across all enterprises.

Cost of Production is calculated by dividing the total expense for each category by Total Production. For grow/finish enterprises, the Purchases and Transfers In are included in direct expense. *With other revenue adjustments* includes the labor and management charge and the cost of replacement stock. Cull sales, other offspring sales, and any other miscellaneous income are subtracted from total expense to arrive at the portion of costs that must be covered by production of the primary product to break-even.

The last section of each livestock table contains both economic and technical efficiency measures. *Lbs. feed per lb. of gain* is the pounds of total feed divided by Total production. For grains, these pounds per bushel are used: corn, 56; oats, 32; barley, 48; grain sorghum, 56; wheat, 60; and millet, 48. For these forages, the units are converted to pounds and then adjusted by these factors: alfalfa haylage, 0.5; corn silage, 0.33; oatlage, 0.5; sorghum silage, 0.33; and small grain silage, 0.33.

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

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.

Appendix IV Prices Used In the Analysis Report

Item	Beginning Inventory Price	Average Feed Price/Year	Crop Enterprise Production	Ending Inventory Price
Corn	\$2.20	\$2.00	Actual	\$2.20
Oats	1.50	1.50	Actual	1.50
Soybeans	7.50	5.00	Actual	7.50
Alfalfa Hay	90.00	90.00	90.00	90.00
Mixed Hay	60.00	50.00	60.00	60.00
Haylage	45.00	45.00	45.00	45.00
Corn Silage	19.00	18.00	18.00	19.00
Oat Silage	12.00	12.00	12.00	12.00
Straw/ton	60.00	--	60.00	60.00
Corn Stalks	10.00	10.00	10.00	10.00
Barley	1.50	1.50	1.50	1.50

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

Value of operator's labor is calculated by using this formula: For sole proprietors and partnerships, labor and management should be valued at \$15,000 per operator plus 5% of the value of farm production. The minimum labor and management charge is \$30,000 for a full-time farm operator.

Homegrown seed - soybeans: \$8.00/bu.

Homegrown seed - oats: \$3.00/bu.