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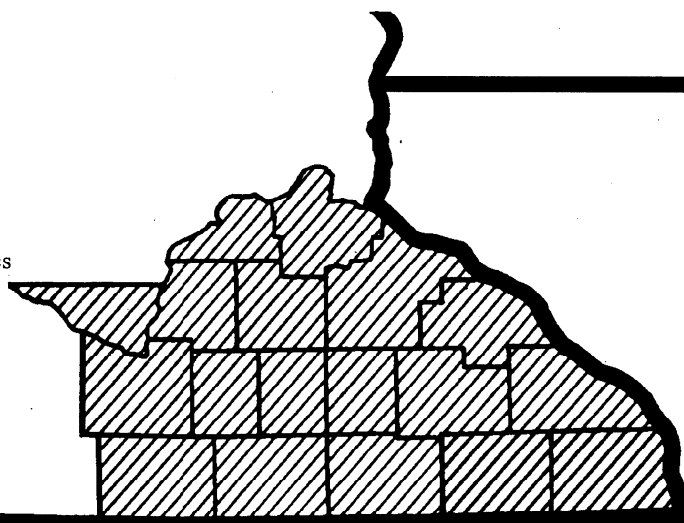
2000 Annual Report

Southeastern Minnesota Farm Business Management Association

COOPERATING AGENCIES:

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

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University of Minnesota
St. Paul, MN 55108
May 2001



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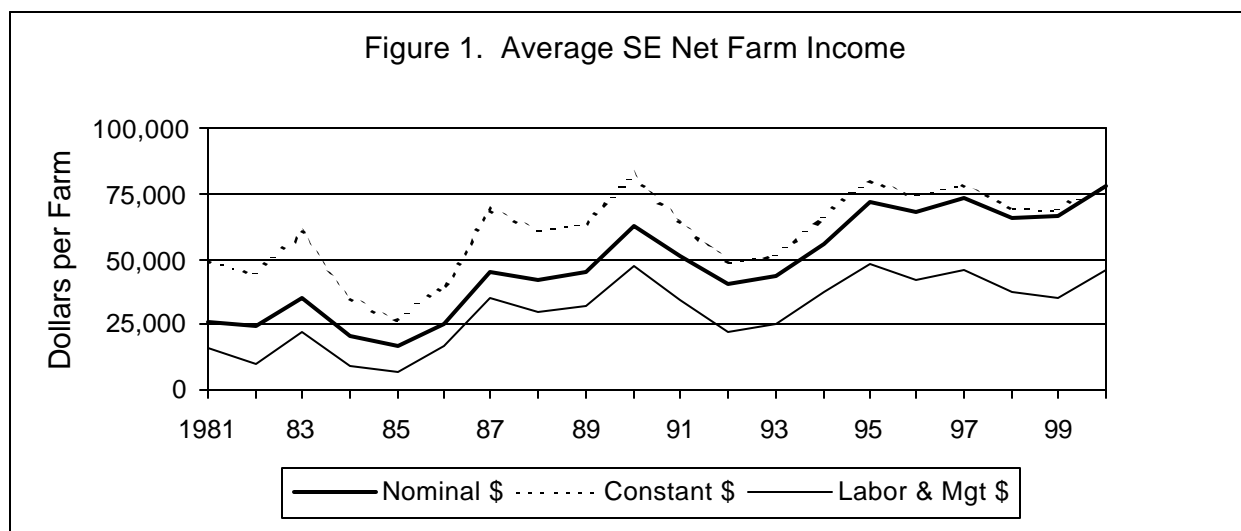
The entire report is available at: <http://apec.umn.edu/faculty/kolson/currentres.html>

EXECUTIVE SUMMARY

2000 ANNUAL REPORT OF THE SOUTHEASTERN MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION

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

The average net farm income is \$77,672 for the 58 farms included in the 2000 annual report of the Southeastern Minnesota Farm Business Management Association. This is an increase of 17% from 1999. The median or middle income was \$39,675, considerably lower than the average. Even though gross cash farm income decreased more than the decrease in cash expenses, net farm income increased because depreciation decreased and inventory values increased. Income is still at a high level compared to the early 1990s and the 1980s (Figure 1).



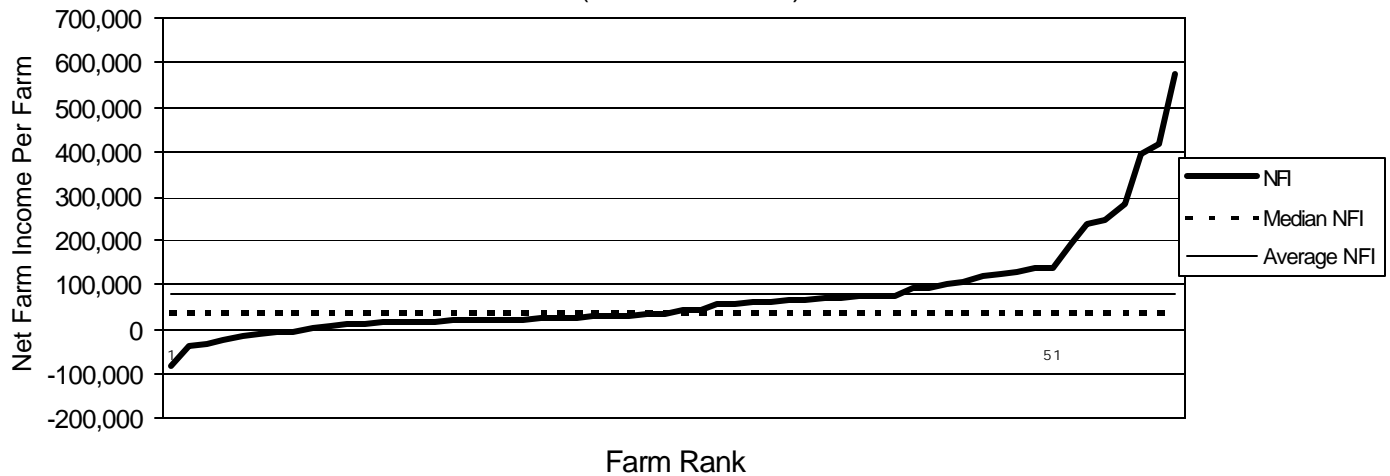
As in previous years, the income levels experienced by individual farms vary greatly from the overall average. When the net farm incomes for the 58 farms in the report were ranked from lowest to highest, the resulting graph shows how much the incomes do vary (Figure 2). Several farms experienced negative incomes, and several experienced very high incomes. Most of the net farm income ranged from just below 0 to about \$140,000. The median or middle income was \$39,675. The high 20% of these farms had an average net farm income of \$250,243 in 2000; farms in the low 20%, -\$15,401. This was an increase for the high group and a decrease for the low group.

Average gross cash farm income in 2000 was \$352,354 for these 58 farms. This was a 14% decrease from 1999. Together, milk, corn, and soybean sales were 65% of gross income in 2000 (Figure 3). Compared to 1999, milk sales decreased by 15% and corn sales by 14%. Soybean sales increased by 10%.

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

Average total cash expenses were \$267,986 in 2000. This was a decrease of 15% from the 1999 average. As a percentage of both cash expenses and depreciation, feed expenses were 14% in 2000, down from 1999 (Figure 4). Seed, fertilizer, and crop chemicals were 16% of the total, up from 1999. Interest expense was 8% of the total, higher than in 1999. Real estate taxes remained at 2% in 2000 although the absolute dollar level was slightly lower.

Figure 2. Distribution of Net Farm Income
(SEMFBA 2000)



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

Average total equity (of the 46 sole proprietors) was \$553,823 at the end of 2000, an increase of \$39,719 during the year. (Assets were valued on a cost basis.) Except for a decline during 1993, average equity has improved steadily since 1986 (Figure 6). At the end of 2000, the average debt-asset ratio was up slightly to 35%.

In 2000, crop yields were again lower than the record levels of 1998 for the Association (Figure 6). The average corn yield was 154 bushels per acre; soybeans were up slightly to 49 bushels per acre.

Results by Type of Farm

The 58 farms in the report are classified as a certain type (e.g., dairy) on the basis of having 70 percent or more of their gross sales from that category. Using this 70 percent rule, there are 10 crop farms, 14 dairy farms, and 5 crop and hog farms. There were less than 5 crop and dairy farms so that data is not reported. There are 21 farms which do not have a single source (or pair of sources) of income over 70%.

The average crop farm had the highest average net farm income (\$111,775) in 2000 (Figure 8). The average dairy farm had the second highest net farm income.

In terms of the rate of return to assets (ROA), crop farms had the highest ROA (13%) in 2000 (Figure 9). (Assets are valued on a cost basis.)

Dairy farms had an average debt-asset ratio of 29% in 1999; crop farms averaged 30% (Figure 10).

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

Fig. 3 SE 1999 Income Sources

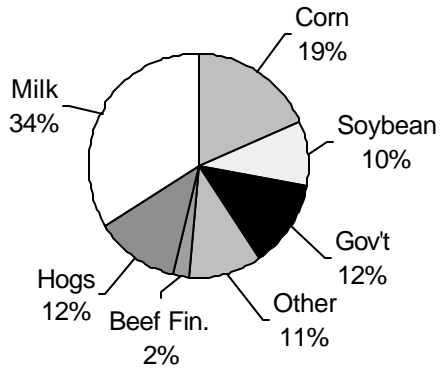


Fig. 3 SE 2000 Income Sources

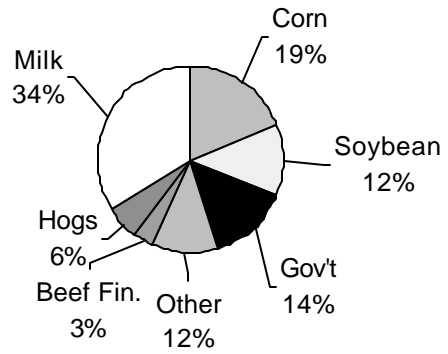


Fig. 4. SE 1999 Expense Sources

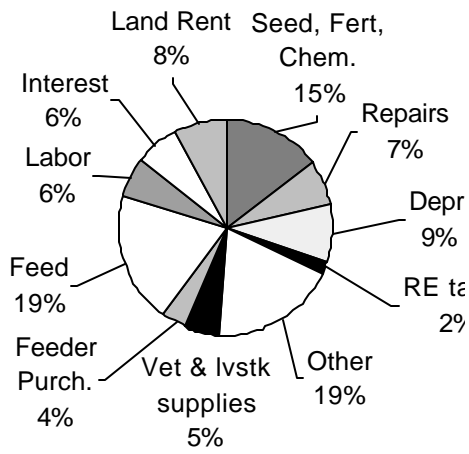


Fig. 4. SE 2000 Expense Sources

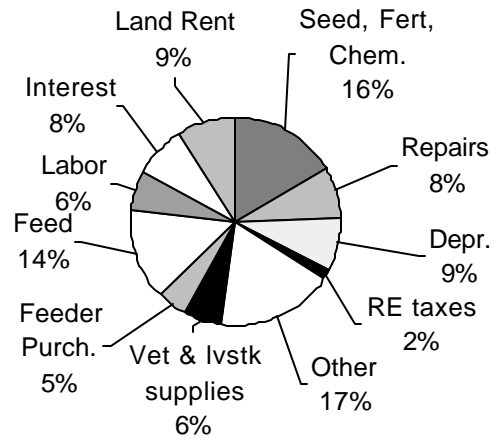


Figure 5. SE Rates of Return on Assets (ROA) and Equity (ROE)

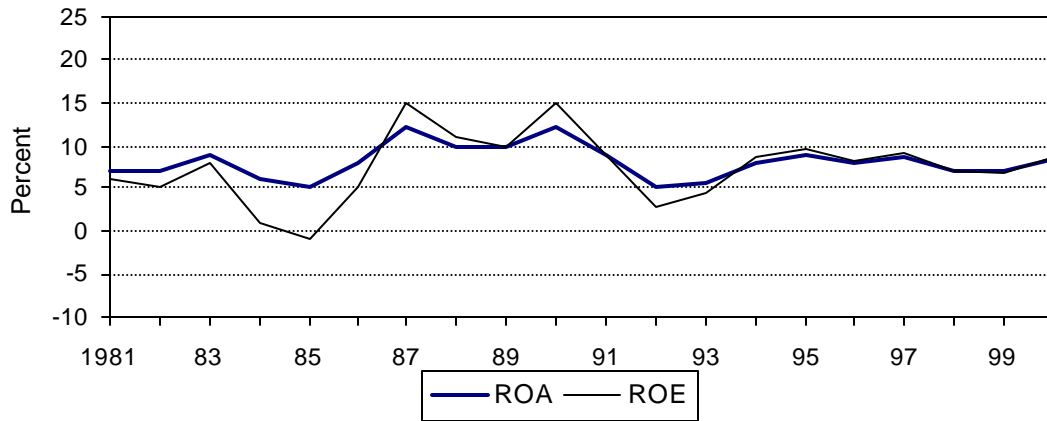


Figure 6. Ending Equity and Ending Debt-Asset Ratio

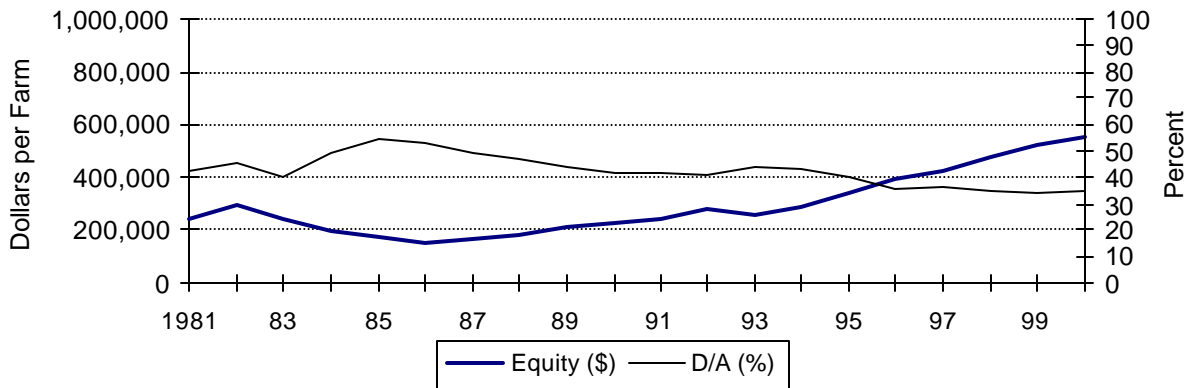


Figure 7. Average Corn & Soybean Yield

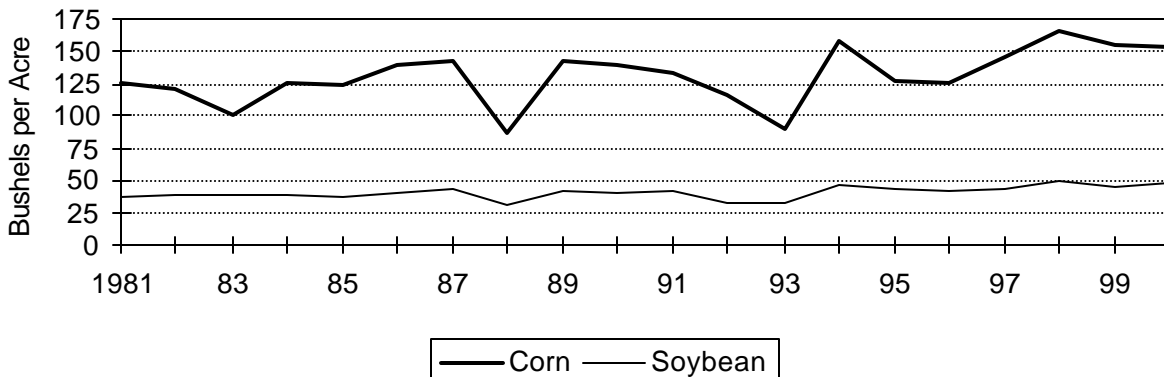


Figure 8. Net Farm Income by Type

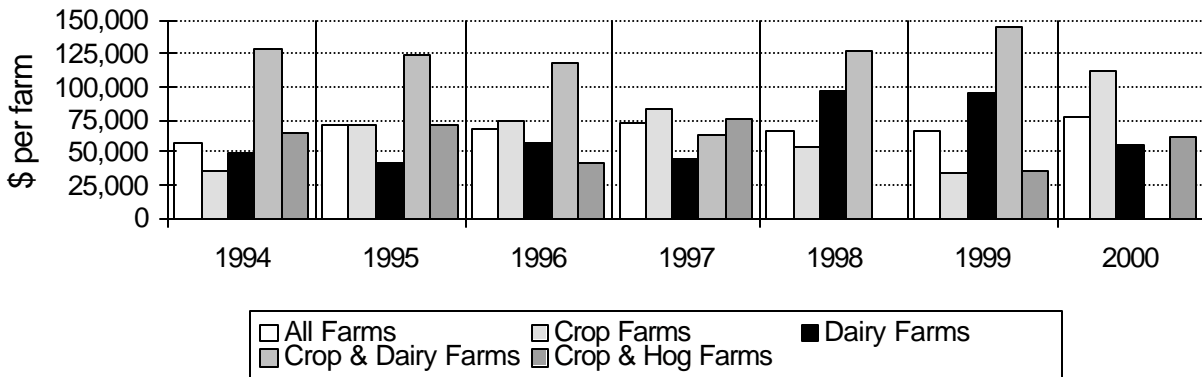


Figure 9. ROA by Type

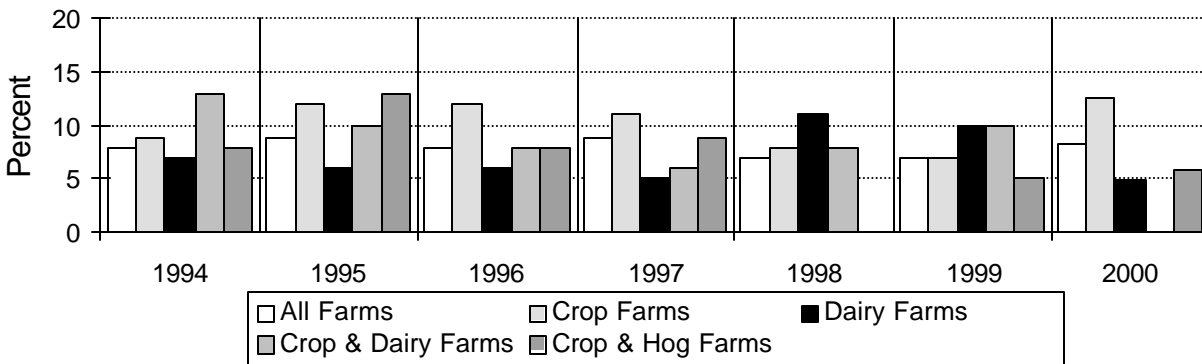
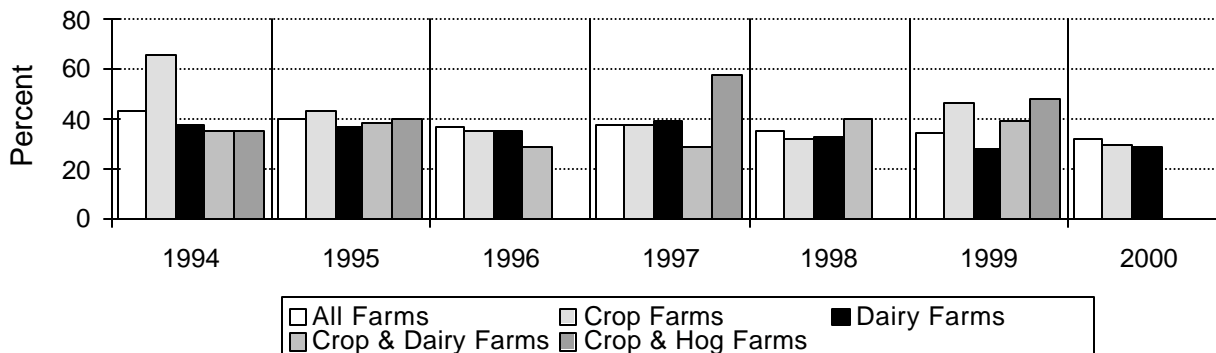


Figure 10. Debt-Asset Ratio by Type



2000 ANNUAL REPORT OF THE SOUTHEASTERN MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION

by

Kent D. Olson, Lorin L. Westman, and Dale W. Nordquist¹

This report summarizes the individual farm records of the members of the Southeastern Minnesota Farm Business Management Association for 2000.

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

Of the 95 farms in the Southeastern Association, the data for 58 farms are included in this report. The rest were omitted because the records were incomplete at the time that this report was prepared. In two separate studies the farmers who belong to a management association were found to be larger than the average farm reported by the agricultural census and were more likely to have livestock.

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

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

SOUTHEASTERN MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION

DISTRIBUTION OF MEMBERSHIP -- 2000

County	Number of Members	Number of Records Submitted	Association Directors
Dakota	10	4	Kevin Chamberlain
Dodge	5	4	Vern Wilker
Mower	1	1	
Steele	2	1	
Faribault	2	2	Tom Hayes
Freeborn	1	1	
LeSueur	1	1	
Nicollet	1	1	
Waseca	2	2	
Goodhue	18	11	Kay Betcher
Houston	7	3	James Luehmann
Winona	13	7	
Olmsted	14	10	James Vermilya
Fillmore	1	0	
Rice	3	2	Dave Woestehoff
Scott	4	4	
Wabasha	<u>8</u>	<u>4</u>	John Sloan
TOTAL	92	58	

Dave Woestehoff, President
Robert Lamprecht, Secretary-Treasurer

SOUTHEASTERN MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION

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EXPLANATORY NOTES FOR THE WHOLE-FARM REPORTS

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

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

Farm Income Statement

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

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

Inventory Changes

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

Depreciation and Other Capital Adjustments

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

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

Profitability Measures

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Liquidity Measures

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

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

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

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

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

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

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

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

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

Balance Sheets at Cost and Market Values

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

Statement of Cash Flows

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

Financial Standards Measures

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

Liquidity

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

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

Solvency (Market)

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

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

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

Profitability (Cost)

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

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

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

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

Repayment Capacity

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

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

Efficiency

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

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

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

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

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

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

Crop Production and Marketing Summary

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

Household and Personal Expenses

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

Operator and Labor Information

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

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

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

Nonfarm Summary

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

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

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	58	11	12
Cash Farm Income			
Corn	66,209	20,868	193,022
Corn Silage	438	-	-
Hay, Alfalfa	1,264	724	1,080
Oats	67	90	174
Peas	1,950	825	6,918
Soybeans	42,966	14,731	103,933
Sweet Corn	1,587	1,488	1,209
Wheat, Spring	52	-	253
Miscellaneous crop income	1,112	597	1,627
Beef Cow-Calf, Beef Calves	114	-	-
Beef, Finish Beef Calves	11,593	1,686	16,270
Dairy, Milk	120,046	249,151	135,993
Dairy, Dairy Calves	2,868	5,513	2,763
Dairy Heifers (for sale)	1,348	3,128	-
Dairy Replacement Heifers	3,123	-	1,694
Dairy Steers	6,209	3,326	13,006
Hogs, Farrow-Fin, Raised Hogs	6,268	12,749	-
Hogs, Feeder Pigs, Feeder Pigs	210	-	-
Hogs, Finish Feeder Pigs	12,833	136	30,322
Hogs, Contractee	499	-	-
Hogs, Weaning Pigs, Weaning Pigs	695	3,662	-
Cull breeding livestock	6,847	9,585	6,256
Misc. livestock income	480	-	1,945
Transistion payments	44,770	13,495	124,059
CRP payments	297	-	325
Other government payments	5,429	14,200	4,029
Custom work income	3,355	1,248	8,090
Patronage dividends, cash	2,360	2,506	3,882
Insurance income	947	-	2,456
Cash from hedging accts	1,363	-	4,623
Other farm income	5,057	4,859	11,286
Gross Cash Farm Income	352,354	364,569	675,213

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	58	11	12
Cash Farm Expense			
Seed	14,186	5,425	34,144
Fertilizer	18,224	5,111	51,136
Crop chemicals	15,911	8,777	44,273
Crop insurance	3,730	1,207	9,986
Drying fuel	2,428	284	6,234
Irrigation energy	68	-	329
Crop marketing	1,452	460	2,178
Crop miscellaneous	1,152	1,620	2,856
Feeder livestock purchase	13,716	3,288	22,825
Purchased feed	40,844	85,970	40,348
Breeding fees	2,629	4,106	5,650
Veterinary	5,776	9,634	6,106
Livestock supplies	11,739	28,387	13,208
Livestock leases	231	-	558
Livestock marketing	1,395	1,705	1,232
Interest	22,111	31,741	30,751
Fuel & oil	8,771	6,909	18,505
Repairs	22,301	22,191	37,024
Custom hire	12,081	30,010	15,036
Hired labor	18,977	46,610	17,542
Land rent	27,261	12,985	72,937
Machinery & bldg leases	3,363	4,999	4,164
Real estate taxes	5,023	2,361	11,154
Farm insurance	4,079	3,642	7,829
Utilities	4,845	6,967	5,981
Hedging account deposits	1,141	757	3,330
Miscellaneous	4,553	8,395	5,554
Total cash expense	267,986	333,540	470,871
Net cash farm income	84,368	31,029	204,341
Inventory Changes			
Crops and feed	14,274	2,859	67,995
Market livestock	149	4,013	8,975
Accounts receivable	786	-1,075	-3,141
Prepaid expenses and supplies	5,561	2,856	11,308
Accounts payable	-1,734	-9,609	-1,688
Total inventory change	19,036	-957	83,449
Net operating profit	103,404	30,073	287,790
Depreciation and Other Capital Adjustments			
Breeding livestock	-3,790	-26,261	11,317
Machinery and equipment	-17,367	-13,229	-35,388
Buildings and improvements	-4,726	-5,985	-13,476
Other farm capital	151	-	-
Total depr. and other capital adj	-25,732	-45,474	-37,547
Net farm income	77,672	-15,401	250,243

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	58	11	12
Net cash farm income	84,368	31,029	204,341
Crops and Feed			
Ending inventory	133,474	47,049	379,841
Beginning inventory	119,201	44,190	311,846
Inventory change	14,274	2,859	67,995
Market Livestock			
Ending inventory	46,269	47,901	87,050
Beginning inventory	46,120	43,888	78,075
Inventory change	149	4,013	8,975
Accts Receivable & Other Current Assets			
Ending inventory	3,816	1,379	5,940
Beginning inventory	3,030	2,454	9,081
Inventory change	786	-1,075	-3,141
Prepaid Expenses and Supplies			
Ending inventory	16,667	5,312	38,609
Beginning inventory	11,106	2,456	27,302
Inventory change	5,561	2,856	11,308
Accounts Payable & Accrued Expenses			
Beginning inventory	3,411	965	7,577
Ending inventory	5,146	10,574	9,265
Inventory change	-1,734	-9,609	-1,688
Total inventory change	19,036	-957	83,449
Net operating profit	103,404	30,073	287,790

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	58	11	12
Net operating profit	103,404	30,073	287,790
Breeding Livestock			
Ending inventory	55,345	104,973	66,008
Capital sales	-	-	-
Beginning inventory	53,066	108,939	52,513
Capital purchases	6,069	22,295	2,179
Depreciation, capital adjust.	-3,790	-26,261	11,317
Machinery and Equipment			
Ending inventory	155,288	138,517	302,974
Capital sales	1,866	1,121	5,651
Beginning inventory	144,734	137,239	282,898
Capital purchases	29,788	15,627	61,115
Depreciation, capital adjust.	-17,367	-13,229	-35,388
Buildings and Improvements			
Ending inventory	86,914	157,339	144,632
Capital sales	-	-	-
Beginning inventory	82,369	161,562	122,074
Capital purchases	9,271	1,762	36,034
Depreciation, capital adjust.	-4,726	-5,985	-13,476
Other Capital Assets			
Ending inventory	7,242	182	17,969
Capital sales	147	-	-
Beginning inventory	7,220	182	17,886
Capital purchases	17	-	83
Depreciation, capital adjust.	151	-	-
Total depreciation, capital adj.	-25,732	-45,474	-37,547
Net farm income	77,672	-15,401	250,243

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	58	11	12
Profitability (assets valued at cost)			
Net farm income	77,672	-15,401	250,243
Labor and management earnings	45,373	-33,040	166,242
Rate of return on assets	8.4 %	-0.9 %	13.1 %
Rate of return on equity	8.8 %	-13.0 %	14.7 %
Operating profit margin	22.4 %	-2.5 %	34.0 %
Asset turnover rate	37.4 %	37.4 %	38.5 %
Interest on farm net worth	32,299	17,638	84,001
Farm interest expense	22,099	31,741	30,634
Value of operator lbr and mgmt.	30,582	22,591	43,917
Return on farm assets	69,189	-6,252	236,960
Average farm assets	825,809	680,636	1,808,941
Return on farm equity	47,090	-37,992	206,327
Average farm equity	532,268	292,495	1,400,015
Value of farm production	309,214	254,848	697,185

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	58	11	12
Profitability (assets valued at market)			
Net farm income	78,944	-996	238,645
Labor and management earnings	28,542	-31,759	127,790
Rate of return on assets	5.6 %	0.8 %	8.9 %
Rate of return on equity	5.8 %	-4.6 %	10.5 %
Operating profit margin	22.8 %	3.2 %	32.3 %
Asset turnover rate	24.5 %	25.4 %	27.5 %
Interest on farm net worth	50,402	30,764	110,855
Farm interest expense	22,099	31,741	30,634
Value of operator lbr and mgmt.	30,582	22,591	43,917
Return on farm assets	70,461	8,154	225,362
Average farm assets	1,259,538	1,002,802	2,532,644
Return on farm equity	48,362	-23,586	194,729
Average farm equity	839,805	512,173	1,847,582
Value of farm production	309,214	254,848	697,185

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	58	11	12
Liquidity (cash)			
Net cash farm income	84,368	31,029	204,341
Net nonfarm income	24,827	39,968	20,253
Family living and taxes	65,935	54,714	122,991
Real estate principal payments	1,023	3,335	1,550
Cash available for interm. debt	42,237	12,949	100,053
Average intermediate debt	89,251	173,771	92,675
Years to turnover interm. debt	2.1	13.4	0.9
Expense as a % of income	76 %	91 %	70 %
Interest as a % of income	6 %	9 %	5 %
Liquidity (accrual)			
Total accrual farm income	367,563	370,367	749,041
Total accrual operating expense	264,160	340,294	461,251
Net accrual operating income	103,404	30,073	287,790
Net nonfarm income	24,827	39,968	20,253
Family living and taxes	65,935	54,714	122,991
Real estate principal payments	1,023	3,335	1,550
Available for intermediate debt	61,272	11,993	183,502
Average intermediate debt	89,251	173,771	92,675
Years to turnover interm. debt	1.5	14.5	0.5
Expense as a % of income	72 %	92 %	62 %
Interest as a % of income	6 %	9 %	4 %

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

	<u>Avg. Of All Farms</u>		<u>Low 20%</u>		<u>High 20%</u>	
Number of farms	46		8		9	
	<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	19,557	18,519	11,692	6,468	47,477	42,724
Prepaid expenses & supplies	11,310	14,424	133	3,416	29,381	28,313
Growing crops	0	0	0	0	0	0
Accounts receivable	2,696	3,417	3,034	1,896	9,065	4,289
Hedging accounts	717	892	0	0	2,204	2,700
Crops held for sale or feed	100,747	116,824	36,421	36,698	263,747	348,814
Crops under government loan	1,839	0	0	0	9,402	0
Market livestock held for sale	42,821	41,582	46,549	49,796	65,876	71,216
Other current assets	303	267	0	0	604	696
Total current farm assets	179,989	195,924	97,828	98,272	427,756	498,752
Intermediate Farm Assets						
Breeding livestock	37,471	41,104	56,256	58,663	34,150	50,156
Machinery and equipment	130,943	141,545	139,528	142,298	226,643	240,899
Other intermediate assets	2,432	2,454	0	0	4,151	4,262
Total intermediate farm assets	170,846	185,102	195,784	200,961	264,944	295,317
Long Term Farm Assets						
Farm land	222,545	237,026	104,832	104,832	425,079	457,252
Buildings and improvements	63,680	66,148	115,821	113,554	76,953	87,572
Other long-term assets	4,835	4,851	250	250	11,252	11,252
Total long-term farm assets	291,060	308,025	220,903	218,637	513,284	556,075
Total Farm Assets	641,896	689,051	514,515	517,869	1,205,985	1,350,144
Total Nonfarm Assets	146,766	160,779	88,234	76,163	262,721	315,804
Total Assets	788,662	849,829	602,749	594,032	1,468,706	1,665,948
Liabilities						
Current Farm Liabilities						
Accrued interest	1,662	1,647	0	0	7,496	7,339
Accounts payable	2,239	2,104	1,097	1,523	2,440	4,662
Current notes	49,452	57,284	27,560	47,293	121,403	131,388
Government crop loans	0	0	0	0	0	0
Principal due on term debt	1,290	1,469	0	0	3,266	4,428
Total current farm liabilities	54,643	62,504	28,657	48,816	134,605	147,817
Total intermediate farm liabs	77,863	76,688	109,324	111,870	116,785	100,229
Total long term farm liabilities	132,314	143,829	117,345	109,235	168,699	216,503
Total farm liabilities	264,820	283,021	255,326	269,921	420,089	464,549
Total nonfarm liabilities	9,737	12,985	15,168	16,278	2,279	20,554
Total liabilities	274,558	296,006	270,494	286,200	422,369	485,103
Net worth (farm and nonfarm)	514,104	553,823	332,255	307,833	1,046,337	1,180,846
Net worth change		39,719		-24,422		134,509
Ratio Analysis						
Current farm liabilities / assets	30 %	32 %	29 %	50 %	31 %	30 %
Curr. & interm farm liab. / assets	38 %	37 %	47 %	54 %	36 %	31 %
Long term farm liab. / assets	45 %	47 %	53 %	50 %	33 %	39 %
Total debt to asset ratio	35 %	35 %	45 %	48 %	29 %	29 %

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

	<u>Avg. Of All Farms</u>		<u>Low 20%</u>		<u>High 20%</u>	
Number of farms	46		8		9	
	<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	19,557	18,519	11,692	6,468	47,477	42,724
Prepaid expenses & supplies	11,310	14,424	133	3,416	29,381	28,313
Growing crops	0	0	0	0	0	0
Accounts receivable	2,696	3,417	3,034	1,896	9,065	4,289
Hedging accounts	717	892	0	0	2,204	2,700
Crops held for sale or feed	100,747	116,824	36,421	36,698	263,747	348,814
Crops under government loan	1,839	0	0	0	9,402	0
Market livestock held for sale	42,821	41,582	46,549	49,796	65,876	71,216
Other current assets	303	267	0	0	604	696
Total current farm assets	179,989	195,924	97,828	98,272	427,756	498,752
Intermediate Farm Assets						
Breeding livestock	39,310	41,334	57,713	59,988	42,256	50,156
Machinery and equipment	173,230	182,064	166,086	169,086	309,933	320,133
Other intermediate assets	2,432	2,454	0	0	4,151	4,262
Total intermediate farm assets	214,972	225,852	223,798	229,073	356,339	374,551
Long Term Farm Assets						
Farm land	467,405	486,035	352,250	360,250	802,139	835,470
Buildings and improvements	87,292	88,016	169,875	157,375	98,089	106,900
Other long-term assets	4,873	4,890	250	250	11,252	11,252
Total long-term farm assets	559,571	578,940	522,375	517,875	911,480	953,622
Total Farm Assets	954,532	1,000,716	844,001	845,220	1,695,576	1,826,925
Total Nonfarm Assets	160,727	179,196	89,970	96,630	275,572	329,843
Total Assets	1,115,260	1,179,912	933,971	941,850	1,971,148	2,156,768
Liabilities						
Current Farm Liabilities						
Accrued interest	1,662	1,647	0	0	7,496	7,339
Accounts payable	2,239	2,104	1,097	1,523	2,440	4,662
Current notes	49,452	57,284	27,560	47,293	121,403	131,388
Government crop loans	0	0	0	0	0	0
Principal due on term debt	1,290	1,469	0	0	3,266	4,428
Total current farm liabilities	54,643	62,504	28,657	48,816	134,605	147,817
Total intermediate farm liab	77,863	76,688	109,324	111,870	116,785	100,229
Total long term farm liabilities	132,314	143,829	117,345	109,235	168,699	216,503
Total farm liabilities	264,820	283,021	255,326	269,921	420,089	464,549
Total nonfarm liabilities	9,737	12,985	15,168	16,278	2,279	20,554
Total liab. excluding deferreds	274,558	296,006	270,494	286,200	422,369	485,103
Total deferred liabilities	85,621	81,950	109,241	79,601	135,866	138,770
Total liabilities	360,179	377,956	379,734	365,801	558,235	623,873
Retained earnings	514,104	553,823	332,255	307,833	1,046,337	1,180,846
Market valuation equity	240,977	248,133	221,982	268,217	366,576	352,050
Net worth (farm and nonfarm)	755,081	801,956	554,236	576,049	1,412,913	1,532,895
Net worth excluding deferreds	840,702	883,906	663,477	655,651	1,548,779	1,671,665
Net worth change		46,875		21,813		119,983
Ratio Analysis						
Current farm liabilities / assets	30 %	32 %	29 %	50 %	31 %	30 %
Curr. & interm farm liab. / assets	34 %	33 %	43 %	49 %	32 %	28 %
Long term farm liab. / assets	24 %	25 %	22 %	21 %	19 %	23 %
Total debt to asset ratio	32 %	32 %	41 %	39 %	28 %	29 %
Debt to assets excl deferreds	25 %	25 %	29 %	30 %	21 %	22 %

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	58	11	12
Beginning cash (farm & nonfarm)	30,386	8,103	87,023
Cash From Operating Activities			
Gross cash farm income	352,354	364,569	675,213
Net nonfarm income	24,827	39,968	20,253
Total cash farm expense	-267,986	-333,540	-470,871
Apparent family living expense	-51,954	-40,278	-100,690
Income and social security tax	-13,981	-14,436	-22,301
Cash from operations	43,259	16,284	101,604
Cash From Investing Activities			
Sale of breeding livestock	-	-	-
Sale of machinery & equipment	1,866	1,121	5,651
Sale of farm land	10,640	31,774	21,430
Sale of farm buildings	-	-	-
Sale of other farm assets	147	-	-
Sale of nonfarm assets	2,836	-	11,874
Purchase of breeding livestock	-6,069	-22,295	-2,179
Purchase of machinery & equip.	-29,788	-15,627	-61,115
Purchase of farm land	-14,717	-	-39,755
Purchase of farm buildings	-9,271	-1,762	-36,034
Purchase of other farm assets	-17	-	-83
Purchase of nonfarm assets	-15,902	-22,492	-42,814
Cash from investing activities	-60,275	-29,281	-143,025
Cash From Financing Activities			
Money borrowed	120,554	173,104	236,093
Cash gifts and inheritances	1,775	109	4,702
Principal payments	-105,642	-160,264	-201,378
Dividends paid	-	-	-
Gifts given	-969	-26	-4,660
Cash from financing activities	15,718	12,923	34,757
Net change in cash balance	-1,298	-74	-6,665
Ending cash (farm & nonfarm)	29,088	8,029	80,358

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	58	11	12
Liquidity			
Current ratio	3.52	1.52	4.43
Working capital	158,722	37,262	439,081
Solvency (market)			
Farm debt to asset ratio	33 %	49 %	27 %
Farm equity to asset ratio	67 %	51 %	73 %
Farm debt to equity ratio	50 %	96 %	37 %
Profitability (cost)			
Rate of return on farm assets	8.4 %	-0.9 %	13.1 %
Rate of return on farm equity	8.8 %	-13.0 %	14.7 %
Operating profit margin	22.4 %	-2.5 %	34.0 %
Net farm income	77,672	-15,401	250,243
Repayment Capacity			
Term debt coverage ratio	n/a	n/a	n/a
Capital replacement margin	n/a	n/a	n/a
Efficiency			
Asset turnover rate (cost)	37.4 %	37.4 %	38.5 %
Operating expense ratio	65.9 %	83.3 %	57.5 %
Depreciation expense ratio	7.0 %	12.3 %	5.0 %
Interest expense ratio	6.0 %	8.6 %	4.1 %
Net farm income ratio	21.1 %	-4.2 %	33.4 %

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	58	11	12
Acreage Summary			
Total acres owned	342	215	639
Total crop acres	576	274	1,293
Crop acres owned	301	123	700
Crop acres cash rented	266	148	594
Crop acres share rented	9	3	-
Total pasture acres	11	10	1
Average Price Received (Cash Sales Only)			
Soybeans per bushel	4.65	-	4.78
Corn per bushel	1.85	-	1.96
Hay, Alfalfa per ton	62.51	-	-
Average Yield Per Acre			
Corn (bushel)	153.83	150.70	156.42
Soybeans (bushel)	48.67	45.85	50.29
Hay, Alfalfa (ton)	4.34	4.85	4.46
Corn Silage (ton)	19.25	19.04	-
Oats (bushel)	74.33	-	-
Oatlage (ton)	5.84	-	-
Barley (bushel)	55.83	-	-

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

	<u>Avg. Of All Farms</u>
Number of farms	13
Average family size	4.0
Family Living Expenses	
Food and meals expense	6,326
Medical care and health insurance	5,235
Cash donations	3,144
Household supplies	4,331
Clothing	1,597
Personal care	3,046
Child / Dependent care	1,296
Gifts	1,960
Education	1,753
Recreation	2,413
Utilities (household share)	2,279
Nonfarm vehicle operating expense	2,131
Household real estate taxes	405
Dwelling rent	-
Household repairs	3,683
Nonfarm interest	969
Life insurance payments	1,999
Total cash family living expense	42,565
Family living from the farm	110
Total family living	42,675
Other Nonfarm Expenditures	
Income taxes	19,005
Furnishing & appliance purchases	187
Nonfarm vehicle purchases	2,622
Nonfarm real estate purchases	11,901
Other nonfarm capital purchases	6,036
Nonfarm savings & investments	3,767
Total other nonfarm expenditures	43,519
Total cash family living investment & nonfarm capital purch	86,083

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	58	11	12
Operator Information			
Average number of operators	1.2	1.2	1.4
Average age of operators	49.1	48.8	49.1
Average number of years farming	26.5	27.9	27.4
Results Per Operator			
Working capital	129,660	31,529	309,940
Total assets (market)	1,191,321	1,002,712	2,034,406
Total liabilities	459,076	510,321	698,919
Net worth (market)	732,246	492,390	1,335,487
Net worth excl deferred liabs	834,023	569,337	1,531,175
Gross farm income	300,263	313,387	528,735
Total farm expense	236,813	326,419	352,093
Net farm income	63,450	-13,032	176,642
Net nonfarm income	20,281	33,819	14,296
Family living withdrawals	53,863	46,296	86,817
Total acres owned	279.5	182.3	451.3
Total crop acres	470.4	232.2	912.8
Crop acres owned	245.7	104.4	493.8
Crop acres cash rented	217.2	125.4	419.0
Crop acres share rented	7.4	2.3	-
Total pasture acres	9.4	8.1	0.5
Labor Analysis			
Number of farms	57	11	11
Total unpaid labor hours	3,475	3,293	5,150
Total hired labor hours	1,526	3,856	643
Total labor hours per farm	5,001	7,148	5,793
Unpaid hours per operator	2,829	2,786	3,541
Value of farm production / hour	58.83	35.65	113.00
Net farm income / unpaid hour	21.32	-4.68	48.02

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	58	11	12
Nonfarm Income			
Nonfarm wages & salary	15,643	24,745	5,306
Nonfarm business income	5,710	13,821	6,550
Nonfarm rental income	800	218	2,261
Nonfarm interest income	1,789	612	5,191
Nonfarm cash dividends	3	-	6
Tax refunds	544	573	178
Gifts and inheritances	1,775	109	4,702
Other nonfarm income	339	-	761
Total nonfarm income	26,602	40,077	24,955
Nonfarm Assets (market)			
Checking & savings	7,518	1,397	24,633
Stocks & bonds	16,192	26,483	33,568
Other current assets	9,188	-	29,263
Furniture & appliances	7,358	13,205	3,233
Nonfarm vehicles	5,730	6,955	5,152
Cash value of life ins.	13,545	17,215	21,990
Retirement accounts	27,691	3,803	51,865
Other intermediate assets	10,707	4,539	12,255
Nonfarm real estate	61,691	101,014	67,243
Other long term assets	16,911	11,597	29,271
Total nonfarm assets	176,530	186,206	278,473
Nonfarm Liabilities			
Accrued interest	0	-	2
Accounts payable	-	-	-
Current notes	380	-	240
Princ due on term debt	49	-	237
Total current liabilities	380	-	240
Intermediate liabilities	725	2,175	1,124
Long term liabilities	11,176	20,118	14,052
Total nonfarm liabilities	12,281	22,293	15,416
Nonfarm net worth	164,249	163,913	263,057
Nonfarm debt to asset ratio	7 %	12 %	6 %

EXPLANATORY NOTES FOR CROPS TABLES

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

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

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

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

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

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

Corn on Owned Land

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of fields	45	9	9
Number of farms	43	8	8
Acres	166.93	179.29	186.04
Yield per acre (bushel)	153.32	153.70	156.88
Operators share of yield %	100.00	100.00	100.00
Value per bushel	1.70	1.70	1.70
Total product return per acre	260.65	261.29	266.69
Miscellaneous income per acre	1.45	-	-
Gross return per acre	262.10	261.29	266.69
Direct Expenses			
Seed	32.22	33.71	30.27
Fertilizer	40.74	41.79	39.65
Crop chemicals	34.66	39.62	30.90
Crop insurance	6.24	10.59	2.77
Drying fuel	6.12	13.29	4.72
Fuel & oil	12.13	15.14	10.46
Repairs	25.55	34.99	18.96
Custom hire	4.37	7.42	5.11
Operating interest	4.98	10.40	0.00
Miscellaneous	0.78	0.10	0.17
Total direct expenses per acre	167.79	207.05	143.02
Return over direct exp per acre	94.32	54.23	123.68
Overhead Expenses			
Hired labor	7.50	22.26	5.61
Machinery & bldg leases	2.80	9.17	0.03
RE & pers. property taxes	13.33	14.24	11.50
Farm insurance	4.56	7.05	3.85
Utilities	1.76	2.18	1.62
Interest	34.62	54.11	8.07
Mach & bldg depreciation	25.58	29.05	20.50
Miscellaneous	3.66	3.61	1.69
Total overhead expenses per acre	93.81	141.67	52.88
Total dir & ovhd expenses per acre	261.59	348.73	195.90
Net return per acre	0.51	-87.44	70.79
Lbr & mgt charge per acre	26.83	15.91	27.64
Net return over lbr & mgt	-26.32	-103.35	43.15
Government payments	72.86	85.45	66.39
Net return with govt payments	46.54	-17.90	109.54
Cost of Production			
Total direct expense per bushel	1.09	1.35	0.91
Total dir & ovhd exp per bushel	1.71	2.27	1.25
With labor & management	1.88	2.37	1.42
Total exp less govt & oth income	1.40	1.82	1.00
Est. labor hours per acre	3.02	1.96	3.70

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	52	10	17
Number of farms	40	8	8
Acres	139.94	181.54	56.19
Yield per acre (bushel)	154.85	152.98	156.81
Operators share of yield %	100.00	100.00	100.00
Value per bushel	1.70	1.70	1.70
Total product return per acre	263.25	260.07	266.57
Miscellaneous income per acre	0.55	-	4.16
Gross return per acre	263.80	260.07	270.74
Direct Expenses			
Seed	34.76	34.36	35.15
Fertilizer	42.26	38.43	36.03
Crop chemicals	34.39	39.52	28.73
Crop insurance	7.84	11.39	6.81
Drying fuel	6.98	10.00	2.84
Fuel & oil	12.77	14.64	12.11
Repairs	24.56	30.09	19.43
Custom hire	5.65	7.44	1.15
Land rent	91.52	88.56	76.42
Operating interest	6.23	7.70	3.61
Miscellaneous	0.77	1.00	1.11
Total direct expenses per acre	267.73	283.12	223.40
Return over direct exp per acre	-3.93	-23.05	47.33
Overhead Expenses			
Hired labor	8.88	22.74	2.18
Machinery & bldg leases	5.86	15.85	0.68
Farm insurance	4.62	7.76	3.82
Utilities	2.24	2.74	1.83
Interest	6.74	10.17	7.20
Mach & bldg depreciation	19.83	26.09	17.20
Miscellaneous	3.67	5.43	3.71
Total overhead expenses per acre	51.84	90.78	36.62
Total dir & ovhd expenses per acre	319.57	373.90	260.02
Net return per acre	-55.77	-113.83	10.72
Lbr & mgt charge per acre	19.71	13.58	24.00
Net return over lbr & mgt	-75.48	-127.40	-13.29
Government payments	72.86	80.35	73.42
Net return with govt payments	-2.61	-47.05	60.13
Cost of Production			
Total direct expense per bushel	1.73	1.85	1.42
Total dir & ovhd exp per bushel	2.06	2.44	1.66
With labor & management	2.19	2.53	1.81
Total exp less govt & oth income	1.72	2.01	1.32
Est. labor hours per acre	2.24	1.36	2.61

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	37	8	7
Number of farms	36	7	7
Acres	131.41	63.44	99.93
Yield per acre (bushel)	48.28	44.00	50.28
Operators share of yield %	100.00	100.00	100.00
Value per bushel	4.50	4.50	4.50
Total product return per acre	217.27	198.01	226.26
Miscellaneous income per acre	1.74	-	5.64
Gross return per acre	219.02	198.01	231.91
Direct Expenses			
Seed	21.65	25.13	22.13
Fertilizer	3.93	-	7.13
Crop chemicals	23.16	23.32	18.57
Crop insurance	8.75	5.98	5.82
Fuel & oil	8.92	12.02	7.31
Repairs	19.07	32.23	11.71
Custom hire	3.64	2.68	7.44
Machinery & bldg leases	0.20	-	1.38
Operating interest	3.30	1.65	2.64
Miscellaneous	0.84	0.35	-
Total direct expenses per acre	93.45	103.35	84.13
Return over direct exp per acre	125.56	94.66	147.78
Overhead Expenses			
Hired labor	4.77	1.98	0.07
Machinery & bldg leases	2.02	2.70	2.03
RE & pers. property taxes	14.01	15.76	12.59
Farm insurance	3.89	3.97	3.56
Utilities	1.15	2.25	0.76
Interest	32.08	53.11	13.73
Mach & bldg depreciation	19.52	32.52	13.21
Miscellaneous	3.55	6.87	1.99
Total overhead expenses per acre	81.00	119.16	47.96
Total dir & ovhd expenses per acre	174.46	222.51	132.08
Net return per acre	44.56	-24.50	99.82
Lbr & mgt charge per acre	22.28	32.19	32.50
Net return over lbr & mgt	22.28	-56.70	67.32
Government payments	85.28	80.14	76.95
Net return with govt payments	107.56	23.44	144.27
Cost of Production			
Total direct expense per bushel	1.94	2.35	1.67
Total dir & ovhd exp per bushel	3.61	5.06	2.63
With labor & management	4.07	5.79	3.27
Total exp less govt & oth income	2.27	3.97	1.63
Est. labor hours per acre	2.11	3.01	3.00

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

Soybeans on Cash Rent

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of fields	41	6	10
Number of farms	32	6	6
Acres	142.42	179.75	68.98
Yield per acre (bushel)	49.12	45.61	51.09
Operators share of yield %	100.00	100.00	100.00
Value per bushel	4.50	4.50	4.50
Total product return per acre	221.03	205.24	229.89
Miscellaneous income per acre	1.98	-	4.46
Gross return per acre	223.01	205.24	234.34
Direct Expenses			
Seed	21.64	23.69	21.85
Fertilizer	7.12	1.85	-
Crop chemicals	25.79	32.56	25.04
Crop insurance	8.73	8.38	3.94
Fuel & oil	10.18	13.48	8.99
Repairs	17.98	26.53	13.19
Custom hire	5.71	2.99	1.55
Land rent	94.97	93.45	73.41
Machinery & bldg leases	0.13	-	1.09
Operating interest	5.65	6.86	2.26
Miscellaneous	0.52	0.89	-
Total direct expenses per acre	198.43	210.67	151.31
Return over direct exp per acre	24.57	-5.43	83.03
Overhead Expenses			
Hired labor	4.97	13.93	0.20
Machinery & bldg leases	6.34	23.72	1.60
Farm insurance	3.79	5.74	3.40
Utilities	1.53	1.62	2.99
Interest	6.16	7.88	7.45
Mach & bldg depreciation	13.48	20.20	12.85
Miscellaneous	3.43	5.24	2.46
Total overhead expenses per acre	39.70	78.32	30.95
Total dir & ovhd expenses per acre	238.13	289.00	182.27
Net return per acre	-15.13	-83.75	52.08
Lbr & mgt charge per acre	17.43	17.61	27.19
Net return over lbr & mgt	-32.56	-101.36	24.88
Government payments	85.68	86.44	99.34
Net return with govt payments	53.12	-14.92	124.23
Cost of Production			
Total direct expense per bushel	4.04	4.62	2.96
Total dir & ovhd exp per bushel	4.85	6.34	3.57
With labor & management	5.20	6.72	4.10
Total exp less govt & oth income	3.42	4.83	2.07
Est. labor hours per acre	1.67	1.39	2.27

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

Oats on Owned Land

	<u>Avg. Of All Farms</u>
Number of fields	8
Number of farms	8
Acres	19.61
Yield per acre (bushel)	72.44
Operators share of yield %	99.99
Value per bushel	1.00
Total product return per acre	72.44
Miscellaneous income per acre	85.18
Gross return per acre	157.62
Direct Expenses	
Seed	8.54
Fertilizer	5.61
Crop chemicals	1.10
Fuel & oil	7.21
Repairs	20.30
Custom hire	11.99
Operating interest	1.35
Miscellaneous	0.26
Total direct expenses per acre	56.36
Return over direct exp per acre	101.27
Overhead Expenses	
Hired labor	6.23
Machinery & bldg leases	1.21
RE & pers. property taxes	9.85
Farm insurance	3.41
Utilities	0.69
Interest	17.72
Mach & bldg depreciation	12.43
Miscellaneous	1.91
Total overhead expenses per acre	53.44
Total dir & ovhd expenses per acre	109.80
Net return per acre	47.83
Lbr & mgt charge per acre	15.95
Net return over lbr & mgt	31.87
Government payments	35.08
Net return with govt payments	66.95
Cost of Production	
Total direct expense per bushel	0.78
Total dir & ovhd exp per bushel	1.52
With labor & management	1.74
Total exp less govt & oth income	0.08
Est. labor hours per acre	3.09

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

Oats on Cash Rent

	<u>Avg. Of All Farms</u>
Number of fields	6
Number of farms	5
Acres	18.22
Yield per acre (bushel)	77.31
Operators share of yield %	99.99
Value per bushel	1.00
Total product return per acre	77.31
Miscellaneous income per acre	56.95
Gross return per acre	134.26
Direct Expenses	
Seed	9.69
Fertilizer	10.38
Fuel & oil	7.35
Repairs	17.88
Custom hire	9.29
Land rent	90.87
Operating interest	1.28
Total direct expenses per acre	146.73
Return over direct exp per acre	-12.46
Overhead Expenses	
Hired labor	2.56
Farm insurance	1.48
Interest	3.07
Mach & bldg depreciation	12.43
Miscellaneous	3.70
Total overhead expenses per acre	23.25
Total dir & ovhd expenses per acre	169.97
Net return per acre	-35.71
Lbr & mgt charge per acre	16.21
Net return over lbr & mgt	-51.91
Government payments	44.46
Net return with govt payments	-7.46
Cost of Production	
Total direct expense per bushel	1.90
Total dir & ovhd exp per bushel	2.20
With labor & management	2.41
Total exp less govt & oth income	1.10
Est. labor hours per acre	2.08

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

Hay, Alfalfa on Owned Land

	<u>Avg. Of All Farms</u>
Number of fields	24
Number of farms	23
Acres	72.33
Yield per acre (ton)	4.39
Operators share of yield %	100.00
Value per ton	60.00
Total product return per acre	263.30
Miscellaneous income per acre	-
Gross return per acre	263.30
Direct Expenses	
Seed	14.21
Fertilizer	14.14
Crop chemicals	5.16
Fuel & oil	13.69
Repairs	41.10
Custom hire	9.55
Operating interest	2.96
Miscellaneous	3.05
Total direct expenses per acre	103.85
Return over direct exp per acre	159.45
Overhead Expenses	
Hired labor	14.39
Machinery & bldg leases	3.28
RE & pers. property taxes	10.77
Farm insurance	5.33
Utilities	1.36
Interest	25.61
Mach & bldg depreciation	29.68
Miscellaneous	5.43
Total overhead expenses per acre	95.86
Total dir & ovhd expenses per acre	199.72
Net return per acre	63.58
Lbr & mgt charge per acre	34.58
Net return over lbr & mgt	29.00
Government payments	33.79
Net return with govt payments	62.79
Cost of Production	
Total direct expense per ton	23.67
Total dir & ovhd exp per ton	45.51
With labor & management	53.39
Total exp less govt & oth income	45.69
Est. labor hours per acre	6.96

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

Hay, Alfalfa on Cash Rent

	<u>Avg. Of All Farms</u>
Number of fields	22
Number of farms	20
Acres	49.55
Yield per acre (ton)	4.27
Operators share of yield %	100.00
Value per ton	60.81
Total product return per acre	259.58
Miscellaneous income per acre	-
Gross return per acre	259.58
 Direct Expenses	
Seed	15.62
Fertilizer	16.54
Crop chemicals	4.44
Crop insurance	0.28
Fuel & oil	14.34
Repairs	34.32
Custom hire	7.16
Land rent	80.52
Operating interest	2.81
Miscellaneous	1.84
Total direct expenses per acre	177.86
Return over direct exp per acre	81.72
 Overhead Expenses	
Hired labor	16.29
Machinery & bldg leases	0.80
Farm insurance	3.42
Utilities	1.38
Interest	3.35
Mach & bldg depreciation	30.37
Miscellaneous	4.37
Total overhead expenses per acre	59.98
Total dir & ovhd expenses per acre	237.83
Net return per acre	21.74
 Lbr & mgt charge per acre	
	22.88
Net return over lbr & mgt	-1.14
Government payments	31.37
Net return with govt payments	30.23
 Cost of Production	
Total direct expense per ton	41.67
Total dir & ovhd exp per ton	55.72
With labor & management	61.08
Total exp less govt & oth income	53.73
 Est. labor hours per acre	
	5.04

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

Corn Silage on Owned Land

	<u>Avg. Of All Farms</u>
Number of fields	20
Number of farms	20
Acres	38.20
Yield per acre (ton)	19.66
Operators share of yield %	100.00
Value per ton	13.00
Total product return per acre	255.54
Miscellaneous income per acre	5.28
Gross return per acre	260.82
Direct Expenses	
Seed	30.19
Fertilizer	29.50
Crop chemicals	38.08
Crop insurance	2.84
Fuel & oil	17.59
Repairs	41.50
Custom hire	33.68
Operating interest	4.25
Miscellaneous	0.39
Total direct expenses per acre	198.02
Return over direct exp per acre	62.80
Overhead Expenses	
Hired labor	14.55
Machinery & bldg leases	4.89
RE & pers. property taxes	8.14
Farm insurance	5.17
Utilities	2.30
Interest	34.68
Mach & bldg depreciation	26.35
Miscellaneous	5.99
Total overhead expenses per acre	102.09
Total dir & ovhd expenses per acre	300.10
Net return per acre	-39.28
Lbr & mgt charge per acre	22.35
Net return over lbr & mgt	-61.63
Government payments	78.93
Net return with govt payments	17.30
Cost of Production	
Total direct expense per ton	10.07
Total dir & ovhd exp per ton	15.27
With labor & management	16.40
Total exp less govt & oth income	12.12
Est. labor hours per acre	5.43

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

Corn Silage on Cash Rent

	<u>Avg. Of All Farms</u>
Number of fields	15
Number of farms	14
Acres	15.90
Yield per acre (ton)	17.96
Operators share of yield %	99.99
Value per ton	13.00
Total product return per acre	233.52
Miscellaneous income per acre	0.79
Gross return per acre	234.30
 Direct Expenses	
Seed	30.71
Fertilizer	23.85
Crop chemicals	33.11
Crop insurance	2.24
Fuel & oil	15.59
Repairs	37.39
Custom hire	16.78
Land rent	85.03
Operating interest	7.00
Miscellaneous	0.19
Total direct expenses per acre	251.89
Return over direct exp per acre	-17.58
 Overhead Expenses	
Hired labor	9.25
Machinery & bldg leases	3.55
Farm insurance	6.30
Utilities	2.74
Interest	7.78
Mach & bldg depreciation	27.86
Miscellaneous	10.41
Total overhead expenses per acre	67.90
Total dir & ovhd expenses per acre	319.79
Net return per acre	-85.49
 Lbr & mgt charge per acre	 26.05
Net return over lbr & mgt	-111.54
Government payments	75.78
Net return with govt payments	-35.76
 Cost of Production	
Total direct expense per ton	14.02
Total dir & ovhd exp per ton	17.80
With labor & management	19.26
Total exp less govt & oth income	14.99
 Est. labor hours per acre	 6.10

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

Oatlage on Owned Land

	<u>Avg. Of All Farms</u>
Number of fields	5
Number of farms	5
Acres	41.64
Yield per acre (ton)	6.60
Operators share of yield %	100.00
Value per ton	10.00
Total product return per acre	66.00
Miscellaneous income per acre	24.50
Gross return per acre	90.49
 Direct Expenses	
Seed	7.62
Fuel & oil	8.51
Repairs	17.54
Miscellaneous	0.02
Total direct expenses per acre	33.70
Return over direct exp per acre	56.80
 Overhead Expenses	
Hired labor	5.53
Machinery & bldg leases	0.74
RE & pers. property taxes	9.65
Farm insurance	4.13
Interest	1.84
Mach & bldg depreciation	20.83
Miscellaneous	1.36
Total overhead expenses per acre	44.08
Total dir & ovhd expenses per acre	77.77
Net return per acre	12.72
 Lbr & mgt charge per acre	 16.21
Net return over lbr & mgt	-3.50
Government payments	48.15
Net return with govt payments	44.65
 Cost of Production	
Total direct expense per ton	5.11
Total dir & ovhd exp per ton	11.78
With labor & management	14.24
Total exp less govt & oth income	3.23
 Est. labor hours per acre	 2.45

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

Pasture on Owned Land

	<u>Avg. Of All Farms</u>
Number of fields	7
Number of farms	7
Acres	66.36
Yield per acre (unit)	2.91
Operators share of yield %	100.00
Value per unit	10.00
Total product return per acre	29.06
Miscellaneous income per acre	-
Gross return per acre	29.06
Direct Expenses	
Fuel & oil	1.36
Repairs	2.40
Operating interest	1.37
Miscellaneous	0.20
Total direct expenses per acre	5.33
Return over direct exp per acre	23.73
Overhead Expenses	
Hired labor	1.05
RE & pers. property taxes	7.04
Farm insurance	2.23
Utilities	0.24
Interest	6.15
Mach & bldg depreciation	1.42
Miscellaneous	1.67
Total overhead expenses per acre	19.79
Total dir & ovhd expenses per acre	25.12
Net return per acre	3.94
Lbr & mgt charge per acre	5.08
Net return over lbr & mgt	-1.14
Government payments	0.69
Net return with govt payments	-0.45
Cost of Production	
Total direct expense per unit	1.83
Total dir & ovhd exp per unit	8.64
With labor & management	10.39
Total exp less govt & oth income	10.16
Est. labor hours per acre	0.55

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	5
Number of farms	5
Acres	39.84
Yield per acre (unit)	75.34
Operators share of yield %	99.99
Value per unit	1.00
Total product return per acre	75.34
Miscellaneous income per acre	-
Gross return per acre	75.34
Direct Expenses	
Operating interest	6.19
Total direct expenses per acre	6.19
Return over direct exp per acre	69.15
Overhead Expenses	
RE & pers. property taxes	8.62
Farm insurance	1.69
Utilities	0.62
Interest	20.24
Miscellaneous	2.35
Total overhead expenses per acre	33.51
Total dir & ovhd expenses per acre	39.70
Net return per acre	35.64
Lbr & mgt charge per acre	1.25
Net return over lbr & mgt	34.39
Government payments	-
Net return with govt payments	34.39
Cost of Production	
Total direct expense per unit	0.08
Total dir & ovhd exp per unit	0.53
With labor & management	0.54
Total exp less govt & oth income	0.54
Est. labor hours per acre	0.13

EXPLANATORY NOTES FOR LIVESTOCK TABLES

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

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

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

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

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

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

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

Dairy -- Average Per Cow

	<u>Avg. Of All Farms</u>	
Number of farms	24	
	Quantity	Value
Milk sold (lb)	20,985.74	2,536.63
Milk used in home (lb)	5.08	0.51
Milk fed to animals (lb)	44.59	4.41
Dairy Calves sold (hd)	0.04	7.10
Transferred out (hd)	0.87	86.60
Cull sales (hd)	0.27	126.42
Butchered (hd)	0.00	0.33
Less purchased (hd)	-0.06	-84.54
Less transferred in (hd)	-0.28	-338.13
Inventory change (hd)	0.01	7.38
Total production		2,346.71
Other income		102.90
Gross return		2,449.60
Direct Expenses		
Corn (bu.)	79.73	130.15
Corn Silage (lb.)	10,173.27	65.64
Hay, Alfalfa (lb.)	2,793.68	113.19
Haylage, Alfalfa (lb.)	7,562.19	134.89
Complete Ration (lb.)	1,103.16	19.66
Protein Vit Minerals (lb.)	3,770.05	468.23
Other feed stuffs	459.65	16.56
Breeding fees		31.75
Veterinary		95.17
Livestock supplies		239.45
Fuel & oil		21.70
Repairs		105.61
Custom hire		41.27
Hired labor		174.49
Marketing		22.52
Operating interest		23.94
Total direct expenses		1,704.23
Return over direct expense		745.38
Overhead Expenses		
Hired labor		107.36
Machinery & bldg leases		9.64
Farm insurance		18.60
Utilities		51.47
Interest		87.09
Mach & bldg depreciation		124.68
Miscellaneous		42.48
Total overhead expenses		441.30
Total dir & ovhd expenses		2,145.53
Net return		304.07
Labor & management charge		217.16
Net return over lbr & mgt		86.91
Cost of Production		
Total direct expense per cwt.		8.10
Total dir & ovhd expense per cwt.		10.20
With labor and management		11.23
With other revenue adjustments		11.67
Est. labor hours per unit		50.89
Other Information		
Avg. number of Cows		114.4
Milk produced per Cow		21,035
Percent butterfat in milk		3.5
Culling percentage		27.4
Percent of barn capacity		111.9
Lbs. milk/lb grain & conc.		2.4
Feed cost per cwt of milk		4.51
Feed cost per Cow		948.32
Avg. milk price per cwt.		12.09

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

Dairy Replacement Heifers -- Average Per Head Sold/Trans

	<u>Avg. Of</u> <u>All Farms</u>	
Number of farms	21	
	Quantity	Value
Replacements sold (hd)	0.57	120.65
Transferred out (hd)	0.43	466.56
Butchered (hd)	0.00	0.62
Less purchased (hd)	-0.05	-62.41
Less transferred in (hd)	-1.16	-115.53
Inventory change (hd)	0.07	34.23
Total production (hd)	0.00	444.11
Other income		-
Gross return		444.11
Direct Expenses		
Corn (bu.)	13.13	21.38
Corn Silage (lb.)	3,954.59	25.02
Hay, Alfalfa (lb.)	1,289.85	47.89
Hay, Grass & Other (lb.)	320.35	8.87
Haylage, Alfalfa (lb.)	2,135.73	38.50
Oatlage (lb.)	964.12	7.35
Pasture (aum)	0.96	9.57
Sorghum Silage (lb.)	76.88	0.77
Milk (lb.)	62.73	6.20
Protein Vit Minerals (lb.)	422.80	69.02
Other feed stuffs	2.28	2.45
Breeding fees		6.05
Veterinary		9.35
Livestock supplies		8.60
Fuel & oil		4.44
Repairs		22.99
Custom hire		61.65
Machinery & bldg leases		1.85
Marketing		1.49
Operating interest		1.66
Total direct expenses		355.09
Return over direct expense		89.03
Overhead Expenses		
Hired labor		26.64
Machinery & bldg leases		2.23
RE & pers. property taxes		2.61
Farm insurance		3.94
Utilities		8.15
Interest		8.40
Mach & bldg depreciation		29.71
Miscellaneous		3.42
Total overhead expenses		85.10
Total dir & ovhd expenses		440.19
Net return		3.93
Labor & management charge		53.81
Net return over lbr & mgt		-49.88
Cost of Production		
Total direct expense per head		323.14
Total dir & ovhd expense per head		400.58
With labor and management		449.55
With other revenue adjustments		449.55
Est. labor hours per unit		10.89
Other Information		
No. purchased or trans in		113
Number sold or trans out		93
Average number of head		102
Percentage death loss		6.2
Feed cost per average head		215.68
Feed cost/head sold+trans		237.00
Avg. purchase weight		-
Avg. sales weight		-
Avg. purch price / head		1,193.74
Avg. sales price / head		210.17

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

Dairy and Repl Heifers -- Average Per Cow

	Avg. Of All Farms	
Number of farms	15	
	Quantity	Value
Milk sold (lb)	21,684.38	2,643.66
Milk used in home (lb)	6.52	0.65
Milk fed to animals (lb)	57.27	5.66
Dairy Calves sold (hd)	0.48	95.33
Transferred out (hd)	1.24	454.07
Cull sales (hd)	0.25	119.29
Butchered (hd)	0.00	0.98
Less purchased (hd)	-0.10	-130.54
Less transferred in (hd)	-1.21	-444.72
Inventory change (hd)	0.09	49.14
Total production		2,793.52
Other income		96.29
Gross return		2,889.81
Direct Expenses		
Corn (bu.)	90.60	148.35
Corn Silage (lb.)	13,590.82	87.08
Hay, Alfalfa (lb.)	3,068.41	126.21
Haylage, Alfalfa (lb.)	10,459.74	187.36
Oatlage (lb.)	1,271.04	15.42
Pasture (aum)	1.16	11.64
Protein Vit Minerals (lb.)	4,601.36	576.39
Other feed stuffs	417.92	15.45
Breeding fees		39.83
Veterinary		101.39
Livestock supplies		252.71
Fuel & oil		25.47
Repairs		124.95
Custom hire		100.09
Hired labor		224.52
Machinery & bldg leases		6.77
Marketing		18.70
Operating interest		29.63
Total direct expenses		2,091.96
Return over direct expense		797.85
Overhead Expenses		
Hired labor		134.10
RE & pers. property taxes		11.07
Farm insurance		20.78
Utilities		56.93
Interest		101.77
Mach & bldg depreciation		162.31
Miscellaneous		49.71
Total overhead expenses		536.67
Total dir & ovhd expenses		2,628.63
Net return		261.18
Labor & management charge		234.17
Net return over lbr & mgt		27.01
Cost of Production		
Total direct expense per cwt.		9.62
Total dir & ovhd expense per cwt.		12.09
With labor and management		13.16
With other revenue adjustments		12.06
Est. labor hours per unit		58.23
Other Information		
Avg. number of Cows		142.5
Milk produced per Cow		21,748
Percent butterfat in milk		3.4
Culling percentage		25.5
Percent of barn capacity		110.2
Lbs. milk/lb grain & conc.		2.4
Feed cost per cwt of milk		5.37
Feed cost per Cow		1,167.90
Avg. milk price per cwt.		12.19

Livestock Enterprise Analysis
Southeast 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	5	
	Quantity	Value
Finish Hogs sold (lb)	237.54	103.51
Butchered (lb)	0.08	0.03
Less purchased (lb)	-33.69	-42.44
Inventory change (lb)	3.06	2.98
Total production (lb)	206.99	64.09
Other income		-
Gross return		64.09
Direct Expenses		
Corn (bu.)	9.78	15.65
Complete Ration (lb.)	2.98	1.24
Protein Vit Minerals (lb.)	148.40	18.54
Other feed stuffs	0.14	0.14
Livestock supplies		0.46
Fuel & oil		0.76
Repairs		3.66
Custom hire		0.77
Marketing		0.79
Operating interest		0.68
Total direct expenses		42.67
Return over direct expense		21.41
Overhead Expenses		
Hired labor		0.26
Machinery & bldg leases		0.47
RE & pers. property taxes		0.54
Farm insurance		0.75
Utilities		1.44
Interest		2.75
Mach & bldg depreciation		4.09
Miscellaneous		1.19
Total overhead expenses		11.49
Total dir & ovhd expenses		54.16
Net return		9.92
Labor & management charge		9.33
Net return over lbr & mgt		0.60
Cost of Production		
Total direct expense per cwt.		20.61
Total dir & ovhd expense per cwt.		26.17
With labor and management		30.67
With other revenue adjustments		30.67
Est. labor hours per unit		0.79
Other Information		
No. purchased or trans in		1,525
Number sold or trans out		1,387
Percentage death loss		5.6
Avg. daily gain (lbs)		1.48
Lbs of conc / lb of gain		2.96
Lbs of feed / lb of gain		2.96
Feed cost per cwt of gain		17.18
Feed cost per head		35.56
Average purchase weight		33
Average sales weight		253
Avg purch price / head		41.11
Avg sales price / cwt		43.58

Livestock Enterprise Analysis
Southeast 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	5	
	Quantity	Value
Finish Hogs sold (lb)	114.76	50.01
Butchered (lb)	0.04	0.01
Less purchased (lb)	-16.27	-20.50
Inventory change (lb)	1.48	1.44
Total production (lb)	100.00	30.96
Other income		-
Gross return		30.96
Direct Expenses		
Corn (bu.)	4.72	7.56
Complete Ration (lb.)	1.44	0.60
Protein Vit Minerals (lb.)	71.69	8.95
Other feed stuffs	0.07	0.07
Livestock supplies		0.22
Fuel & oil		0.37
Repairs		1.77
Custom hire		0.37
Marketing		0.38
Operating interest		0.33
Total direct expenses		20.61
Return over direct expense		10.35
Overhead Expenses		
Hired labor		0.12
Machinery & bldg leases		0.23
RE & pers. property taxes		0.26
Farm insurance		0.36
Utilities		0.69
Interest		1.33
Mach & bldg depreciation		1.97
Miscellaneous		0.58
Total overhead expenses		5.55
Total dir & ovhd expenses		26.17
Net return		4.79
Labor & management charge		4.51
Net return over lbr & mgt		0.29
Cost of Production		
Total direct expense per cwt.		20.61
Total dir & ovhd expense per cwt.		26.17
With labor and management		30.67
With other revenue adjustments		30.67
Est. labor hours per unit		0.38
Other Information		
No. purchased or trans in		1,525
Number sold or trans out		1,387
Percentage death loss		5.6
Avg. daily gain (lbs)		1.48
Lbs of conc / lb of gain		2.96
Lbs of feed / lb of gain		2.96
Feed cost per cwt of gain		17.18
Feed cost per head		35.56
Average purchase weight		33
Average sales weight		253
Avg purch price / head		41.11
Avg sales price / cwt		43.58

Livestock Enterprise Analysis
Southeast 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	5	
	Quantity	Value
Beef Calves sold (lb)	13.74	15.78
Transferred out (lb)	436.24	361.65
Cull sales (lb)	173.33	66.36
Less purchased (lb)	-40.83	-30.00
Less transferred in (lb)	-66.06	-46.24
Inventory change (lb)	-88.99	16.88
Total production (lb)	427.44	384.44
Other income		-
Gross return		384.44
Direct Expenses		
Corn Silage (lb.)	1,275.23	8.29
Hay, Alfalfa (lb.)	1,221.10	31.72
Hay, Grass & Other (lb.)	4,522.94	97.06
Haylage, Alfalfa (lb.)	1,550.46	27.13
Pasture (aum)	4.67	45.33
Protein Vit Minerals (lb.)	22.02	11.55
Veterinary		5.22
Livestock supplies		2.54
Fuel & oil		2.35
Repairs		14.74
Marketing		1.36
Total direct expenses		247.28
Return over direct expense		137.15
Overhead Expenses		
Machinery & bldg leases		2.29
RE & pers. property taxes		2.01
Farm insurance		6.11
Utilities		7.22
Interest		1.74
Mach & bldg depreciation		6.79
Miscellaneous		7.79
Total overhead expenses		33.94
Total dir & ovhd expenses		281.23
Net return		103.21
Labor & management charge		46.23
Net return over lbr & mgt		56.98
Cost of Production		
Total direct expense per cwt.		57.85
Total dir & ovhd expense per cwt.		65.79
With labor and management		76.61
With other revenue adjustments		66.35
Est. labor hours per unit		6.00
Other Information		
Number of cows		43.6
Pregnancy percentage		100.0
Pregnancy loss percentage		2.3
Culling percentage		14.2
Calving percentage		97.7
Weaning percentage		87.3
Calves sold per cow		0.89
Calf death loss percent		6.8
Average weaning weight		506
Lbs weaned/exposed female		442
Feed cost per cow		221.07
Avg wgt/Beef Calf sold		375
Avg price / cwt		114.85

Livestock Enterprise Analysis
Southeast 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	5	
	Quantity	Value
Finish Beef sold (lb)	1,499.17	1,014.15
Transferred out (lb)	50.55	36.80
Less purchased (lb)	-694.57	-539.69
Less transferred in (lb)	-191.07	-155.76
Inventory change (lb)	-76.63	27.75
Total production (lb)	587.46	383.24
Other income		-
Gross return		383.24
Direct Expenses		
Corn (bu.)	80.89	129.43
Corn Silage (lb.)	1,293.99	8.41
Hay, Alfalfa (lb.)	93.81	2.81
Hay, Grass & Other (lb.)	962.41	19.43
Haylage, Alfalfa (lb.)	687.43	12.03
Protein Vit Minerals (lb.)	194.71	31.09
Other feed stuffs	1.62	1.62
Veterinary		11.35
Livestock supplies		6.05
Fuel & oil		5.40
Repairs		21.71
Marketing		8.46
Operating interest		0.26
Total direct expenses		258.05
Return over direct expense		125.19
Overhead Expenses		
Hired labor		0.90
RE & pers. property taxes		0.33
Farm insurance		5.51
Utilities		8.37
Interest		7.03
Mach & bldg depreciation		15.51
Miscellaneous		4.23
Total overhead expenses		41.88
Total dir & ovhd expenses		299.94
Net return		83.30
Labor & management charge		58.39
Net return over lbr & mgt		24.91
Cost of Production		
Total direct expense per cwt.		43.93
Total dir & ovhd expense per cwt.		51.06
With labor and management		61.00
With other revenue adjustments		61.00
Est. labor hours per unit		5.54
Other Information		
No. purchased or trans in		124
Number sold or trans out		119
Percentage death loss		0.7
Avg. daily gain (lbs)		2.11
Lbs of conc / lb of gain		8.12
Lbs of feed / lb of gain		11.23
Feed cost per cwt of gain		34.87
Feed cost per head		204.83
Average purchase weight		803
Average sales weight		1,317
Avg purch price / cwt		77.70
Avg sales price / cwt		67.65

Livestock Enterprise Analysis
Southeast 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	5	
	Quantity	Value
Finish Beef sold (lb)	255.20	172.63
Transferred out (lb)	8.60	6.26
Less purchased (lb)	-118.23	-91.87
Less transferred in (lb)	-32.52	-26.52
Inventory change (lb)	-13.04	4.72
Total production (lb)	100.00	65.24
Other income		-
Gross return		65.24
Direct Expenses		
Corn (bu.)	13.77	22.03
Corn Silage (lb.)	220.27	1.43
Hay, Alfalfa (lb.)	15.97	0.48
Hay, Grass & Other (lb.)	163.83	3.31
Haylage, Alfalfa (lb.)	117.02	2.05
Protein Vit Minerals (lb.)	33.14	5.29
Other feed stuffs	0.28	0.28
Veterinary		1.93
Livestock supplies		1.03
Fuel & oil		0.92
Repairs		3.70
Marketing		1.44
Operating interest		0.04
Total direct expenses		43.93
Return over direct expense		21.31
Overhead Expenses		
Hired labor		0.15
RE & pers. property taxes		0.06
Farm insurance		0.94
Utilities		1.42
Interest		1.20
Mach & bldg depreciation		2.64
Miscellaneous		0.72
Total overhead expenses		7.13
Total dir & ovhd expenses		51.06
Net return		14.18
Labor & management charge		9.94
Net return over lbr & mgt		4.24
Cost of Production		
Total direct expense per cwt.		43.93
Total dir & ovhd expense per cwt.		51.06
With labor and management		61.00
With other revenue adjustments		61.00
Est. labor hours per unit		0.94
Other Information		
No. purchased or trans in		124
Number sold or trans out		119
Percentage death loss		0.7
Avg. daily gain (lbs)		2.11
Lbs of conc / lb of gain		8.12
Lbs of feed / lb of gain		11.23
Feed cost per cwt of gain		34.87
Feed cost per head		204.83
Average purchase weight		803
Average sales weight		1,317
Avg purch price / cwt		77.70
Avg sales price / cwt		67.65

Livestock Enterprise Analysis
Southeast 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	6	
	Quantity	Value
Dairy Steers sold (lb)	1,656.44	1,028.10
Butchered (lb)	5.42	2.60
Less purchased (lb)	-91.10	-105.18
Less transferred in (lb)	-205.19	-148.58
Inventory change (lb)	-394.82	-206.84
Total production (lb)	970.75	570.10
Other income		-
Gross return		570.10
Direct Expenses		
Corn (bu.)	125.37	198.20
Corn Silage (lb.)	1,475.23	9.59
Hay, Alfalfa (lb.)	433.89	6.94
Hay, Grass & Other (lb.)	997.95	23.59
Haylage, Alfalfa (lb.)	1,287.21	22.53
Oatlage (lb.)	2,458.71	12.29
Oats (bu.)	3.43	3.43
Protein Vit Minerals (lb.)	578.52	74.79
Veterinary		9.43
Livestock supplies		21.52
Fuel & oil		8.11
Repairs		30.84
Marketing		5.00
Total direct expenses		426.26
Return over direct expense		143.84
Overhead Expenses		
Hired labor		11.67
RE & pers. property taxes		3.57
Farm insurance		5.40
Utilities		15.47
Interest		3.15
Mach & bldg depreciation		22.20
Miscellaneous		9.62
Total overhead expenses		71.08
Total dir & ovhd expenses		497.34
Net return		72.77
Labor & management charge		59.40
Net return over lbr & mgt		13.36
Cost of Production		
Total direct expense per cwt.		43.91
Total dir & ovhd expense per cwt.		51.23
With labor and management		57.35
With other revenue adjustments		57.35
Est. labor hours per unit		8.17
Other Information		
No. purchased or trans in		42
Number sold or trans out		53
Percentage death loss		2.5
Avg. daily gain (lbs)		2.10
Lbs of conc / lb of gain		7.78
Lbs of feed / lb of gain		11.27
Feed cost per cwt of gain		36.20
Feed cost per head		351.37
Average purchase weight		179
Average sales weight		1,445
Avg purch price / head		206.30
Avg sales price / cwt		62.07

Livestock Enterprise Analysis
Southeast 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	6	
	Quantity	Value
Dairy Steers sold (lb)	170.63	105.91
Butchered (lb)	0.56	0.27
Less purchased (lb)	-9.38	-10.83
Less transferred in (lb)	-21.14	-15.31
Inventory change (lb)	-40.67	-21.31
Total production (lb)	100.00	58.73
Other income		-
Gross return		58.73
Direct Expenses		
Corn (bu.)	12.91	20.42
Corn Silage (lb.)	151.97	0.99
Hay, Alfalfa (lb.)	44.70	0.72
Hay, Grass & Other (lb.)	102.80	2.43
Haylage, Alfalfa (lb.)	132.60	2.32
Oatlage (lb.)	253.28	1.27
Oats (bu.)	0.35	0.35
Protein Vit Minerals (lb.)	59.60	7.70
Veterinary		0.97
Livestock supplies		2.22
Fuel & oil		0.84
Repairs		3.18
Marketing		0.51
Total direct expenses		43.91
Return over direct expense		14.82
Overhead Expenses		
Hired labor		1.20
RE & pers. property taxes		0.37
Farm insurance		0.56
Utilities		1.59
Interest		0.32
Mach & bldg depreciation		2.29
Miscellaneous		0.99
Total overhead expenses		7.32
Total dir & ovhd expenses		51.23
Net return		7.50
Labor & management charge		6.12
Net return over lbr & mgt		1.38
Cost of Production		
Total direct expense per cwt.		43.91
Total dir & ovhd expense per cwt.		51.23
With labor and management		57.35
With other revenue adjustments		57.35
Est. labor hours per unit		0.84
Other Information		
No. purchased or trans in		42
Number sold or trans out		53
Percentage death loss		2.5
Avg. daily gain (lbs)		2.10
Lbs of conc / lb of gain		7.78
Lbs of feed / lb of gain		11.27
Feed cost per cwt of gain		36.20
Feed cost per head		351.37
Average purchase weight		179
Average sales weight		1,445
Avg purch price / head		206.30
Avg sales price / cwt		62.07

Table 13
PRICES USED IN ANALYSIS - 2000
Southeast Farm Business Management Association

Item	Beginning Inventory Price	Average Feed Price/Year	Harvest Price	Ending Inventory Price
Corn	\$1.50	\$1.60	\$1.70	\$1.80
Oats	2.00	1.00	1.00	1.00
Soybeans	4.50	4.70	4.50	4.80
Alfalfa Hay	70.00	70.00	60.00	70.00
Mixed Hay	40.00	40.00	40.00	40.00
Haylage	35.00	35.00	30.00	35.00
Corn Silage	12.00	13.00	13.00	13.00
Oat Silage	10.00	10.00	10.00	10.00
Straw/ton	60.00	--	60.00	60.00
Corn Stalks	10.00	10.00	10.00	10.00
Barley	1.25	1.25	1.25	1.25

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

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

Board for hired help: \$6.00/day

Homegrown seed - soybeans: \$8.00/bu.

Homegrown seed - oats: \$2.00/bu.

EXPLANATORY NOTES FOR SUMMARY TABLES

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

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

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

<u>Year</u>	<u>CPI-U</u> <u>1982-84=100</u>
1981	90.9
1982	96.5
1983	99.6
1984	103.9
1985	107.6
1986	109.6
1987	113.6
1988	118.3
1989	124.0
1990	130.7
1991	136.2
1992	140.3
1993	144.5
1994	148.2
1995	152.4
1996	156.9
1997	160.5
1998	163.0
1999	166.6
2000	172.2

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

Row	Items	1981	1982	1983	1984	1985	1986	1987	1988	1989
1	Number of Farms	63	54	53	57	59	61	62	63	58
Farm Income Statement										
2	Gross Cash Farm Income	160,457	202,185	178,365	187,562	197,842	190,124	190,481	187,712	203,126
3	Total Cash Farm Expense	112,444	150,932	116,369	144,048	151,162	141,090	136,802	135,159	146,353
4	Inventory Change	*	*	7,628	9,584	415	1,833	9,817	2,922	3,482
5	Depr. & Cap. Adj.	*	*	-35,150	-32,373	-30,386	-25,685	-18,298	-13,646	-15,010
6	Net Farm Income	26,117	24,553	34,473	20,724	16,709	25,180	45,197	41,829	45,244
7	Net Farm Income (Constant \$)	49,476	43,814	59,601	34,347	26,741	39,562	68,512	60,887	62,831
Profitability and Liquidity Analysis										
8	Labor and Management Earnings	15,765	9,531	22,365	8,630	6,630	16,418	34,905	29,793	31,106
Rate of return on:										
9	Average Assets (%)	7	7	9	6	5	8	12	10	10
10	Average Equity (%)	6	5	8	1	-1	5	15	11	10
11	Operating Profit Margin (%)	25	26	20	13	10	16	22	20	19
12	Asset Turnover Rate (%)	28	26	46	45	50	50	54	52	50
13	Value of Farm Production	113,376	138,358	170,219	181,517	190,882	173,619	194,420	187,789	199,804
14	Farm Interest Paid	14,271	21,759	17,680	19,863	22,207	21,168	16,542	15,543	15,151
15	Cash Expense as a % of Income	70	75	65	77	76	74	72	72	72
Interest Paid as a % of:										
16	Gross Cash Income	9	11	10	11	11	11	9	8	7
17	Total Cash Expenses	13	14	15	14	15	15	12	11	10
18	Yrs. to T/O Non R.E. Debt	*	*	0.5	0.5	1.9	3.6	4.1	3.4	4.5
Comparative Financial Statement (Cost Basis)										
19	No. of Sole Proprietors	35	42	49	41	40	46	49	48	44
20	Total Ending Assets	411,875	533,714	407,995	391,624	370,853	320,601	326,849	331,420	376,054
21	Total Ending Liabilities	173,263	240,207	163,744	192,733	201,572	170,318	162,013	154,430	164,661
22	Ending Net Worth	238,612	293,507	244,251	198,891	169,281	150,283	164,836	176,990	211,393
23	Ending Farm C+I Debt to Asset %	24	41	32	42	50	45	38	33	33
24	Ending Total Debt to Asset %	42	45	40	49	54	53	50	47	44
Acreage Information										
25	Total Acres Owned	247	257	*	264	288	264	268	274	294
26	Total Crop Acres Farmed	327	347	*	363	423	376	365	348	372
27	Crop Acres Owned	204	219	*	210	231	198	225	223	222
28	Crop Acres Cash Rented	*	*	*	140	180	157	123	105	128
29	Crop Acres Share Rented	*	*	*	13	12	21	18	20	22
Crop Yields										
30	Corn per acre	127	122	100	127	125	140	143	88	142
31	Soybean per acre	37	39	39	39	37	41	44	31	42
Crop Prices Received (cash sales)										
32	Corn per Bushel	2.71	2.41	*	2.99	2.44	2.02	1.77	2.17	2.36
33	Soybeans per Bushel	6.79	5.80	*	7.20	5.06	5.07	4.95	6.87	6.88
Household Information										
34	No. Farms Reporting HseHld Info	22	23	13	14	15	15	14	12	11
35	Average Family Size	4.0	4.0	*	3.5	3.4	3.5	3.5	3.5	3.7
36	Total Family Use of Cash	31,609	26,669	26,003	24,531	27,308	26,945	35,772	41,392	44,050
37	Average Net Nonfarm Income	7,188	7,749	*	8,108	6,065	8,429	8,788	8,396	9,370

* Not available.

1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Row
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65	65	63	65	64	62	61	64	60	62	58	1
219,696	212,943	219,457	236,401	242,784	269,666	291,050	294,687	320,356	411,665	352,354	2
146,315	144,519	153,908	172,893	178,968	198,873	211,486	225,501	239,611	314,644	267,986	3
8,706	1,827	-7,685	2,930	7,424	20,130	3,690	21,010	1,575	-53	19,036	4
-20,043	-19,416	-17,897	-23,192	-15,047	-19,541	-15,676	-16,885	-16,580	-30,556	-25,732	5
62,044	50,835	39,967	43,246	56,192	71,382	67,579	73,311	65,739	66,412	77,672	6
81,744	64,272	49,054	51,536	65,292	80,656	74,169	78,655	69,449	68,644	77,672	7
46,923	34,143	22,049	25,084	37,384	47,696	41,777	45,620	36,896	35,032	45,373	8
12	9	5	6	8	9	8	9	7	7	8	9
15	9	3	5	9	10	8	9	7	7	9	10
23	19	11	14	20	22	21	24	19	18	22	11
53	46	42	38	40	40	39	37	36	39	37	12
215,976	200,904	198,818	184,576	201,239	239,151	242,598	256,273	268,551	320,367	309,214	13
12,963	13,983	12,509	13,339	14,175	15,370	15,571	18,957	17,964	22,135	22,111	14
67	68	70	73	74	74	73	77	75	76	76	15
6	7	6	6	6	6	5	6	6	5	6	16
9	10	8	8	8	8	7	8	7	7	8	17
1.5	1.5	2.0	1.5	1.3	1.2	1.0	1.4	1.4	1.2	2.1	18
51	48	46	47	46	44	45	47	45	49	46	19
384,259	417,616	474,752	455,144	507,456	571,147	610,645	673,379	735,178	789,710	849,829	20
159,333	172,612	192,695	198,475	218,738	227,621	217,061	251,000	260,958	266,181	296,006	21
224,926	245,004	282,057	256,670	288,718	343,526	393,584	422,379	474,219	523,529	553,823	22
31	31	33	40	38	36	35	37	35	36	37	23
41	41	41	44	43	40	36	37	35	34	35	24
280	272	285	325	335	362	336	325	367	330	342	25
350	401	417	432	430	496	504	513	560	580	576	26
210	237	261	264	258	276	252	266	285	304	301	27
124	159	152	162	163	214	244	241	268	271	266	28
16	5	4	5	8	6	8	7	7	5	9	29
140	134	117	91	158	129	126	146	167	156	154	30
41	42	32	33	46	44	42	44	50	45	49	31
2.39	2.28	2.34	1.97	2.22	2.37	3.19	2.54	2.15	1.86	1.85	32
5.89	5.33	5.28	5.98	5.94	5.72	7.00	7.11	5.72	4.59	4.65	33
16	16	16	19	30	21	18	17	15	16	13	34
3.4	3.8	4.0	3.3	3.0	2.1	3.6	3.5	3.7	3.8	4.0	35
49,370	46,635	44,940	32,132	37,652	41,005	36,438	60,231	50,081	61,086	86,083	36
8,403	8,343	10,377	12,192	12,435	14,786	20,634	26,290	20,692	27,419	26,602	37

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

	Avg. Of All Farms	Dakota Le Sueur Nicollet Rice Scott Washington	Dodge Faribault Freeborn Mower Steele Waseca	Fillmore Goodhue Houston Olmsted Wabasha Winona
Number of farms	58	14	9	35
Income Statement				
Gross cash farm income	352,354	407,913	297,252	344,300
Total cash farm expense	267,986	309,309	228,166	261,697
Net cash farm income	84,368	98,604	69,086	82,603
Inventory change	19,036	41,136	33,782	6,404
Depreciation and capital adjust	-25,732	-35,541	-13,404	-24,978
Net farm income	77,672	104,199	89,465	64,028
Profitability (cost)				
Labor and management earnings	45,373	48,449	62,323	39,784
Rate of return on assets	8.4 %	8.5 %	10.2 %	7.7 %
Rate of return on equity	8.8 %	8.8 %	12.9 %	7.7 %
Operating profit margin	22.4 %	26.4 %	29.6 %	18.3 %
Asset turnover rate	37.4 %	32.0 %	34.4 %	42.4 %
Liquidity				
Term debt coverage ratio	n/a	n/a	n/a	n/a
Expense as a percent of income	71.9 %	68.8 %	68.7 %	74.2 %
Interest as a percent of income	6.0 %	5.0 %	8.3 %	6.0 %
Solvency (market)				
Number of sole proprietors	46	9	6	31
Ending farm assets	1,000,716	1,451,426	885,352	892,194
Ending farm liabilities	364,971	510,154	456,796	305,049
Ending total assets	1,179,912	1,671,011	1,000,073	1,072,142
Ending total liabilities	377,956	518,251	473,952	318,645
Ending net worth	801,956	1,152,759	526,121	753,497
Net worth change	46,875	61,270	46,993	42,673
Ending farm debt to asset ratio	36 %	35 %	52 %	34 %
Beg total debt to asset ratio	32 %	30 %	49 %	30 %
End total debt to asset ratio	32 %	31 %	47 %	30 %
Nonfarm Information				
Net nonfarm income	24,827	30,651	22,328	23,140
Farms reporting living expenses	33	4	3	26
Total family living expense	32,340	-	-	31,798
Total living, invest, & capital	67,563	-	-	68,562
Crop Acres				
Total acres owned	342	498	353	277
Total crop acres	576	749	532	518
Total crop acres owned	301	451	308	239
Total crop acres cash rented	266	296	194	272
Total crop acres share rented	9	2	29	7

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

	<u>Avg. Of All Farms</u>	<u>40,001 - 100,000</u>	<u>100,001 - 200,000</u>	<u>200,001 - 500,000</u>	<u>500,001 - 1,000,000</u>	<u>Over 1,000,000</u>
Number of farms	58	12	12	20	8	5
Income Statement						
Gross cash farm income	352,354	71,592	154,176	318,743	653,237	1,219,717
Total cash farm expense	267,986	57,818	96,442	255,893	499,187	907,958
Net cash farm income	84,368	13,774	57,733	62,850	154,050	311,759
Inventory change	19,036	11,129	5,021	10,947	48,594	59,152
Depreciation and capital adjust	-25,732	-6,479	-13,133	-16,626	-28,991	-138,164
Net farm income	77,672	18,425	49,620	57,171	173,652	232,746
Profitability (cost)						
Labor and management earnings	45,373	8,938	30,102	35,095	116,902	107,204
Rate of return on assets	8.4 %	2.9 %	7.9 %	6.7 %	11.6 %	8.5 %
Rate of return on equity	8.8 %	0.7 %	8.0 %	6.0 %	14.7 %	8.5 %
Operating profit margin	22.4 %	9.1 %	23.9 %	16.8 %	29.2 %	23.7 %
Asset turnover rate	37.4 %	32.4 %	33.1 %	39.8 %	39.8 %	36.1 %
Liquidity						
Term debt coverage ratio	n/a	n/a	n/a	n/a	n/a	n/a
Expense as a percent of income	71.9 %	70.1 %	59.5 %	77.5 %	70.5 %	70.9 %
Interest as a percent of income	6.0 %	7.1 %	5.6 %	6.8 %	5.8 %	5.3 %
Solvency (market)						
Number of sole proprietors	46	11	11	14	7	2
Ending farm assets	1,000,716	422,345	672,045	931,482	1,947,978	-
Ending farm liabilities	364,971	151,431	169,121	372,509	725,161	-
Ending total assets	1,179,912	574,567	815,731	1,115,078	2,220,123	-
Ending total liabilities	377,956	171,342	183,310	380,328	728,212	-
Ending net worth	801,956	403,225	632,421	734,750	1,491,911	-
Net worth change	46,875	19,362	46,448	30,936	125,219	-
Ending farm debt to asset ratio	36 %	36 %	25 %	40 %	37 %	- %
Beg total debt to asset ratio	32 %	30 %	26 %	34 %	32 %	- %
End total debt to asset ratio	32 %	30 %	22 %	34 %	33 %	- %
Nonfarm Information						
Net nonfarm income	24,827	40,146	16,839	21,268	24,182	13,523
Farms reporting living expenses	33	5	8	12	5	2
Total family living expense	32,340	39,344	23,717	29,183	41,425	-
Total living, invest, & capital	67,563	52,400	42,207	79,620	84,927	-
Crop Acres						
Total acres owned	342	173	277	264	579	889
Total crop acres	576	228	311	508	1,184	1,430
Total crop acres owned	301	119	196	223	508	1,014
Total crop acres cash rented	266	95	115	268	675	416
Total crop acres share rented	9	14	-	18	2	-

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 Hog</u>	<u>Other</u>
Number of farms	58	10	14	5	21
Income Statement					
Gross cash farm income	352,354	366,562	513,842	344,849	268,269
Total cash farm expense	267,986	254,616	405,698	274,791	196,197
Net cash farm income	84,368	111,946	108,144	70,057	72,072
Inventory change	19,036	26,200	5,697	8,551	28,339
Depreciation and capital adjust	-25,732	-26,371	-58,096	-17,564	-11,699
Net farm income	77,672	111,775	55,744	61,045	88,712
Profitability (cost)					
Labor and management earnings	45,373	75,773	22,491	36,220	49,659
Rate of return on assets	8.4 %	12.6 %	4.8 %	5.9 %	9.0 %
Rate of return on equity	8.8 %	15.4 %	2.9 %	4.4 %	9.5 %
Operating profit margin	22.4 %	29.9 %	11.5 %	18.4 %	28.3 %
Asset turnover rate	37.4 %	42.3 %	41.3 %	31.9 %	31.8 %
Liquidity					
Term debt coverage ratio	n/a	n/a	n/a	n/a	n/a
Expense as a percent of income	71.9 %	64.9 %	78.1 %	77.9 %	65.0 %
Interest as a percent of income	6.0 %	6.1 %	5.1 %	8.9 %	5.7 %
Solvency (market)					
Number of sole proprietors	46	10	10	3	17
Ending farm assets	1,000,716	1,429,684	1,095,895	-	824,940
Ending farm liabilities	364,971	467,795	369,468	-	292,596
Ending total assets	1,179,912	1,571,728	1,262,791	-	1,059,466
Ending total liabilities	377,956	476,932	369,468	-	320,747
Ending net worth	801,956	1,094,796	893,323	-	738,719
Net worth change	46,875	72,504	42,520	-	34,041
Ending farm debt to asset ratio	36 %	33 %	34 %	- %	35 %
Beg total debt to asset ratio	32 %	30 %	30 %	- %	30 %
End total debt to asset ratio	32 %	30 %	29 %	- %	30 %
Nonfarm Information					
Net nonfarm income	24,827	33,195	18,894	19,665	26,687
Farms reporting living expenses	33	6	9	3	13
Total family living expense	32,340	33,664	22,636	-	40,081
Total living, invest, & capital	67,563	77,769	47,663	-	87,127
Crop Acres					
Total acres owned	342	369	260	353	458
Total crop acres	576	928	297	634	687
Total crop acres owned	301	389	200	333	389
Total crop acres cash rented	266	513	97	301	288
Total crop acres share rented	9	26	-	-	9

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	58	15	13	15	13
Income Statement					
Gross cash farm income	352,354	412,780	382,669	291,187	371,370
Total cash farm expense	267,986	330,599	303,852	193,146	282,040
Net cash farm income	84,368	82,181	78,817	98,041	89,330
Inventory change	19,036	31,191	12,008	24,130	8,290
Depreciation and capital adjust	-25,732	-32,499	-10,054	-27,702	-34,529
Net farm income	77,672	80,873	80,772	94,469	63,091
Profitability (cost)					
Labor and management earnings	45,373	62,635	52,051	45,844	25,017
Rate of return on assets	8.4 %	11.2 %	9.9 %	8.2 %	5.1 %
Rate of return on equity	8.8 %	15.7 %	12.1 %	8.2 %	3.5 %
Operating profit margin	22.4 %	21.5 %	23.6 %	27.9 %	15.9 %
Asset turnover rate	37.4 %	51.9 %	42.1 %	29.2 %	31.8 %
Liquidity					
Term debt coverage ratio	n/a	n/a	n/a	n/a	n/a
Expense as a percent of income	71.9 %	74.6 %	76.3 %	61.6 %	73.5 %
Interest as a percent of income	6.0 %	5.7 %	7.0 %	4.1 %	7.0 %
Solvency (market)					
Number of sole proprietors	46	14	10	12	8
Ending farm assets	1,000,716	726,465	1,187,997	1,070,646	1,337,891
Ending farm liabilities	364,971	336,164	535,318	235,658	445,528
Ending total assets	1,179,912	829,396	1,427,129	1,299,874	1,527,777
Ending total liabilities	377,956	336,997	567,551	254,913	446,116
Ending net worth	801,956	492,400	859,578	1,044,961	1,081,661
Net worth change	46,875	64,829	42,127	44,343	32,604
Ending farm debt to asset ratio	36 %	46 %	45 %	22 %	33 %
Beg total debt to asset ratio	32 %	40 %	39 %	21 %	30 %
End total debt to asset ratio	32 %	41 %	40 %	20 %	29 %
Nonfarm Information					
Net nonfarm income	24,827	12,580	23,787	38,438	20,988
Farms reporting living expenses	33	10	8	8	5
Total family living expense	32,340	19,829	49,071	34,540	30,716
Total living, invest, & capital	67,563	45,037	98,845	89,788	40,291
Crop Acres					
Total acres owned	342	150	323	529	411
Total crop acres	576	460	814	621	497
Total crop acres owned	301	123	325	463	335
Total crop acres cash rented	266	332	466	147	162
Total crop acres share rented	9	5	23	11	-