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**2014 Michigan Dairy Farm Business
Analysis Summary**

Eric Wittenberg
And
Christopher Wolf

Staff Paper 2015-08 December, 2015



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December 2015

by

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and
Christopher Wolf

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Eric Wittenberg and Christopher Wolf¹

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Summary

This report summarizes the financial and production records of 86 dairy farms from across Michigan in 2014. To be included, the farms must have produced at least 50 percent of gross cash farm income from milk and dairy animal sales. The records came from Michigan State University's TelFarm system and the Farm Credit Service system in Michigan. The values were pooled into averages for reporting purposes. The average herd included here is larger than the average dairy herd in Michigan. Average values are reported in the summary tables and discussion that follows but one should be aware that considerable variation across herds exists in virtually every measure. In 2014, the average dairy farm in the business analysis had 306 cows producing an average of 23,007 pounds of milk per cow (Table 1). Milk price, based on gross milk income, averaged \$24.18/cwt.

Table 1. Average Michigan Dairy Farm Business Analysis Characteristics, 2010-2014

	2010	2011	2012	2013	2014
Average number of cows	267	303	291	271	306
Milk sold per cow (pounds)	22,445	22,340	23,148	23,992	23007
Average price of milk sold (\$/cwt)	16.78	20.65	18.67	20.53	24.18
Total acres owned	508	452	486	479	456
Total crop acres	805	736	883	895	909
Number of farms	90	101	92	76	86

Net farm income is the return to operator unpaid management, labor and capital invested. Net farm income in 2014 averaged \$454,445 which was a increase over 2013. Gross cash farm income for all farms averaged \$2,133,396. The largest component of these revenues was milk sales, which averaged \$1,781,667. Sorted by rate of return on assets (market), the net farm income for the low 25% group averaged a \$91,758 while the high 25% group averaged \$1,001,056.

Table 2. Average Michigan Dairy Farm Income Statement, 2010-2014

	2010	2011	2012	2013	2014
	(\$)	(\$)	(\$)	(\$)	(\$)
Gross cash farm income	1,302,891	1,742,837	1,701,956	1,767,942	2,133,396
- Total cash expense	<u>1,095,827</u>	<u>1,408,613</u>	<u>1,425,349</u>	<u>1,411,038</u>	<u>1,680,612</u>
= Net cash farm income	207,064	334,224	276,607	356,904	452,784
+ Inventory change*	103,606	116,185	127,331	43,211	145,910
+ Depreciation + capital adjust*	<u>-115,560</u>	<u>-164,823</u>	<u>-176,694</u>	<u>-178,679</u>	<u>-144,249</u>
= Net farm income	195,560	285,586	227,244	221,436	454,445

*Changes calculated as ending value minus beginning value.

To put the profit values in perspective across wide farm sizes, we calculate profitability ratios. Rate of return on assets (ROA) is the farm operating profit (equal to net farm income plus interest expense less value of operator labor and management) divided by average total farm asset value (valued at current market value). Rate of return on assets is a measure of how much profit the farm business assets generated. The average 2014 dairy farm ROA (market) was 10.3 percent.

The average 2014 ROE (market) was 12.5 percent, with ROE greater than ROA an indicator of profits on borrowed money. Operating profit margin is the operating profit divided by gross revenues. Operating profit margin measures the dollars of profit generated per dollar of revenue. In 2014, Michigan dairy farms generated 31.2 cents of profit per dollar of revenue. Asset turnover (ATO) is gross farm revenue divided by average asset value. Asset turnover measures the efficiency with which farm assets generate revenue. Average ATO value was 33.1 percent in 2014.

Table 3. Average Michigan Dairy Farm Profitability Indicators, 2010-2014

	2010	2011	2012	2013	2014
	(%)	(%)	(%)	(%)	(%)
Rate of return on assets*	7.0	11.2	9.3	7.8	10.3
Rate of return on equity	7.7	13.7	11.2	9.2	12.5
Operating profit margin	23.9	33.5	30.3	26.2	31.2
Asset turnover rate*	29.2	33.3	30.7	29.7	33.1

* Assets valued at market value.

Tables 4 and 5 display average income and expenses per hundredweight (cwt) of milk and per cow. Income and expenses were adjusted to an accrual basis. Average, accrual adjusted income and expenses per cropped acre were also included. Government payments include all farm government payments as it was not possible to separate crop from dairy payments.

Table 4 contains the average income and expense items across all 86 dairy farms in the 2014 summary while Table 5 displays the average income and expense items for farms that reported that item. For example, all farms had milk income so that income is identical in both tables. In contrast, only some farms reported DHIA expense so that item is larger when averaged only across those farms with that expense. *These tables should not be interpreted as an estimate of the true cost of producing milk.* Income related to the milking herd and cash crop sales are reported in Tables 4 and 5. Unpaid factors, including labor, management and capital, are not accounted for in the expense items. In addition, the allocation of resources amongst farm enterprises is not accurately reflected leaving the milking herd as the residual claimant on all expenses (especially labor costs).

The bottom section of Tables 4 and 5 presents crop related expenses divided by the total cropped acres. Again, these values should not be interpreted as cost of crop production. To accurately calculate a crop cost of production requires labor and management (among other) expenses that could not be separated out in these financial records.

Table 4. Average income and expenses across all farms*, 2014

Income Items:	Per cwt.	Per Cow
Milk	\$24.18	\$5,542.99
Cull Cows & Calves	\$1.81	\$403.33
Dairy Steers	\$1.98	\$444.04
Dairy Heifers	\$0.33	\$79.35
Government Payments	\$0.34	\$70.38
Patronage Dividends, cash	\$0.19	\$44.27
Crop Sales	\$2.64	\$554.12
Other Cash Income	\$0.98	\$214.84
Expense Items:	Per cwt.	Per Cow
Purchased Feeds	\$7.33	\$1,669.65
Breeding Fees	\$0.19	\$46.94
Veterinary	\$0.55	\$126.94
Livestock Supplies	\$1.10	\$247.21
DHIA	\$0.09	\$21.84
Milk & Livestock Mkt. & Trucking	\$0.93	\$211.06
Interest	\$0.82	\$172.63
Fuel & Oil	\$1.34	\$287.59
Repairs	\$1.75	\$379.20
Custom Hire	\$0.74	\$165.87
Hired Labor	\$2.97	\$678.81
Leases	\$0.43	\$94.01
Real Estate Taxes	\$0.33	\$70.04
Farm Insurance	\$0.49	\$104.61
Utilities	\$0.67	\$147.68
Dues, Professional Fees	\$0.27	\$42.31
Miscellaneous	\$0.82	\$188.34
Machinery Depreciation	\$1.51	\$331.55
Building Depreciation	\$0.64	\$141.99
Family Living	\$1.65	\$368.24
Expense Items per Cropped Acre:	Per Acre	
Seed	\$78.74	
Fertilizer	\$77.11	
Crop Chemicals	\$31.91	
Crop Insurance	\$7.94	
Crop Miscellaneous	\$10.76	
Land Rent	\$59.88	

* All income and expense items averaged across all 86 farms whether or not they had that income or expense item. Other cash income includes custom work, insurance claims, and miscellaneous income.

Table 5. Average income and expenses across farms with that item*, 2014

Income Items:	Per cwt.	Per Cow
Milk	\$24.18	\$5,542.99
Cull Cows & Calves	\$1.81	\$403.33
Dairy Steers	\$5.49	\$1,231.85
Dairy Heifers	\$1.09	\$262.47
Government Payments	\$0.75	\$155.20
Patronage Dividends, cash	\$0.24	\$55.18
Crop Sales	\$4.37	\$916.43
Other Cash Income	\$1.07	\$233.88
Expense Items:	Per cwt.	Per Cow
Purchased Feeds	\$7.33	\$1,669.65
Breeding Fees	\$0.23	\$57.67
Veterinary	\$0.55	\$126.94
Livestock Supplies	\$1.10	\$247.21
DHIA	\$0.34	\$81.66
Milk & Livestock Mkt. & Trucking	\$0.93	\$211.06
Interest	\$0.84	\$176.74
Fuel & Oil	\$1.34	\$287.59
Repairs	\$1.75	\$379.20
Custom Hire	\$0.87	\$195.41
Hired Labor	\$3.12	\$711.92
Leases	\$0.75	\$164.99
Real Estate Taxes	\$0.35	\$75.29
Farm Insurance	\$0.49	\$104.61
Utilities	\$0.67	\$147.68
Dues, Professional Fees	\$0.27	\$42.31
Miscellaneous	\$0.86	\$197.53
Machinery Depreciation	\$1.51	\$331.55
Building Depreciation	\$0.64	\$141.99
Family Living	\$1.65	\$368.24
Expense Items per Cropped Acre:	Per Acre	
Seed	\$81.58	
Fertilizer	\$78.96	
Crop Chemicals	\$37.59	
Crop Insurance	\$17.97	
Crop Miscellaneous	\$27.40	
Land Rent	\$62.04	

* Income and expense items averaged only across farms with that item.

Table 6 compares major production, income and expense items across all farms over a five year time frame. The average milk price reached a new high in 2014. Purchased feed expense reached a new high in 2014.

Table 6. Average of Major Production, Income and Expenses Items (across all farms)

	2010	2011	2012	2013	2014
Milk sold per cow (pounds)	22,445	22,340	23,148	23,992	23,007
Average price of milk sold (\$/cwt)	16.78	20.65	18.67	20.53	24.18
Purchased Feeds (\$/cwt)	4.83	6.01	6.14	6.71	7.33
Interest Paid (\$/cwt)	1.10	0.91	0.90	0.90	0.82
Hired Labor (\$/cwt)	2.36	2.78	2.63	2.72	2.97
Fuel and Oil (\$/cwt)	0.95	1.29	1.31	1.22	1.34
Total Depreciation (\$/cwt)	1.84	2.58	2.43	2.44	2.29

Results by Herd Size

To further facilitate financial comparisons and benchmarking, the financial summaries were divided into herd size categories. Beginning with the 2010 summary we have utilized four herd size categories: 40 to 99 cows (16 herds), 100 to 249 cows (36 herds), 250 to 449 cows (15 herds), and 450+ cows (19 herds). These size categories can facilitate benchmarking performance to similar sized farms.

Table 7 displays average characteristics by herd size category. As expected, average milk production per cow was correlated with herd size across most size categories. Milk price was similar across all herd sizes. The smallest herds operated 4.8 crop acres per cow; the medium herds about 4.0 crop acres per cow; and the medium-large herds about 3.5 crop acres per cow and the largest herds about 2.6 crop acres per cow.

Table 7. Average 2014 Michigan Dairy Farm Characteristics by Herd Size Category

	40-99 cows	100-249 cows	250-449 cows	450+ cows
Average number of cows	71	176	329	738
Milk sold per cow (pounds)	21,576	22,441	24,666	24,183
Average price of milk sold (\$/cwt)	23.96	23.89	23.86	25.18
Total acres owned	196	365	390	914
Total crop acres	304	702	996	1,781
Number of farms	16	36	15	19

Table 8 displays the average farm income statement by herd size. Net farm income represents the returns to unpaid factors (i.e., labor, management and equity capital). All herd sizes recorded a positive net income for 2014.

Table 8. Average 2014 Michigan Dairy Farm Income Statement by Herd Size

	40-99 cows	100-249 cows	250-449 cows	450+ cows
	(\$)	(\$)	(\$)	(\$)
Gross cash farm income	452,868	1,152,532	2,294,948	5,331,973
- Total cash expense	<u>358,022</u>	<u>927,164</u>	<u>1,816,669</u>	<u>4,140,724</u>
= Net cash farm income	94,846	225,368	478,279	1,191,249
+ Inventory change *	32,318	36,830	48,963	536,003
+ Depreciation and capital adjustments*	<u>-31,160</u>	<u>-77,123</u>	<u>-147,147</u>	<u>-371,512</u>
= Net farm income	96,004	185,075	380,095	1,355,740

*Changes calculated as ending value minus beginning value.

Table 9 compares profitability measures across herd size with assets valued at market value. All herd sizes realized positive values in 2014.

Table 9. Average 2014 Michigan Dairy Farm Profitability Indicators by Herd Size

	40-99 cows	100-249 cows	250-449 cows	450+ cows
	(%)	(%)	(%)	(%)
Rate of return on assets*	4.8	6.6	9.8	12.5
Rate of return on equity	5.1	7.7	12.1	15.2
Operating profit margin	20.0	21.1	33.1	34.6
Asset turnover rate	24.0	31.3	29.7	36.0

* Assets valued at market value.

A. Financial Summary Information, All 86 Herds

Table 10 Crop Production and Marketing Summary			
2014 MI Dairy Herds (All Herds)			
(Farms Sorted By Rate of Return on Assets - Mkt)			
	Avg. Of All Farms	Low 25%	High 25%
Dairy			
Number of farms	86	21	22
Average number of Cows	306	198	417
Milk Production per cow, lbs.,	23,007	19,832	25,002
Average milk price per cwt.,	\$24.18	\$24.19	\$25.32
Acreage Summary			
Total acres owned	456	348	458
Total crop acres	909	622	1,003
Crop acres owned	541	382	630
Crop acres cash rented	368	240	373
Crop acres share rented	0	-	-
Total pasture acres	4	-	11
Percent crop acres owned	60 %	61 %	63 %
Mach invest/crop acre cost	540	479	597
Mach invest/crop acre market	975	880	1,107
Average Price Received (Cash Sales Only)			
Corn per bushel	4.83	7.26	-
Wheat, Winter per bushel	5.12	-	5.16
Soybeans per bushel	13.38	-	-
Hay, Alfalfa per ton	135.66	-	-
Average Yield Per Acre			
Corn (bushel)	151.17	122.09	-
Corn Silage (ton)	24.23	-	21.59
Haylage, Alfalfa (ton)	10.45	-	-
Hay, Alfalfa (ton)	5.84	-	-
Soybeans (bushel)	39.59	-	-
Wheat, Winter (bushel)	84.87	-	-

Table 11

Farm Income Statement
2014 MI Dairy Herds (All Herds)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	86	21	22
Cash Farm Income			
Aftermath Grazing	1,040	-	545
Alfalfa Seed	382	-	401
Asparagus	131	-	-
Beans, Black Turtle	3,254	-	12,720
Beans, Dark Red Kidney	1,033	-	3,869
Beans, Great Northern	652	-	2,550
Corn	32,050	10,934	17,716
Corn Silage	5,979	-	2,499
Hay, Alfalfa	1,706	3,487	1,325
Hay, Mixed	743	787	108
Oats	269	-	255
Soybeans	31,145	8,050	21,175
Straw	205	22	148
Sugar Beets	9,473	-	21,417
Walnuts	980	-	3,832
Wheat, Spring	276	-	-
Wheat, Winter	6,603	1,519	11,557
Miscellaneous crop income	30	-	-
Beef Bulls	45	-	178
Beef Cow-Calf, Beef Calves	2,620	277	2,716
Dairy, Milk	1,781,667	1,048,574	2,708,327
Dairy, Dairy Calves	16,146	8,695	27,582
Dairy Heifers (for sale)	614	383	69
Dairy Replacement Heifers	1,394	1,362	4,015
Dairy Finishing	22,185	781	42,585
Goats, Dairy, Goat Milk	427	-	-
Dairy Feeder	10,018	10,766	570
Cull breeding livestock	128,024	82,784	183,561
Misc. livestock income	-11,703	2,237	-47,958
Crop government payments	1,809	180	3,152
Other government payments	5,432	6,057	7,571
Custom work income	6,920	407	15,518
Patronage dividends, cash	13,400	7,955	21,563
Crop insurance income	9,120	8,828	2,304
Property insurance income	12,574	13,635	13,917
Real estate tax refund	100	410	-
Other farm income	36,654	3,768	81,984
Gross Cash Farm Income	2,133,396	1,221,897	3,167,771

Table 11

Farm Income Statement (continued)

2014 MI Dairy Herds (All Herds)

(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	86	21	22
Cash Farm Expense			
Seed	71,660	38,511	85,924
Fertilizer	68,877	50,870	84,007
Crop chemicals	27,366	13,737	38,593
Crop insurance	3,714	936	5,519
Drying expense	1,082	175	1,966
Storage	612	581	82
Irrigation energy	109	-	-
Crop packaging and supplies	328	-	834
Crop custom hire	672	-	-
Crop hauling and trucking	1,726	-	-
Crop marketing	976	156	2,992
Crop miscellaneous	13,930	2,427	27,737
Feeder livestock purchase	4,132	2,734	4,897
Purchased feed	525,344	313,919	770,632
Breeding fees	13,232	8,107	21,402
Veterinary	41,962	22,105	60,462
Livestock supplies	75,158	46,889	111,128
DHIA	1,973	1,105	3,040
Contract production exp.	9,175	2,592	6,356
Livestock custom hire	1,268	-	4,064
Livestock leases	679	1,679	530
Grazing fees	485	1,723	-
Livestock utilities	460	-	-
Livestock hauling and trucking	15,385	11,358	16,006
Livestock marketing	38,058	22,809	50,795
Bedding	8,924	4,674	11,998
Consultants	243	31	-
Interest	57,886	30,951	58,166
Packaging and supplies	942	1,691	1,076
Supplies	497	-	-
Fuel & oil	77,965	52,654	103,065
Repairs	98,241	67,226	119,613
Repair, machinery	2,225	4,305	4,523
Repair, livestock equip	81	-	315
Custom hire	50,855	24,693	112,399
Repair, buildings	968	193	3,211
Hired labor	227,781	135,272	344,909
Land rent	65,238	23,107	92,336
Machinery leases	17,728	9,963	43,607
Building leases	5,135	17,210	-
Real estate taxes	15,776	11,515	16,878
Personal property taxes	776	1,252	357
Farm insurance	29,791	15,677	37,014
Utilities	41,437	28,076	56,928
Dues & professional fees	8,913	8,988	10,762

Miscellaneous	50,852	12,936	91,073
Total cash expense	1,680,612	992,829	2,405,194
Net cash farm income	452,783	229,068	762,576
Inventory Changes			
Prepays and supplies	28,120	8,163	51,787
Accounts receivable	41,931	17,064	106,942
Hedging accounts	-1,495	103	-136
Other current assets	4,439	156	1,089
Crops and feed	-7,558	-41,064	3,253
Market livestock	4,105	887	6,379
Breeding livestock	53,589	13,209	144,507
Other assets	24,997	2,280	90,986
Accounts payable	-3,039	-7,625	12,218
Accrued interest	820	-51	235
Total inventory change	145,910	-6,877	417,258
Net operating profit	598,693	222,191	1,179,835
Depreciation			
Machinery and equipment	-89,806	-105,090	-92,162
Titled vehicles	-174	-386	647
Buildings and improvements	-54,268	-24,957	-87,264
Total depreciation	-144,249	-130,433	-178,779
Net farm income from operations	454,445	91,758	1,001,056
Gain or loss on capital sales	-	-	-
Net farm income	454,445	91,758	1,001,056

Table 12

Inventory Changes
2014 MI Dairy Herds (All Herds)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	86	21	22
Net cash farm income	452,783	229,068	762,576
Crops and Feed			
Ending inventory	448,658	242,452	619,633
Beginning inventory	456,215	283,517	616,380
Inventory change	-7,558	-41,064	3,253
Market Livestock			
Ending inventory	32,880	11,934	38,394
Beginning inventory	28,775	11,046	32,015
Inventory change	4,105	887	6,379
Accts Receivable			
Ending inventory	113,071	74,193	212,173
Beginning inventory	71,140	57,129	105,232
Inventory change	41,931	17,064	106,942
Prepaid Expenses and Supplies			
Ending inventory	112,145	91,779	209,885
Beginning inventory	84,025	83,616	158,098
Inventory change	28,120	8,163	51,787
Hedging Activities			
Ending inventory	200	103	682
Withdrawals	-1,368	-	-
Beginning inventory	270	-	818
Deposits	56	-	-
Gain or loss	-1,495	103	-136
Other Current Assets			
Ending inventory	34,639	11,240	37,542
Beginning inventory	30,200	11,084	36,453
Inventory change	4,439	156	1,089
Breeding Livestock			
Ending inventory	876,305	479,137	1,270,224
Capital sales	16,484	10,600	51,734
Beginning inventory	818,128	461,899	1,140,478
Capital purchases	21,072	14,629	36,973
Depreciation, capital adjust	53,589	13,209	144,507
Other Capital Assets			
Ending inventory	115,015	59,839	236,166
Capital sales	23,005	25,081	61,694
Beginning inventory	86,380	50,395	150,102
Capital purchases	26,643	32,246	56,771
Depreciation, capital adjust	24,997	2,280	90,986
Accounts Payable			
Beginning inventory	62,176	32,327	46,618
Ending inventory	65,215	39,951	34,400
Inventory change	-3,039	-7,625	12,218
Accrued Interest			
Beginning inventory	2,058	489	1,610
Ending inventory	1,237	540	1,375
Inventory change	820	-51	235
Total inventory change	145,910	-6,877	417,258
Net operating profit	598,693	222,191	1,179,835

Table 13

Depreciation
2014 MI Dairy Herds (All Herds)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	86	21	22
Net operating profit	598,693	222,191	1,179,835
Machinery and Equipment			
Ending inventory	525,598	303,830	679,027
Capital sales	16,668	8,079	9,671
Beginning inventory	441,908	289,271	486,446
Capital purchases	190,164	127,728	294,414
Depreciation, capital adjust.	-89,806	-105,090	-92,162
Titled Vehicles			
Ending inventory	7,718	1,686	16,496
Capital sales	-	-	-
Beginning inventory	7,103	1,504	15,712
Capital purchases	789	569	136
Depreciation, capital adjust.	-174	-386	647
Buildings and Improvements			
Ending inventory	643,682	334,599	876,218
Capital sales	-	-	-
Beginning inventory	601,566	337,021	784,756
Capital purchases	96,384	22,535	178,725
Depreciation, capital adjust.	-54,268	-24,957	-87,264
Total depreciation, capital adj.	-144,249	-130,433	-178,779
Net farm income from operations	454,445	91,758	1,001,056
Gain or loss on capital sales	-	-	-
Net farm income	454,445	91,758	1,001,056

Table 14

Profitability Measures
2014 MI Dairy Herds (All Herds)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	86	21	22
Profitability (assets valued at cost)			
Net farm income from operations	454,445	91,758	1,001,056
Rate of return on assets	12.3 %	3.2 %	20.0 %
Rate of return on equity	17.3 %	2.7 %	26.1 %
Operating profit margin	25.4 %	7.5 %	35.0 %
Asset turnover rate	48.6 %	42.3 %	57.1 %
Farm interest expense	57,066	31,002	57,931
Value of operator lbr and mgmt.	75,268	55,224	97,448
Return on farm assets	436,243	67,536	961,539
Average farm assets	3,537,579	2,120,515	4,803,133
Return on farm equity	379,177	36,534	903,608
Average farm equity	2,190,848	1,338,435	3,457,375
Value of farm production	1,720,321	897,564	2,744,368
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	86	21	22
Profitability (assets valued at market)			
Net farm income from operations	554,280	7,082	1,340,434
Rate of return on assets	10.3 %	-0.5 %	18.7 %
Rate of return on equity	12.5 %	-2.0 %	22.2 %
Operating profit margin	31.2 %	-1.9 %	47.4 %
Asset turnover rate	33.1 %	28.4 %	39.5 %
Farm interest expense	57,066	31,002	57,931
Value of operator lbr and mgmt.	75,268	55,224	97,448
Return on farm assets	536,078	-17,140	1,300,916
Average farm assets	5,193,830	3,159,386	6,952,609
Return on farm equity	479,013	-48,143	1,242,986
Average farm equity	3,847,098	2,377,306	5,606,851
Value of farm production	1,720,321	897,564	2,744,368

Table 15

Liquidity & Repayment Capacity Measures
2014 MI Dairy Herds (All Herds)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	86	21	22
Liquidity			
Current ratio	3.67	3.68	5.47
Working capital	635,860	373,239	1,191,444
Working capital to gross inc	28.3 %	30.7 %	33.8 %
Current assets	873,755	512,628	1,457,860
Current liabilities	237,895	139,389	266,416
Gross revenues (accrual)	2,249,853	1,214,217	3,519,897
Repayment capacity			
Net farm income from operations	454,445	91,758	1,001,056
Depreciation	144,249	130,433	178,779
Personal income	12,697	15,255	14,035
Family living/owner withdrawals	-88,352	-43,938	-157,188
Cash discrepancy	-1,401	0	-5,502
Payments on personal debt	-2,081	-1,265	-5,545
Income taxes paid	-12,672	-1,985	-39,310
Interest on term debt	62,369	29,533	67,262
Capital debt repayment capacity	570,654	219,790	1,059,089
Scheduled term debt payments	-160,093	-82,840	-195,599
Capital debt repayment margin	410,562	136,950	863,490
Cash replacement allowance	-42,829	-38,269	-46,337
Replacement margin	367,733	98,681	817,153
Term debt coverage ratio	3.56	2.65	5.41
Replacement coverage ratio	2.81	1.81	4.38

Table 16

Balance Sheet at Cost Values
2014 MI Dairy Herds (All Herds)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
Number of farms	86		21		22	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	100,721	131,995	50,008	80,926	267,502	338,896
Prepaid expenses & supplies	84,025	112,145	83,616	91,779	158,098	209,885
Growing crops	26,098	29,649	11,051	11,368	36,231	37,123
Accounts receivable	71,140	113,071	57,129	74,193	105,232	212,173
Hedging accounts	270	200	0	103	818	682
Crops held for sale or feed	456,383	448,490	283,517	242,452	617,035	618,978
Crops under government loan	0	335	0	0	0	1,310
Market livestock held for sale	28,775	32,880	11,046	11,934	32,015	38,394
Other current assets	4,102	4,990	33	-127	223	419
Total current farm assets	771,514	873,755	496,401	512,628	1,217,154	1,457,860
Intermediate Farm Assets						
Breeding livestock	818,128	876,305	461,899	479,137	1,140,478	1,270,224
Machinery and equipment	441,908	525,598	289,271	303,830	486,446	679,027
Titled vehicles	7,103	7,718	1,504	1,686	15,712	16,496
Other intermediate assets	67,114	94,438	40,933	50,090	134,420	219,585
Total intermediate farm assets	1,334,254	1,504,059	793,606	834,743	1,777,056	2,185,332
Long Term Farm Assets						
Farm land	629,385	677,100	436,444	476,378	600,522	675,106
Buildings and improvements	601,566	643,682	337,021	334,599	784,756	876,218
Other long-term assets	19,266	20,577	9,461	9,749	15,683	16,580
Total long-term farm assets	1,250,217	1,341,359	782,926	820,726	1,400,961	1,567,904
Total Farm Assets	3,355,985	3,719,173	2,072,933	2,168,096	4,395,171	5,211,096
Total Nonfarm Assets	217,871	230,035	286,032	301,682	341,403	365,179
Total Assets	3,573,855	3,949,209	2,358,964	2,469,778	4,736,573	5,576,275
Liabilities						
Current Farm Liabilities						
Accrued interest	2,058	1,237	489	540	1,610	1,375
Accounts payable	62,176	65,215	32,327	39,951	46,618	34,400
Current notes	72,814	69,608	73,168	48,632	46,134	81,798
Government crop loans	0	218	0	0	0	852
Principal due on term debt	97,724	101,616	53,307	50,265	128,337	147,991
Total current farm liabilities	234,771	237,895	159,291	139,389	222,699	266,416
Total intermediate farm liabs	287,938	292,436	186,920	188,638	315,531	325,888
Total long term farm liabilities	815,344	825,077	438,364	451,558	768,809	792,172
Total farm liabilities	1,338,054	1,355,409	784,575	779,585	1,307,039	1,384,477
Total nonfarm liabilities	29,090	25,644	5,085	2,961	80,423	70,827
Total liabilities	1,367,144	1,381,052	789,659	782,545	1,387,462	1,455,304
Net worth (farm and nonfarm)	2,206,711	2,568,156	1,569,305	1,687,232	3,349,111	4,120,971
Net worth change		361,445		117,927		771,860
Percent net worth change		16 %		8 %		23 %
Ratio Analysis						
Current farm liabilities / assets	30 %	27 %	32 %	27 %	18 %	18 %
Intermediate farm liab. / assets	22 %	19 %	24 %	23 %	18 %	15 %
Long term farm liab. / assets	65 %	62 %	56 %	55 %	55 %	51 %
Total debt to asset ratio	38 %	35 %	33 %	32 %	29 %	26 %

Table 17

Balance Sheet at Market Values
2014 MI Dairy Herds (All Herds)
(Farms Sorted By Rate of Return on Assets - Mkt)

Number of farms	Avg. Of All Farms 86		Low 25% 21		High 25% 22	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	100,721	131,995	50,008	80,926	267,502	338,896
Prepaid expenses & supplies	84,025	112,145	83,616	91,779	158,098	209,885
Growing crops	26,098	29,649	11,051	11,368	36,231	37,123
Accounts receivable	71,140	113,071	57,129	74,193	105,232	212,173
Hedging accounts	270	200	0	103	818	682
Crops held for sale or feed	456,383	448,490	283,517	242,452	617,035	618,978
Crops under government loan	0	335	0	0	0	1,310
Market livestock held for sale	28,775	32,880	11,046	11,934	32,015	38,394
Other current assets	4,102	4,990	33	-127	223	419
Total current farm assets	771,514	873,755	496,401	512,628	1,217,154	1,457,860
Intermediate Farm Assets						
Breeding livestock	846,586	895,253	493,568	492,542	1,179,033	1,305,181
Machinery and equipment	807,588	924,330	525,071	547,689	974,929	1,170,478
Titled vehicles	19,505	21,612	10,784	10,990	35,200	39,823
Other intermediate assets	71,424	98,027	42,750	49,835	147,965	233,131
Total intermediate farm assets	1,745,103	1,939,222	1,072,173	1,101,057	2,337,127	2,748,613
Long Term Farm Assets						
Farm land	1,549,508	1,645,858	1,058,104	1,056,740	1,665,948	2,000,337
Buildings and improvements	868,038	936,792	515,714	480,633	1,108,551	1,276,347
Other long-term assets	28,154	29,715	11,750	13,572	46,179	47,103
Total long-term farm assets	2,445,700	2,612,364	1,585,568	1,550,944	2,820,677	3,323,787
Total Farm Assets	4,962,318	5,425,342	3,154,142	3,164,629	6,374,957	7,530,260
Total Nonfarm Assets	280,124	292,659	348,501	363,420	372,087	396,990
Total Assets	5,242,442	5,718,001	3,502,643	3,528,050	6,747,044	7,927,251
Liabilities						
Current Farm Liabilities						
Accrued interest	2,058	1,237	489	540	1,610	1,375
Accounts payable	62,176	65,215	32,327	39,951	46,618	34,400
Current notes	72,814	69,608	73,168	48,632	46,134	81,798
Government crop loans	0	218	0	0	0	852
Principal due on term debt	97,724	101,616	53,307	50,265	128,337	147,991
Total current farm liabilities	234,771	237,895	159,291	139,389	222,699	266,416
Total intermediate farm liabs	287,938	292,436	186,920	188,638	315,531	325,888
Total long term farm liabilities	815,344	825,077	438,364	451,558	768,809	792,172
Total farm liabilities	1,338,054	1,355,409	784,575	779,585	1,307,039	1,384,477
Total nonfarm liabilities	29,090	25,644	5,085	2,961	80,423	70,827
Total liabs excluding deferreds	1,367,144	1,381,052	789,659	782,545	1,387,462	1,455,304
Total deferred liabilities	0	0	0	0	0	0
Total liabilities	1,367,144	1,381,052	789,659	782,545	1,387,462	1,455,304
Retained earnings	2,206,711	2,568,156	1,569,305	1,687,232	3,349,111	4,120,971
Market valuation equity	1,668,586	1,768,792	1,143,679	1,058,272	2,010,471	2,350,976
Net worth (farm and nonfarm)	3,875,298	4,336,948	2,712,984	2,745,504	5,359,582	6,471,947
Net worth excluding deferreds	3,875,298	4,336,948	2,712,984	2,745,504	5,359,582	6,471,947
Net worth change		461,651		32,520		1,112,365
Percent net worth change		12 %		1 %		21 %
Ratio Analysis						
Current farm liabilities / assets	30 %	27 %	32 %	27 %	18 %	18 %
Intermediate farm liab. / assets	16 %	15 %	17 %	17 %	14 %	12 %
Long term farm liab. / assets	33 %	32 %	28 %	29 %	27 %	24 %
Total debt to asset ratio	26 %	24 %	23 %	22 %	21 %	18 %
Debt to assets excl deferreds	26 %	24 %	23 %	22 %	21 %	18 %

Table 18

Statement Of Cash Flows
2014 MI Dairy Herds (All Herds)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	86	21	22
Beginning cash (farm & nonfarm)	101,226	50,008	267,502
Cash Provided By Operating Activities			
Gross cash farm income	2,133,396	1,221,897	3,167,771
Total cash farm expense	-1,680,612	-992,829	-2,405,194
Net cash from hedging transactions	-1,425	-	-
Cash provided by operating	451,358	229,068	762,576
Cash Provided By Investing Activities			
Sale of breeding livestock	16,484	10,600	51,734
Sale of machinery & equipment	16,668	8,079	9,671
Sale of titled vehicles	-	-	-
Sale of farm land	2,037	-	-
Sale of farm buildings	-	-	-
Sale of other farm assets	22,785	25,081	61,694
Sale of nonfarm assets	3,166	-	68
Purchase of breeding livestock	-21,072	-14,629	-36,973
Purchase of machinery & equip.	-190,164	-127,728	-294,414
Purchase of titled vehicles	-789	-569	-136
Purchase of farm land	-45,873	-	-94,817
Purchase of farm buildings	-96,384	-22,535	-178,725
Purchase of other farm assets	-26,643	-32,246	-56,771
Purchase of nonfarm assets	-3,954	-612	-1,477
Cash provided by investing	-323,738	-154,558	-540,147
Cash Provided By Financing Activities			
Money borrowed	330,088	227,677	502,024
Principal payments	-319,972	-242,158	-429,525
Personal income	12,697	15,255	14,035
Family living/owner withdrawals	-88,352	-43,938	-157,188
Income and social security tax	-12,672	-1,985	-39,310
Capital contributions	2,701	7,667	-
Capital distributions	-20,632	-6,745	-36,678
Dividends paid	-	-	-
Cash gifts and inheritances	6,909	4,079	21,213
Gifts given	-6,420	-3,160	-20,107
Other cash flows	712	-	-
Cash provided by financing	-94,939	-43,309	-145,534
Net change in cash balance	32,682	31,201	76,895
Ending cash (farm & nonfarm)	132,506	81,209	338,896
Discrepancy	1,401	0	5,502

Table 19

Financial Standards Measures
2014 MI Dairy Herds (All Herds)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	86	21	22
Liquidity			
Current ratio	3.67	3.68	5.47
Working capital	635,860	373,239	1,191,444
Working capital to gross inc	28.3 %	30.7 %	33.8 %
Solvency (market)			
Farm debt to asset ratio	25 %	25 %	18 %
Farm equity to asset ratio	75 %	75 %	82 %
Farm debt to equity ratio	0.33	0.33	0.23
Profitability (cost)			
Rate of return on farm assets	12.3 %	3.2 %	20.0 %
Rate of return on farm equity	17.3 %	2.7 %	26.1 %
Operating profit margin	25.4 %	7.5 %	35.0 %
Net farm income	454,225	91,758	1,001,056
EBITDA	655,759	253,193	1,237,765
Repayment Capacity			
Capital debt repayment capacity	570,654	219,790	1,059,089
Capital debt repayment margin	410,562	136,950	863,490
Replacement margin	367,733	98,681	817,153
Term debt coverage ratio	3.56	2.65	5.41
Replacement coverage ratio	2.81	1.81	4.38
Efficiency			
Asset turnover rate (cost)	48.6 %	42.3 %	57.1 %
Operating expense ratio	70.9 %	79.1 %	64.8 %
Depreciation expense ratio	6.4 %	10.7 %	5.1 %
Interest expense ratio	2.5 %	2.6 %	1.6 %
Net farm income ratio	20.2 %	7.6 %	28.4 %

Table 20

Operator and Labor Information
2014 MI Dairy Herds (All Herds)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	86	21	22
Operator Information			
Average number of operators	1.6	1.4	1.6
Average age of operators	51.6	51.4	47.0
Average number of years farming	24.9	22.8	22.2
Results Per Operator			
Working capital	408,089	270,277	728,105
Total assets (market)	3,669,762	2,554,794	4,844,431
Total liabilities	886,347	566,671	889,352
Net worth (market)	2,783,415	1,988,124	3,955,079
Net worth excl deferred liabs	2,783,415	1,988,124	3,955,079
Gross farm income	1,443,935	879,260	2,151,048
Total farm expense	1,152,277	812,815	1,539,292
Net farm income from operations	291,659	66,446	611,756
Net nonfarm income	8,149	11,046	8,577
Family living & tax withdrawals	65,736	33,254	123,444
Total acres owned	292.9	252.0	280.0
Total crop acres	583.3	450.5	612.9
Crop acres owned	347.1	276.9	384.9
Crop acres cash rented	236.1	173.6	227.9
Crop acres share rented	0.1	-	-
Total pasture acres	2.3	-	6.6
Labor Analysis			
Number of farms	86	21	22
Total unpaid labor hours	4,912	3,679	5,849
Total hired labor hours	13,176	8,543	21,866
Total labor hours per farm	18,087	12,222	27,714
Unpaid hours per operator	3,152	2,664	3,574
Value of farm production / hour	95.11	73.44	99.02
Net farm income / unpaid hour	92.52	24.94	171.16
Average hourly hired labor wage	17.05	16.20	15.06
Partnerships & LLCs			
Number of farms	45	10	12
Number of operators	2.0	1.8	1.9
Owner withdrawals per farm	103,521	-	-
Withdrawals per operator	42,626	-	-

Table 21

Financial Summary
2014 MI Dairy Herds (All Herds)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of		
	All Farms	Low 25%	High 25%
Number of farms	86	21	22
Income Statement			
Gross cash farm income	2,133,396	1,221,897	3,167,771
Total cash farm expense	1,680,612	992,829	2,405,194
Net cash farm income	452,783	229,068	762,576
Inventory change	145,910	-6,877	417,258
Depreciation	-144,249	-130,433	-178,779
Net farm income from operations	454,445	91,758	1,001,056
Gain or loss on capital sales	-	-	-
Average net farm income	454,445	91,758	1,001,056
Median net farm income	206,998	33,172	774,334
Profitability (cost)			
Rate of return on assets	12.3 %	3.2 %	20.0 %
Rate of return on equity	17.3 %	2.7 %	26.1 %
Operating profit margin	25.4 %	7.5 %	35.0 %
Asset turnover rate	48.6 %	42.3 %	57.1 %
Profitability (market)			
Rate of return on assets	10.3 %	-0.5 %	18.7 %
Rate of return on equity	12.5 %	-2.0 %	22.2 %
Operating profit margin	31.2 %	-1.9 %	47.4 %
Asset turnover rate	33.1 %	28.4 %	39.5 %
Liquidity & Repayment (end of year)			
Current assets	873,755	512,628	1,457,860
Current liabilities	237,895	139,389	266,416
Current ratio	3.67	3.68	5.47
Working capital	635,860	373,239	1,191,444
Working capital to gross inc	28.3 %	30.7 %	33.8 %
Term debt coverage ratio	3.56	2.65	5.41
Replacement coverage ratio	2.81	1.81	4.38
Term debt to EBITDA	1.68	2.47	0.88
Solvency (end of year at cost)			
Number of farms	86	21	22
Total assets	3,949,209	2,469,778	5,576,275
Total liabilities	1,381,052	782,545	1,455,304
Net worth	2,568,156	1,687,232	4,120,971
Net worth change	361,445	117,927	771,860
Farm debt to asset ratio	36 %	36 %	27 %
Total debt to asset ratio	35 %	32 %	26 %
Change in earned net worth %	16 %	8 %	23 %
Solvency (end of year at market)			
Number of farms	86	21	22
Total assets	5,718,001	3,528,050	7,927,251
Total liabilities	1,381,052	782,545	1,455,304
Net worth	4,336,948	2,745,504	6,471,947
Total net worth change	461,651	32,520	1,112,365
Farm debt to asset ratio	25 %	25 %	18 %
Total debt to asset ratio	24 %	22 %	18 %
Change in total net worth %	12 %	1 %	21 %
Nonfarm Information			
Net nonfarm income	12,697	15,255	14,035
Crop Acres			
Total crop acres	909	622	1,003
Total crop acres owned	541	382	630
Total crop acres cash rented	368	240	373
Total crop acres share rented	0	-	-
Machinery value per crop acre	975	880	1,107

Table 22

Summary Farm Income Statement
2014 MI Dairy Herds (All Herds)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	86	21	22
Crop sales	95,951	24,799	100,116
Crop inventory change	-7,558	-41,064	3,253
Gross crop income	88,393	-16,265	103,369
Livestock sales	1,835,138	1,070,837	2,786,063
Livestock inventory change	4,105	887	6,379
Gross livestock income	1,839,243	1,071,724	2,792,442
Government payments	7,241	6,237	10,723
Other cash farm income	195,066	120,025	270,869
Change in accounts receivable	41,931	17,064	106,942
Gain or loss on hedging accounts	-1,495	103	-136
Change in other assets	25,884	2,120	91,182
Gain or loss on breeding lvst	53,589	13,209	144,507
Gross farm income	2,249,853	1,214,217	3,519,897
Cash operating expenses	1,622,726	961,878	2,347,028
Change in prepaids and supplies	-28,120	-8,163	-51,787
Change in growing crops	-3,551	-317	-892
Change in accounts payable	3,039	7,625	-12,218
Depreciation	144,249	130,433	178,779
Total operating expense	1,738,342	1,091,456	2,460,910
Interest paid	57,886	30,951	58,166
Change in accrued interest	-820	51	-235
Total interest expense	57,066	31,002	57,931
Total expenses	1,795,408	1,122,458	2,518,841
Net farm income from operations	454,445	91,758	1,001,056
Gain or loss on capital sales	-	-	-
Net farm income	454,445	91,758	1,001,056

B. Financial Summary Information, Herds with 40-99 Cows

Table 23		Crop Production and Marketing Summary		
		2014 MI Dairy Herds (40-99 Cows)		
		(Farms Sorted By Rate of Return on Assets - Mkt)		
		Avg. Of All Farms	Low 50%	High 50%
Dairy				
Number of farms		16	8	8
Average number of cows		71	69	72
Milk production per cow lbs.,		21,576	19,177	23,975
Average milk price per cwt.,		\$23.96	\$24.61	\$23.31
Acreage Summary				
Total acres owned		196	249	142
Total crop acres		304	306	301
Crop acres owned		196	212	181
Crop acres cash rented		106	95	118
Crop acres share rented		1	-	2
Total pasture acres		-	-	-
Percent crop acres owned		65 %	69 %	60 %
Mach invest/crop acre cost		557	709	402
Mach invest/crop acre market		912	906	917
Average Price Received (Cash Sales Only)				
Corn per bushel		7.08	-	-
Average Yield Per Acre				
Corn (bushel)		147.71	-	-

Table 24

Farm Income Statement
2014 MI Dairy Herds (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	16	8	8
Cash Farm Income			
Aftermath Grazing	3,645	-	7,289
Alfalfa Seed	1,500	-	3,001
Corn	15,699	14,633	16,765
Hay, Alfalfa	5,262	8,993	1,531
Soybeans	10,689	5,002	16,376
Sugar Beets	1,492	-	2,985
Wheat, Winter	1,997	889	3,104
Beef Cow-Calf, Beef Calves	8,519	726	16,312
Dairy, Milk	364,238	342,152	386,325
Dairy, Dairy Calves	2,172	1,880	2,465
Dairy Replacement Heifers	187	-	374
Goats, Dairy, Goat Milk	143	204	83
Dairy Feeder	2,283	4,230	337
Cull breeding livestock	25,813	19,583	32,043
Misc. livestock income	750	1,500	-
Crop government payments	833	-	1,666
Other government payments	369	720	17
Custom work income	531	474	588
Patronage dividends, cash	2,564	2,537	2,592
Other farm income	4,181	1,683	6,679
Gross Cash Farm Income	452,868	405,206	500,529

Table 24

Farm Income Statement (continued)
2014 MI Dairy Herds (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	16	8	8
Cash Farm Expense			
Seed	20,896	21,747	20,046
Fertilizer	20,684	22,364	19,004
Crop chemicals	6,334	4,508	8,161
Crop insurance	1,067	276	1,858
Drying expense	174	126	223
Crop hauling and trucking	603	-	1,205
Crop marketing	437	409	465
Crop miscellaneous	2,881	525	5,237
Purchased feed	111,855	95,802	127,908
Breeding fees	1,706	1,678	1,735
Veterinary	7,966	7,462	8,470
Supplies	14,022	15,226	12,817
DHIA	130	-	260
Livestock hauling and trucking	4,922	4,633	5,212
Livestock marketing	9,359	8,145	10,573
Bedding	1,961	1,872	2,050
Consultants	197	82	313
Interest	9,822	8,948	10,696
Fuel & oil	18,587	21,458	15,715
Repairs	29,680	28,075	31,286
Repair, machinery	1,169	2,338	-
Custom hire	4,921	3,829	6,012
Repair, buildings	206	412	-
Hired labor	30,833	34,757	26,910
Land rent	16,358	10,532	22,184
Machinery leases	4,955	1,559	8,351
Real estate taxes	6,010	6,803	5,216
Farm insurance	7,945	8,284	7,605
Utilities	11,766	11,516	12,016
Dues & professional fees	3,671	4,759	2,583
Miscellaneous	6,907	4,024	9,789
Total cash expense	358,022	332,146	383,898
Net cash farm income	94,845	73,060	116,631
Inventory Changes			
Prepays and supplies	5,401	511	10,291
Accounts receivable	7,473	2,415	12,531
Hedging accounts	-84	-	-169
Other current assets	236	-612	1,084
Crops and feed	-1,599	-2,475	-723
Market livestock	1,758	2,918	598
Breeding livestock	11,709	19,500	3,919
Other assets	4,251	8,850	-348
Accounts payable	3,193	1,040	5,346
Accrued interest	-20	-212	172

Total inventory change	32,318	31,935	32,702
Net operating profit	127,164	104,995	149,333
Depreciation			
Machinery and equipment	-22,934	-26,741	-19,128
Titled vehicles	-286	-572	-
Buildings and improvements	-7,939	-8,008	-7,871
Total depreciation	-31,160	-35,320	-26,999
Net farm income from operations	96,004	69,674	122,334
Gain or loss on capital sales	-	-	-
Net farm income	96,004	69,674	122,334

Table 25

Inventory Changes
2014 MI Dairy Herds (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	16	8	8
Net cash farm income	94,845	73,060	116,631
Crops and Feed			
Ending inventory	121,492	117,555	125,428
Beginning inventory	123,090	120,030	126,151
Inventory change	-1,599	-2,475	-723
Market Livestock			
Ending inventory	9,379	5,480	13,279
Beginning inventory	7,622	2,563	12,681
Inventory change	1,758	2,918	598
Accts Receivable			
Ending inventory	17,552	14,653	20,451
Beginning inventory	10,079	12,238	7,920
Inventory change	7,473	2,415	12,531
Prepaid Expenses and Supplies			
Ending inventory	25,196	12,185	38,208
Beginning inventory	19,795	11,673	27,917
Inventory change	5,401	511	10,291
Hedging Activities			
Ending inventory	-	-	-
Withdrawals	-84	-	-169
Beginning inventory	-	-	-
Deposits	-	-	-
Gain or loss	-84	-	-169
Other Current Assets			
Ending inventory	9,902	9,966	9,838
Beginning inventory	9,666	10,578	8,753
Inventory change	236	-612	1,084
Breeding Livestock			
Ending inventory	179,545	179,834	179,256
Capital sales	3,476	6,953	-
Beginning inventory	169,313	163,288	175,338
Capital purchases	2,000	4,000	-
Depreciation, capital adjust	11,709	19,500	3,919
Other Capital Assets			
Ending inventory	20,947	30,100	11,794
Capital sales	653	627	679
Beginning inventory	16,296	21,390	11,202
Capital purchases	1,053	487	1,619
Depreciation, capital adjust	4,251	8,850	-348
Accounts Payable			
Beginning inventory	6,101	5,514	6,689
Ending inventory	2,908	4,474	1,343
Inventory change	3,193	1,040	5,346
Accrued Interest			
Beginning inventory	292	272	312
Ending inventory	312	483	140
Inventory change	-20	-212	172
Total inventory change	32,318	31,935	32,702
Net operating profit	127,164	104,995	149,333

Table 26

Depreciation
2014 MI Dairy Herds (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	16	8	8
Net operating profit	127,164	104,995	149,333
Machinery and Equipment			
Ending inventory	178,613	224,488	132,739
Capital sales	3,641	188	7,094
Beginning inventory	155,531	205,967	105,094
Capital purchases	49,658	45,450	53,865
Depreciation, capital adjust.	-22,934	-26,741	-19,128
Titled Vehicles			
Ending inventory	1,860	1,750	1,971
Capital sales	-	-	-
Beginning inventory	2,146	2,322	1,971
Capital purchases	-	-	-
Depreciation, capital adjust.	-286	-572	-
Buildings and Improvements			
Ending inventory	93,327	104,640	82,013
Capital sales	-	-	-
Beginning inventory	87,869	104,444	71,294
Capital purchases	13,397	8,204	18,591
Depreciation, capital adjust.	-7,939	-8,008	-7,871
Total depreciation, capital adj.	-31,160	-35,320	-26,999
Net farm income from operations	96,004	69,674	122,334
Gain or loss on capital sales	-	-	-
Net farm income	96,004	69,674	122,334

Table 27

Profitability Measures
2014 MI Dairy Herds (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	16	8	8
Profitability (assets valued at cost)			
Net farm income from operations	96,004	69,674	122,334
Rate of return on assets	7.2 %	3.7 %	11.3 %
Rate of return on equity	8.9 %	3.9 %	15.5 %
Operating profit margin	16.5 %	9.9 %	22.3 %
Asset turnover rate	43.6 %	37.5 %	50.9 %
Farm interest expense	9,842	9,160	10,524
Value of operator lbr and mgmt.	45,598	44,946	46,250
Return on farm assets	60,248	33,888	86,608
Average farm assets	835,424	907,755	763,093
Return on farm equity	50,406	24,729	76,084
Average farm equity	563,390	636,612	490,168
Value of farm production	364,520	340,612	388,429
	Avg. Of All Farms	Low 50%	High 50%
Number of farms	16	8	8
Profitability (assets valued at market)			
Net farm income from operations	108,630	54,698	162,562
Rate of return on assets	4.8 %	1.1 %	9.4 %
Rate of return on equity	5.1 %	0.7 %	10.9 %
Operating profit margin	20.0 %	5.6 %	32.7 %
Asset turnover rate	24.0 %	20.1 %	28.9 %
Farm interest expense	9,842	9,160	10,524
Value of operator lbr and mgmt.	45,598	44,946	46,250
Return on farm assets	72,874	18,912	126,837
Average farm assets	1,519,338	1,694,768	1,343,907
Return on farm equity	63,032	9,753	116,312
Average farm equity	1,247,304	1,423,626	1,070,982
Value of farm production	364,520	340,612	388,429

Table 28

Liquidity & Repayment Capacity Measures
2014 MI Dairy Herds (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	16	8	8
Liquidity			
Current ratio	4.14	4.54	3.88
Working capital	153,933	137,250	170,616
Working capital to gross inc	32.3 %	31.4 %	33.0 %
Current assets	202,984	176,028	229,940
Current liabilities	49,051	38,778	59,323
Gross revenues (accrual)	476,376	436,414	516,337
Repayment capacity			
Net farm income from operations	96,004	69,674	122,334
Depreciation	31,160	35,320	26,999
Personal income	15,143	27,544	2,743
Family living/owner withdrawals	-43,644	-44,096	-43,191
Cash discrepancy	0	0	0
Payments on personal debt	-2,003	-	-4,007
Income taxes paid	-2,581	-1,353	-3,809
Interest on term debt	11,322	12,873	9,772
Capital debt repayment capacity	105,401	99,962	110,841
Scheduled term debt payments	-35,941	-31,967	-39,914
Capital debt repayment margin	69,461	67,994	70,927
Cash replacement allowance	-21,073	-23,318	-18,827
Replacement margin	48,388	44,677	52,100
Term debt coverage ratio	2.93	3.13	2.78
Replacement coverage ratio	1.85	1.81	1.89

Table 29

Balance Sheet at Cost Values
2014 MI Dairy Herds (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 50%		High 50%	
	16		8		8	
Number of farms	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	21,556	19,463	21,806	16,190	21,306	22,736
Prepaid expenses & supplies	19,795	25,196	11,673	12,185	27,917	38,208
Growing crops	6,614	6,850	5,303	4,691	7,925	9,009
Accounts receivable	10,079	17,552	12,238	14,653	7,920	20,451
Hedging accounts	0	0	0	0	0	0
Crops held for sale or feed	123,090	121,492	120,030	117,555	126,151	125,428
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	7,622	9,379	2,563	5,480	12,681	13,279
Other current assets	3,052	3,052	5,275	5,275	828	828
Total current farm assets	191,808	202,984	178,888	176,028	204,728	229,940
Intermediate Farm Assets						
Breeding livestock	169,313	179,545	163,288	179,834	175,338	179,256
Machinery and equipment	155,531	178,613	205,967	224,488	105,094	132,739
Titled vehicles	2,146	1,860	2,322	1,750	1,971	1,971
Other intermediate assets	13,844	18,292	16,810	25,119	10,878	11,466
Total intermediate farm assets	340,833	378,311	388,387	431,191	293,280	325,431
Long Term Farm Assets						
Farm land	173,261	197,349	188,732	233,639	157,789	161,059
Buildings and improvements	87,869	93,327	104,444	104,640	71,294	82,013
Other long-term assets	2,452	2,655	4,579	4,982	324	328
Total long-term farm assets	263,581	293,330	297,755	343,260	229,407	243,400
Total Farm Assets	796,223	874,626	865,030	950,480	727,415	798,772
Total Nonfarm Assets	118,773	122,385	56,226	84,763	181,320	160,008
Total Assets	914,996	997,011	921,256	1,035,243	908,736	958,779
Liabilities						
Current Farm Liabilities						
Accrued interest	292	312	272	483	312	140
Accounts payable	6,101	2,908	5,514	4,474	6,689	1,343
Current notes	29,169	22,355	25,856	14,830	32,481	29,879
Government crop loans	0	0	0	0	0	0
Principal due on term debt	24,618	23,476	19,095	18,991	30,142	27,961
Total current farm liabilities	60,180	49,051	50,736	38,778	69,624	59,323
Total intermediate farm liabs	34,086	49,124	31,581	36,891	36,591	61,358
Total long term farm liabilities	179,686	171,940	193,907	190,392	165,466	153,488
Total farm liabilities	273,953	270,115	276,224	266,060	271,681	274,169
Total nonfarm liabilities	31,154	25,780	1,000	2,348	61,309	49,213
Total liabilities	305,107	295,895	277,224	268,408	332,989	323,382
Net worth (farm and nonfarm)	609,889	701,116	644,032	766,835	575,746	635,397
Net worth change		91,227		122,803		59,651
Percent net worth change		15 %		19 %		10 %
Ratio Analysis						
Current farm liabilities / assets	31 %	24 %	28 %	22 %	34 %	26 %
Intermediate farm liab. / assets	10 %	13 %	8 %	9 %	12 %	19 %
Long term farm liab. / assets	68 %	59 %	65 %	55 %	72 %	63 %
Total debt to asset ratio	33 %	30 %	30 %	26 %	37 %	34 %

Table 30

Balance Sheet at Market Values
2014 MI Dairy Herds (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of		Low 50%		High 50%	
	All Farms					
Number of farms	16		8		8	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	21,556	19,463	21,806	16,190	21,306	22,736
Prepaid expenses & supplies	19,795	25,196	11,673	12,185	27,917	38,208
Growing crops	6,614	6,850	5,303	4,691	7,925	9,009
Accounts receivable	10,079	17,552	12,238	14,653	7,920	20,451
Hedging accounts	0	0	0	0	0	0
Crops held for sale or feed	123,090	121,492	120,030	117,555	126,151	125,428
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	7,622	9,379	2,563	5,480	12,681	13,279
Other current assets	3,052	3,052	5,275	5,275	828	828
Total current farm assets	191,808	202,984	178,888	176,028	204,728	229,940
Intermediate Farm Assets						
Breeding livestock	188,038	200,220	195,106	215,022	180,969	185,419
Machinery and equipment	259,573	288,775	263,482	288,200	255,665	289,351
Titled vehicles	2,606	2,606	1,750	1,750	3,463	3,463
Other intermediate assets	13,844	18,292	16,810	25,119	10,878	11,466
Total intermediate farm assets	464,061	509,894	477,148	530,090	450,974	489,698
Long Term Farm Assets						
Farm land	647,624	673,817	849,490	867,678	445,759	479,957
Buildings and improvements	167,878	175,502	149,426	151,228	186,330	199,776
Other long-term assets	2,452	2,655	4,579	4,982	324	328
Total long-term farm assets	817,954	851,974	1,003,496	1,023,887	632,413	680,062
Total Farm Assets	1,473,823	1,564,852	1,659,531	1,730,005	1,288,115	1,399,699
Total Nonfarm Assets	145,118	156,314	77,602	104,221	212,634	208,406
Total Assets	1,618,941	1,721,166	1,737,134	1,834,226	1,500,749	1,608,105
Liabilities						
Current Farm Liabilities						
Accrued interest	292	312	272	483	312	140
Accounts payable	6,101	2,908	5,514	4,474	6,689	1,343
Current notes	29,169	22,355	25,856	14,830	32,481	29,879
Government crop loans	0	0	0	0	0	0
Principal due on term debt	24,618	23,476	19,095	18,991	30,142	27,961
Total current farm liabilities	60,180	49,051	50,736	38,778	69,624	59,323
Total intermediate farm liabs	34,086	49,124	31,581	36,891	36,591	61,358
Total long term farm liabilities	179,686	171,940	193,907	190,392	165,466	153,488
Total farm liabilities	273,953	270,115	276,224	266,060	271,681	274,169
Total nonfarm liabilities	31,154	25,780	1,000	2,348	61,309	49,213
Total liabs excluding deferreds	305,107	295,895	277,224	268,408	332,989	323,382
Total deferred liabilities	0	0	0	0	0	0
Total liabilities	305,107	295,895	277,224	268,408	332,989	323,382
Retained earnings	609,889	701,116	644,032	766,835	575,746	635,397
Market valuation equity	703,945	724,155	815,878	798,984	592,013	649,326
Net worth (farm and nonfarm)	1,313,834	1,425,271	1,459,909	1,565,818	1,167,759	1,284,723
Net worth excluding deferreds	1,313,834	1,425,271	1,459,909	1,565,818	1,167,759	1,284,723
Net worth change		111,437		105,909		116,964
Percent net worth change		8 %		7 %		10 %
Ratio Analysis						
Current farm liabilities / assets	31 %	24 %	28 %	22 %	34 %	26 %
Intermediate farm liab. / assets	7 %	10 %	7 %	7 %	8 %	13 %
Long term farm liab. / assets	22 %	20 %	19 %	19 %	26 %	23 %
Total debt to asset ratio	19 %	17 %	16 %	15 %	22 %	20 %
Debt to assets excl deferreds	19 %	17 %	16 %	15 %	22 %	20 %

Table 31

Statement Of Cash Flows
2014 MI Dairy Herds (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	16	8	8
Beginning cash (farm & nonfarm)	23,903	21,806	26,000
Cash Provided By Operating Activities			
Gross cash farm income	452,868	405,206	500,529
Total cash farm expense	-358,022	-332,146	-383,898
Net cash from hedging transactions	-84	-	-169
Cash provided by operating	94,761	73,060	116,462
Cash Provided By Investing Activities			
Sale of breeding livestock	3,476	6,953	-
Sale of machinery & equipment	3,641	188	7,094
Sale of titled vehicles	-	-	-
Sale of farm land	-	-	-
Sale of farm buildings	-	-	-
Sale of other farm assets	653	627	679
Sale of nonfarm assets	1,718	-	3,436
Purchase of breeding livestock	-2,000	-4,000	-
Purchase of machinery & equip.	-49,658	-45,450	-53,865
Purchase of titled vehicles	-	-	-
Purchase of farm land	-2,523	-	-5,047
Purchase of farm buildings	-13,397	-8,204	-18,591
Purchase of other farm assets	-1,053	-487	-1,619
Purchase of nonfarm assets	-784	-1,567	-
Cash provided by investing	-59,927	-51,941	-67,914
Cash Provided By Financing Activities			
Money borrowed	57,694	45,776	69,612
Principal payments	-62,555	-53,862	-71,249
Personal income	15,143	27,544	2,743
Family living/owner withdrawals	-43,644	-44,096	-43,191
Income and social security tax	-2,581	-1,353	-3,809
Capital contributions	-	-	-
Capital distributions	-4,784	-	-9,567
Dividends paid	-	-	-
Cash gifts and inheritances	8	-	15
Gifts given	0	-	0
Other cash flows	3,829	-	7,657
Cash provided by financing	-36,890	-25,992	-47,789
Net change in cash balance	-2,057	-4,873	759
Ending cash (farm & nonfarm)	21,847	16,934	26,760
Discrepancy	0	0	0

Table 32

Financial Standards Measures
2014 MI Dairy Herds (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	16	8	8
Liquidity			
Current ratio	4.14	4.54	3.88
Working capital	153,933	137,250	170,616
Working capital to gross inc	32.3 %	31.4 %	33.0 %
Solvency (market)			
Farm debt to asset ratio	17 %	15 %	20 %
Farm equity to asset ratio	83 %	85 %	80 %
Farm debt to equity ratio	0.21	0.18	0.24
Profitability (cost)			
Rate of return on farm assets	7.2 %	3.7 %	11.3 %
Rate of return on farm equity	8.9 %	3.9 %	15.5 %
Operating profit margin	16.5 %	9.9 %	22.3 %
Net farm income	96,004	69,674	122,334
EBITDA	137,006	114,154	159,857
Repayment Capacity			
Capital debt repayment capacity	105,401	99,962	110,841
Capital debt repayment margin	69,461	67,994	70,927
Replacement margin	48,388	44,677	52,100
Term debt coverage ratio	2.93	3.13	2.78
Replacement coverage ratio	1.85	1.81	1.89
Efficiency			
Asset turnover rate (cost)	43.6 %	37.5 %	50.9 %
Operating expense ratio	71.2 %	73.8 %	69.0 %
Depreciation expense ratio	6.5 %	8.1 %	5.2 %
Interest expense ratio	2.1 %	2.1 %	2.0 %
Net farm income ratio	20.2 %	16.0 %	23.7 %

Table 33

Operator and Labor Information
2014 MI Dairy Herds (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	16	8	8
Operator Information			
Average number of operators	1.3	1.4	1.1
Average age of operators	51.1	49.4	53.2
Average number of years farming	23.2	22.6	23.9
Results Per Operator			
Working capital	123,147	99,818	151,659
Total assets (market)	1,376,933	1,333,983	1,429,427
Total liabilities	236,716	195,206	287,451
Net worth (market)	1,140,217	1,138,777	1,141,976
Net worth excl deferred liabs	1,140,217	1,138,777	1,141,976
Gross farm income	381,100	317,392	458,967
Total farm expense	304,297	266,720	350,225
Net farm income from operations	76,803	50,672	108,741
Net nonfarm income	12,115	20,032	2,438
Family living & tax withdrawals	36,979	33,054	41,777
Total acres owned	156.4	180.8	126.6
Total crop acres	242.8	222.8	267.4
Crop acres owned	157.1	153.9	161.0
Crop acres cash rented	85.1	68.9	105.0
Crop acres share rented	0.7	-	1.4
Total pasture acres	-	-	-
Labor Analysis			
Number of farms	16	8	8
Total unpaid labor hours	3,704	3,260	4,148
Total hired labor hours	2,270	2,220	2,321
Total labor hours per farm	5,975	5,480	6,470
Unpaid hours per operator	2,963	2,371	3,687
Value of farm production / hour	61.01	62.16	60.04
Net farm income / unpaid hour	25.92	21.37	29.49
Average hourly hired labor wage	14.86	15.66	13.93
Partnerships & LLCs			
Number of farms	5	4	1
Number of operators	1.8	-	-
Owner withdrawals per farm	-	-	-
Withdrawals per operator	-	-	-

Table 34

Financial Summary
2014 MI Dairy Herds (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of		
	All Farms	Low 50%	High 50%
Number of farms	16	8	8
Income Statement			
Gross cash farm income	452,868	405,206	500,529
Total cash farm expense	358,022	332,146	383,898
Net cash farm income	94,845	73,060	116,631
Inventory change	32,318	31,935	32,702
Depreciation	-31,160	-35,320	-26,999
Net farm income from operations	96,004	69,674	122,334
Gain or loss on capital sales	-	-	-
Average net farm income	96,004	69,674	122,334
Median net farm income	80,406	42,336	134,135
Profitability (cost)			
Rate of return on assets	7.2 %	3.7 %	11.3 %
Rate of return on equity	8.9 %	3.9 %	15.5 %
Operating profit margin	16.5 %	9.9 %	22.3 %
Asset turnover rate	43.6 %	37.5 %	50.9 %
Profitability (market)			
Rate of return on assets	4.8 %	1.1 %	9.4 %
Rate of return on equity	5.1 %	0.7 %	10.9 %
Operating profit margin	20.0 %	5.6 %	32.7 %
Asset turnover rate	24.0 %	20.1 %	28.9 %
Liquidity & Repayment (end of year)			
Current assets	202,984	176,028	229,940
Current liabilities	49,051	38,778	59,323
Current ratio	4.14	4.54	3.88
Working capital	153,933	137,250	170,616
Working capital to gross inc	32.3 %	31.4 %	33.0 %
Term debt coverage ratio	2.93	3.13	2.78
Replacement coverage ratio	1.85	1.81	1.89
Term debt to EBITDA	1.56	1.98	1.26
Solvency (end of year at cost)			
Number of farms	16	8	8
Total assets	997,011	1,035,243	958,779
Total liabilities	295,895	268,408	323,382
Net worth	701,116	766,835	635,397
Net worth change	91,227	122,803	59,651
Farm debt to asset ratio	31 %	28 %	34 %
Total debt to asset ratio	30 %	26 %	34 %
Change in earned net worth %	15 %	19 %	10 %
Solvency (end of year at market)			
Number of farms	16	8	8
Total assets	1,721,166	1,834,226	1,608,105
Total liabilities	295,895	268,408	323,382
Net worth	1,425,271	1,565,818	1,284,723
Total net worth change	111,437	105,909	116,964
Farm debt to asset ratio	17 %	15 %	20 %
Total debt to asset ratio	17 %	15 %	20 %
Change in total net worth %	8 %	7 %	10 %
Nonfarm Information			
Net nonfarm income	15,143	27,544	2,743
Crop Acres			
Total crop acres	304	306	301
Total crop acres owned	196	212	181
Total crop acres cash rented	106	95	118
Total crop acres share rented	1	-	2
Machinery value per crop acre	912	906	917

Table 35

Summary Farm Income Statement
2014 MI Dairy Herds (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	16	8	8
Crop sales	40,284	29,518	51,050
Crop inventory change	-1,599	-2,475	-723
Gross crop income	38,685	27,043	50,328
Livestock sales	377,543	349,191	405,895
Livestock inventory change	1,758	2,918	598
Gross livestock income	379,301	352,108	406,493
Government payments	1,202	720	1,683
Other cash farm income	33,839	25,777	41,901
Change in accounts receivable	7,473	2,415	12,531
Gain or loss on hedging accounts	-84	-	-169
Change in other assets	4,251	8,850	-348
Gain or loss on breeding lvst	11,709	19,500	3,919
Gross farm income	476,376	436,414	516,337
Cash operating expenses	348,200	323,198	373,202
Change in prepaids and supplies	-5,401	-511	-10,291
Change in growing crops	-236	612	-1,084
Change in accounts payable	-3,193	-1,040	-5,346
Depreciation	31,160	35,320	26,999
Total operating expense	370,529	357,580	383,479
Interest paid	9,822	8,948	10,696
Change in accrued interest	20	212	-172
Total interest expense	9,842	9,160	10,524
Total expenses	380,371	366,739	394,003
Net farm income from operations	96,004	69,674	122,334
Gain or loss on capital sales	-	-	-
Net farm income	96,004	69,674	122,334

C. Financial Summary Information, Herds with 100-249 Cows

Table 36		Crop Production and Marketing Summary		
		2014 MI Dairy Herds (100-249 Cows)		
		(Farms Sorted By Rate of Return on Assets - Mkt)		
		Avg. Of All Farms	Low 50%	High 50%
Dairy				
Number of farms		36	18	18
Average number of cows		176	168	183
Milk production per cow lbs.,		22,441	19,859	25,029
Average milk price per cwt.,		\$23.89	\$23.96	\$23.83
Acreage Summary				
Total acres owned		365	453	281
Total crop acres		702	820	591
Crop acres owned		420	526	321
Crop acres cash rented		282	294	270
Crop acres share rented		-	-	-
Total pasture acres		-	-	-
Percent crop acres owned		60 %	64 %	54 %
Mach invest/crop acre cost		464	376	579
Mach invest/crop acre market		933	823	1,077
Average Price Received (Cash Sales Only)				
Corn per bushel		4.25	-	-
Average Yield Per Acre				
Corn Silage (ton)		20.96	-	-

Table 37

Farm Income Statement
2014 MI Dairy Herds (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	36	18	18
Cash Farm Income			
Aftermath Grazing	547	1,095	30
Asparagus	321	661	-
Corn	21,946	21,792	22,091
Corn Silage	5,881	1,329	10,179
Hay, Alfalfa	560	1,095	56
Hay, Mixed	1,673	2,458	931
Haylage, Mixed	73	149	-
Oats	362	416	312
Soybeans	10,335	11,722	9,026
Straw	411	845	1
Wheat, Winter	1,759	2,836	742
Beef Cow-Calf, Beef Calves	584	-	1,136
Dairy, Milk	958,056	813,322	1,094,749
Dairy, Dairy Calves	5,411	4,177	6,576
Dairy Heifers (for sale)	1,382	213	2,485
Dairy Replacement Heifers	135	87	181
Dairy Finishing	6,218	964	11,180
Dairy Feeder	10,818	15,395	6,495
Cull breeding livestock	66,007	66,406	65,630
Crop government payments	252	217	286
Other government payments	7,477	11,744	3,446
Custom work income	5,062	3,000	7,009
Patronage dividends, cash	5,707	3,930	7,386
Crop insurance income	8,336	17,163	-
Property insurance income	20,669	26,227	15,420
Real estate tax refund	246	506	-
Other farm income	12,305	12,078	12,520
Gross Cash Farm Income	1,152,532	1,019,826	1,277,866

Table 37

Farm Income Statement (continued)
2014 MI Dairy Herds (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	36	18	18
Cash Farm Expense			
Seed	41,534	45,728	37,574
Fertilizer	49,547	53,691	45,632
Crop chemicals	15,300	15,100	15,490
Crop insurance	3,242	2,948	3,519
Drying expense	282	482	93
Storage	1,155	1,148	1,162
Crop hauling and trucking	185	76	288
Crop miscellaneous	2,666	1,480	3,786
Feeder livestock purchase	1,659	3,415	-
Purchased feed	289,366	218,838	355,977
Breeding fees	7,600	4,985	10,070
Veterinary	24,451	18,161	30,391
Livestock supplies	41,882	40,819	42,886
DHIA	1,156	1,162	1,151
Contract production exp.	1,588	3,202	64
Livestock leases	1,340	2,074	648
Livestock hauling and trucking	16,957	18,703	15,307
Marketing	20,160	16,851	23,286
Bedding	4,473	4,045	4,878
Consultants	59	-	114
Interest	27,306	25,991	28,548
Supplies	1,222	2,515	-
Fuel & oil	60,426	66,806	54,402
Repairs	67,497	71,371	63,837
Repair, machinery	3,363	4,301	2,477
Custom hire	22,010	13,613	29,940
Repair, buildings	135	45	220
Hired labor	114,767	110,135	119,142
Land rent	20,923	18,201	23,494
Machinery leases	8,350	4,618	11,875
Building leases	1,936	259	3,520
Real estate taxes	10,715	12,448	9,079
Personal property taxes	466	859	95
Farm insurance	19,247	19,694	18,824
Utilities	24,189	21,730	26,512
Dues & professional fees	8,893	9,189	8,614
Purchase of resale items	139	-	270
Miscellaneous	10,977	9,769	12,118
Total cash expense	927,164	844,451	1,005,282
Net cash farm income	225,369	175,375	272,584
Inventory Changes			
Prepays and supplies	12,372	-882	24,889
Accounts receivable	4,102	2,767	5,364
Hedging accounts	-62	-	-121

Other current assets	1,147	4,758	-2,264
Crops and feed	1,305	-15,873	17,529
Market livestock	-1,825	-1,669	-1,972
Breeding livestock	10,334	-18,496	37,562
Other assets	818	3,405	-1,625
Accounts payable	7,871	2,555	12,891
Accrued interest	768	1,685	-97
Total inventory change	36,830	-21,752	92,157
Net operating profit	262,198	153,624	364,741
Depreciation			
Machinery and equipment	-64,070	-73,979	-54,711
Titled vehicles	304	-290	865
Buildings and improvements	-13,358	-18,756	-8,259
Total depreciation	-77,123	-93,025	-62,105
Net farm income from operations	185,075	60,599	302,635
Gain or loss on capital sales	-	-	-
Net farm income	185,075	60,599	302,635

Table 38

Inventory Changes
2014 MI Dairy Herds (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	36	18	18
Net cash farm income	225,369	175,375	272,584
Crops and Feed			
Ending inventory	265,509	273,055	258,382
Beginning inventory	264,204	288,928	240,853
Inventory change	1,305	-15,873	17,529
Market Livestock			
Ending inventory	14,060	19,272	9,138
Beginning inventory	15,885	20,941	11,110
Inventory change	-1,825	-1,669	-1,972
Accts Receivable			
Ending inventory	40,064	31,487	48,165
Beginning inventory	35,962	28,720	42,801
Inventory change	4,102	2,767	5,364
Prepaid Expenses and Supplies			
Ending inventory	38,809	14,362	61,897
Beginning inventory	26,437	15,244	37,008
Inventory change	12,372	-882	24,889
Hedging Activities			
Ending inventory	-	-	-
Withdrawals	225	-	438
Beginning inventory	149	-	290
Deposits	139	-	269
Gain or loss	-62	-	-121
Other Current Assets			
Ending inventory	22,493	25,239	19,899
Beginning inventory	21,346	20,481	22,163
Inventory change	1,147	4,758	-2,264
Breeding Livestock			
Ending inventory	493,481	429,941	553,491
Capital sales	4,826	9,823	107
Beginning inventory	473,454	447,353	498,105
Capital purchases	14,519	10,907	17,931
Depreciation, capital adjust	10,334	-18,496	37,562
Other Capital Assets			
Ending inventory	43,247	31,290	54,541
Capital sales	3,859	1,228	6,344
Beginning inventory	39,117	28,508	49,138
Capital purchases	7,171	604	13,372

Depreciation, capital adjust	818	3,405	-1,625
Accounts Payable			
Beginning inventory	46,499	37,163	55,316
Ending inventory	38,628	34,608	42,425
Inventory change	7,871	2,555	12,891
Accrued Interest			
Beginning inventory	1,485	1,907	1,087
Ending inventory	717	222	1,185
Inventory change	768	1,685	-97
Total inventory change	36,830	-21,752	92,157
Net operating profit	262,198	153,624	364,741

Table 39

Depreciation
2014 MI Dairy Herds (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	36	18	18
Net operating profit	262,198	153,624	364,741
Machinery and Equipment			
Ending inventory	334,813	301,095	366,659
Capital sales	11,735	14,673	8,960
Beginning inventory	307,123	310,016	304,391
Capital purchases	103,494	79,731	125,938
Depreciation, capital adjust.	-64,070	-73,979	-54,711
Titled Vehicles			
Ending inventory	5,910	4,876	6,886
Capital sales	-	-	-
Beginning inventory	3,668	1,353	5,854
Capital purchases	1,938	3,814	167
Depreciation, capital adjust.	304	-290	865
Buildings and Improvements			
Ending inventory	238,279	226,448	249,453
Capital sales	-	-	-
Beginning inventory	216,818	223,862	210,165
Capital purchases	34,819	21,342	47,548
Depreciation, capital adjust.	-13,358	-18,756	-8,259
Total depreciation, capital adj.	-77,123	-93,025	-62,105
Net farm income from operations	185,075	60,599	302,635
Gain or loss on capital sales	-	-	-
Net farm income	185,075	60,599	302,635

Table 40

Profitability Measures
2014 MI Dairy Herds (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	36	18	18
Profitability (assets valued at cost)			
Net farm income from operations	185,075	60,599	302,635
Rate of return on assets	8.1 %	1.7 %	13.9 %
Rate of return on equity	11.3 %	0.6 %	21.2 %
Operating profit margin	16.9 %	4.0 %	26.6 %
Asset turnover rate	48.0 %	43.0 %	52.5 %
Farm interest expense	26,538	24,306	28,646
Value of operator lbr and mgmt.	63,392	54,087	72,180
Return on farm assets	148,220	30,817	259,101
Average farm assets	1,823,015	1,785,981	1,857,992
Return on farm equity	121,683	6,512	230,455
Average farm equity	1,073,359	1,058,736	1,087,170
Value of farm production	874,553	768,221	974,978
	Avg. Of All Farms	Low 50%	High 50%
Number of farms	36	18	18
Profitability (assets valued at market)			
Net farm income from operations	221,569	61,072	373,149
Rate of return on assets	6.6 %	1.1 %	11.8 %
Rate of return on equity	7.7 %	0.3 %	15.0 %
Operating profit margin	21.1 %	4.1 %	33.8 %
Asset turnover rate	31.3 %	27.4 %	35.0 %
Farm interest expense	26,538	24,306	28,646
Value of operator lbr and mgmt.	63,392	54,087	72,180
Return on farm assets	184,715	31,290	329,615
Average farm assets	2,794,300	2,805,402	2,783,815
Return on farm equity	158,177	6,985	300,969
Average farm equity	2,044,644	2,078,156	2,012,994
Value of farm production	874,553	768,221	974,978

Table 41

Liquidity & Repayment Capacity Measures
2014 MI Dairy Herds (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	36	18	18
Liquidity			
Current ratio	2.40	2.43	2.37
Working capital	234,442	235,801	233,159
Working capital to gross inc	20.1 %	23.8 %	17.5 %
Current assets	401,705	400,264	403,066
Current liabilities	167,263	164,463	169,907
Gross revenues (accrual)	1,165,718	990,475	1,331,225
Repayment capacity			
Net farm income from operations	185,075	60,599	302,635
Depreciation	77,123	93,025	62,105
Personal income	7,629	9,214	6,131
Family living/owner withdrawals	-62,556	-55,875	-68,866
Cash discrepancy	-3,443	-	-6,696
Payments on personal debt	-829	-	-1,612
Income taxes paid	-2,841	-2,553	-3,112
Interest on term debt	35,111	31,899	38,144
Capital debt repayment capacity	238,713	136,309	335,427
Scheduled term debt payments	-93,034	-83,076	-102,438
Capital debt repayment margin	145,679	53,233	232,988
Cash replacement allowance	-35,411	-40,626	-30,485
Replacement margin	110,268	12,607	202,503
Term debt coverage ratio	2.57	1.64	3.27
Replacement coverage ratio	1.86	1.10	2.52

Table 42

Balance Sheet at Cost Values
2014 MI Dairy Herds (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 50%		High 50%	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Number of farms	36		18		18	
Assets						
Current Farm Assets						
Cash and checking balance	21,526	20,358	33,596	36,850	10,125	4,784
Prepaid expenses & supplies	26,437	38,809	15,244	14,362	37,008	61,897
Growing crops	18,133	20,767	17,442	21,685	18,785	19,899
Accounts receivable	35,962	40,064	28,720	31,487	42,801	48,165
Hedging accounts	149	0	0	0	290	0
Crops held for sale or feed	264,615	265,097	288,928	273,055	241,654	257,581
Crops under government loan	0	824	0	0	0	1,602
Market livestock held for sale	15,885	14,060	20,941	19,272	11,110	9,138
Other current assets	3,213	1,726	3,039	3,554	3,378	0
Total current farm assets	385,920	401,705	407,911	400,264	365,151	403,066
Intermediate Farm Assets						
Breeding livestock	473,454	493,481	447,353	429,941	498,105	553,491
Machinery and equipment	307,123	334,813	310,016	301,095	304,391	366,659
Titled vehicles	3,668	5,910	1,353	4,876	5,854	6,886
Other intermediate assets	19,485	21,224	13,949	15,128	24,713	26,981
Total intermediate farm assets	803,730	855,428	772,671	751,041	833,063	954,016
Long Term Farm Assets						
Farm land	338,688	363,806	379,582	379,464	300,067	349,017
Buildings and improvements	216,818	238,279	223,862	226,448	210,165	249,453
Other long-term assets	19,632	22,024	14,559	16,161	24,425	27,561
Total long-term farm assets	575,139	624,109	618,003	622,073	534,656	626,031
Total Farm Assets	1,764,789	1,881,242	1,798,584	1,773,378	1,732,871	1,983,113
Total Nonfarm Assets	81,354	83,881	97,579	94,283	66,030	74,057
Total Assets	1,846,142	1,965,123	1,896,164	1,867,661	1,798,900	2,057,170
Liabilities						
Current Farm Liabilities						
Accrued interest	1,485	717	1,907	222	1,087	1,185
Accounts payable	46,499	38,628	37,163	34,608	55,316	42,425
Current notes	69,195	67,392	91,159	84,238	48,452	51,482
Government crop loans	0	535	0	0	0	1,041
Principal due on term debt	57,923	59,990	51,177	45,395	64,295	73,775
Total current farm liabilities	175,103	167,263	181,406	164,463	169,150	169,907
Total intermediate farm liabs	201,807	189,115	251,093	232,019	155,259	148,595
Total long term farm liabilities	370,003	396,021	304,337	321,174	432,022	466,710
Total farm liabilities	746,914	752,399	736,836	717,655	756,431	785,212
Total nonfarm liabilities	10,396	8,745	471	235	19,770	16,781
Total liabilities	757,310	761,144	737,307	717,891	776,202	801,994
Net worth (farm and nonfarm)	1,088,833	1,203,979	1,158,857	1,149,770	1,022,699	1,255,176
Net worth change		115,147		-9,087		232,478
Percent net worth change		11 %		-1 %		23 %
Ratio Analysis						
Current farm liabilities / assets	45 %	42 %	44 %	41 %	46 %	42 %
Intermediate farm liab. / assets	25 %	22 %	32 %	31 %	19 %	16 %
Long term farm liab. / assets	64 %	63 %	49 %	52 %	81 %	75 %
Total debt to asset ratio	41 %	39 %	39 %	38 %	43 %	39 %

Table 43

Balance Sheet at Market Values
2014 MI Dairy Herds (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

Number of farms	Avg. Of All Farms 36		Low 50% 18		High 50% 18	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	21,526	20,358	33,596	36,850	10,125	4,784
Prepaid expenses & supplies	26,437	38,809	15,244	14,362	37,008	61,897
Growing crops	18,133	20,767	17,442	21,685	18,785	19,899
Accounts receivable	35,962	40,064	28,720	31,487	42,801	48,165
Hedging accounts	149	0	0	0	290	0
Crops held for sale or feed	264,615	265,097	288,928	273,055	241,654	257,581
Crops under government loan	0	824	0	0	0	1,602
Market livestock held for sale	15,885	14,060	20,941	19,272	11,110	9,138
Other current assets	3,213	1,726	3,039	3,554	3,378	0
Total current farm assets	385,920	401,705	407,911	400,264	365,151	403,066
Intermediate Farm Assets						
Breeding livestock	485,701	504,750	446,812	429,941	522,430	575,402
Machinery and equipment	609,061	670,079	648,489	665,723	571,824	674,192
Titled vehicles	13,027	17,748	15,918	19,906	10,297	15,711
Other intermediate assets	27,951	29,220	14,145	14,355	40,991	43,258
Total intermediate farm assets	1,135,741	1,221,796	1,125,364	1,129,926	1,145,542	1,308,563
Long Term Farm Assets						
Farm land	803,963	836,906	890,226	890,226	722,493	786,548
Buildings and improvements	370,017	385,346	374,529	349,384	365,756	419,311
Other long-term assets	22,185	25,020	19,739	23,236	24,495	26,705
Total long-term farm assets	1,196,165	1,247,272	1,284,493	1,262,846	1,112,744	1,232,564
Total Farm Assets	2,717,827	2,870,774	2,817,769	2,793,035	2,623,437	2,944,194
Total Nonfarm Assets	162,695	165,901	192,083	188,787	134,940	144,287
Total Assets	2,880,522	3,036,675	3,009,852	2,981,823	2,758,377	3,088,480
Liabilities						
Current Farm Liabilities						
Accrued interest	1,485	717	1,907	222	1,087	1,185
Accounts payable	46,499	38,628	37,163	34,608	55,316	42,425
Current notes	69,195	67,392	91,159	84,238	48,452	51,482
Government crop loans	0	535	0	0	0	1,041
Principal due on term debt	57,923	59,990	51,177	45,395	64,295	73,775
Total current farm liabilities	175,103	167,263	181,406	164,463	169,150	169,907
Total intermediate farm liabs	201,807	189,115	251,093	232,019	155,259	148,595
Total long term farm liabilities	370,003	396,021	304,337	321,174	432,022	466,710
Total farm liabilities	746,914	752,399	736,836	717,655	756,431	785,212
Total nonfarm liabilities	10,396	8,745	471	235	19,770	16,781
Total liabs excluding deferreds	757,310	761,144	737,307	717,891	776,202	801,994
Total deferred liabilities	0	0	0	0	0	0
Total liabilities	757,310	761,144	737,307	717,891	776,202	801,994
Retained earnings	1,088,833	1,203,979	1,158,857	1,149,770	1,022,699	1,255,176
Market valuation equity	1,034,380	1,071,552	1,113,689	1,114,161	959,477	1,031,310
Net worth (farm and nonfarm)	2,123,213	2,275,531	2,272,546	2,263,932	1,982,176	2,286,486
Net worth excluding deferreds	2,123,213	2,275,531	2,272,546	2,263,932	1,982,176	2,286,486
Net worth change		152,319		-8,614		304,311
Percent net worth change		7 %		0 %		15 %
Ratio Analysis						
Current farm liabilities / assets	45 %	42 %	44 %	41 %	46 %	42 %
Intermediate farm liab. / assets	18 %	15 %	22 %	21 %	14 %	11 %
Long term farm liab. / assets	31 %	32 %	24 %	25 %	39 %	38 %
Total debt to asset ratio	26 %	25 %	24 %	24 %	28 %	26 %
Debt to assets excl deferreds	26 %	25 %	24 %	24 %	28 %	26 %

Table 44

Statement Of Cash Flows
2014 MI Dairy Herds (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	36	18	18
Beginning cash (farm & nonfarm)	21,526	33,596	10,125
Cash Provided By Operating Activities			
Gross cash farm income	1,152,532	1,019,826	1,277,866
Total cash farm expense	-927,164	-844,451	-1,005,282
Net cash from hedging transactions	87	-	169
Cash provided by operating	225,455	175,375	272,753
Cash Provided By Investing Activities			
Sale of breeding livestock	4,826	9,823	107
Sale of machinery & equipment	11,735	14,673	8,960
Sale of titled vehicles	-	-	-
Sale of farm land	3,094	6,370	-
Sale of farm buildings	-	-	-
Sale of other farm assets	3,859	1,228	6,344
Sale of nonfarm assets	6,952	5,765	8,074
Purchase of breeding livestock	-14,519	-10,907	-17,931
Purchase of machinery & equip.	-103,494	-79,731	-125,938
Purchase of titled vehicles	-1,938	-3,814	-167
Purchase of farm land	-22,558	-	-43,864
Purchase of farm buildings	-34,819	-21,342	-47,548
Purchase of other farm assets	-7,171	-604	-13,372
Purchase of nonfarm assets	-4,004	-	-7,785
Cash provided by investing	-158,038	-78,539	-233,121
Cash Provided By Financing Activities			
Money borrowed	211,732	198,045	224,658
Principal payments	-204,165	-213,221	-195,613
Personal income	7,629	9,214	6,131
Family living/owner withdrawals	-62,556	-55,875	-68,866
Income and social security tax	-2,841	-2,553	-3,112
Capital contributions	441	-	857
Capital distributions	-15,907	-30,289	-2,324
Dividends paid	-	-	-
Cash gifts and inheritances	2,805	5,776	-
Gifts given	-2,278	-4,680	-10
Other cash flows	-	-	-
Cash provided by financing	-65,141	-93,583	-38,279
Net change in cash balance	2,276	3,253	1,354
Ending cash (farm & nonfarm)	20,358	36,850	4,784
Discrepancy	3,443	-	6,696

Table 45

Financial Standards Measures
2014 MI Dairy Herds (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	36	18	18
Liquidity			
Current ratio	2.40	2.43	2.37
Working capital	234,442	235,801	233,159
Working capital to gross inc	20.1 %	23.8 %	17.5 %
Solvency (market)			
Farm debt to asset ratio	26 %	26 %	27 %
Farm equity to asset ratio	74 %	74 %	73 %
Farm debt to equity ratio	0.36	0.35	0.36
Profitability (cost)			
Rate of return on farm assets	8.1 %	1.7 %	13.9 %
Rate of return on farm equity	11.3 %	0.6 %	21.2 %
Operating profit margin	16.9 %	4.0 %	26.6 %
Net farm income	185,075	60,599	302,635
EBITDA	288,736	177,929	393,387
Repayment Capacity			
Capital debt repayment capacity	238,713	136,309	335,427
Capital debt repayment margin	145,679	53,233	232,988
Replacement margin	110,268	12,607	202,503
Term debt coverage ratio	2.57	1.64	3.27
Replacement coverage ratio	1.86	1.10	2.52
Efficiency			
Asset turnover rate (cost)	48.0 %	43.0 %	52.5 %
Operating expense ratio	75.2 %	82.0 %	70.4 %
Depreciation expense ratio	6.6 %	9.4 %	4.7 %
Interest expense ratio	2.3 %	2.5 %	2.2 %
Net farm income ratio	15.9 %	6.1 %	22.7 %

Table 46

Operator and Labor Information
2014 MI Dairy Herds (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	36	18	18
Operator Information			
Average number of operators	1.5	1.6	1.5
Average age of operators	50.5	52.0	49.0
Average number of years farming	22.9	23.0	22.8
Results Per Operator			
Working capital	151,953	148,467	155,439
Total assets (market)	1,968,215	1,877,444	2,058,987
Total liabilities	493,334	452,005	534,662
Net worth (market)	1,474,881	1,425,439	1,524,324
Net worth excl deferred liabs	1,474,881	1,425,439	1,524,324
Gross farm income	755,558	623,632	887,483
Total farm expense	635,602	585,477	685,726
Net farm income from operations	119,956	38,155	201,757
Net nonfarm income	4,945	5,802	4,088
Family living & tax withdrawals	44,618	36,788	52,449
Total acres owned	236.4	285.4	187.4
Total crop acres	455.0	516.4	393.7
Crop acres owned	272.5	331.2	213.7
Crop acres cash rented	182.6	185.2	179.9
Crop acres share rented	-	-	-
Total pasture acres	-	-	-
Labor Analysis			
Number of farms	36	18	18
Total unpaid labor hours	4,526	4,366	4,677
Total hired labor hours	7,200	7,029	7,361
Total labor hours per farm	11,726	11,395	12,039
Unpaid hours per operator	2,934	2,749	3,118
Value of farm production / hour	74.58	67.42	80.99
Net farm income / unpaid hour	40.89	13.88	64.70
Average hourly hired labor wage	16.25	16.21	16.28
Partnerships & LLCs			
Number of farms	18	11	7
Number of operators	1.9	1.9	2.0
Owner withdrawals per farm	-	-	-
Withdrawals per operator	-	-	-

Table 47

Financial Summary
2014 MI Dairy Herds (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of		
	All Farms	Low 50%	High 50%
Number of farms	36	18	18
Income Statement			
Gross cash farm income	1,152,532	1,019,826	1,277,866
Total cash farm expense	927,164	844,451	1,005,282
Net cash farm income	225,369	175,375	272,584
Inventory change	36,830	-21,752	92,157
Depreciation	-77,123	-93,025	-62,105
Net farm income from operations	185,075	60,599	302,635
Gain or loss on capital sales	-	-	-
Average net farm income	185,075	60,599	302,635
Median net farm income	146,029	59,139	205,479
Profitability (cost)			
Rate of return on assets	8.1 %	1.7 %	13.9 %
Rate of return on equity	11.3 %	0.6 %	21.2 %
Operating profit margin	16.9 %	4.0 %	26.6 %
Asset turnover rate	48.0 %	43.0 %	52.5 %
Profitability (market)			
Rate of return on assets	6.6 %	1.1 %	11.8 %
Rate of return on equity	7.7 %	0.3 %	15.0 %
Operating profit margin	21.1 %	4.1 %	33.8 %
Asset turnover rate	31.3 %	27.4 %	35.0 %
Liquidity & Repayment (end of year)			
Current assets	401,705	400,264	403,066
Current liabilities	167,263	164,463	169,907
Current ratio	2.40	2.43	2.37
Working capital	234,442	235,801	233,159
Working capital to gross inc	20.1 %	23.8 %	17.5 %
Term debt coverage ratio	2.57	1.64	3.27
Replacement coverage ratio	1.86	1.10	2.52
Term debt to EBITDA	1.98	3.12	1.49
Solvency (end of year at cost)			
Number of farms	35	17	18
Total assets	1,965,123	1,867,661	2,057,170
Total liabilities	761,144	717,891	801,994
Net worth	1,203,979	1,149,770	1,255,176
Net worth change	115,147	-9,087	232,478
Farm debt to asset ratio	40 %	40 %	40 %
Total debt to asset ratio	39 %	38 %	39 %
Change in earned net worth %	11 %	-1 %	23 %
Solvency (end of year at market)			
Number of farms	35	17	18
Total assets	3,036,675	2,981,823	3,088,480
Total liabilities	761,144	717,891	801,994
Net worth	2,275,531	2,263,932	2,286,486
Total net worth change	152,319	-8,614	304,311
Farm debt to asset ratio	26 %	26 %	27 %
Total debt to asset ratio	25 %	24 %	26 %
Change in total net worth %	7 %	0 %	15 %
Nonfarm Information			
Net nonfarm income	7,629	9,214	6,131
Crop Acres			
Total crop acres	702	820	591
Total crop acres owned	420	526	321
Total crop acres cash rented	282	294	270
Total crop acres share rented	-	-	-
Machinery value per crop acre	933	823	1,077

Table 48

Summary Farm Income Statement
2014 MI Dairy Herds (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	36	18	18
Crop sales	43,867	44,396	43,368
Crop inventory change	1,305	-15,873	17,529
Gross crop income	45,172	28,523	60,897
Livestock sales	982,604	834,159	1,122,802
Livestock inventory change	-1,825	-1,669	-1,972
Gross livestock income	980,779	832,490	1,120,830
Government payments	7,729	11,961	3,732
Other cash farm income	118,332	129,310	107,965
Change in accounts receivable	4,102	2,767	5,364
Gain or loss on hedging accounts	-62	-	-121
Change in other assets	-669	3,920	-5,003
Gain or loss on breeding lvst	10,334	-18,496	37,562
Gross farm income	1,165,718	990,475	1,331,225
Cash operating expenses	899,858	818,460	976,733
Change in prepaids and supplies	-12,372	882	-24,889
Change in growing crops	-2,634	-4,243	-1,114
Change in accounts payable	-7,871	-2,555	-12,891
Depreciation	77,123	93,025	62,105
Total operating expense	954,105	905,570	999,944
Interest paid	27,306	25,991	28,548
Change in accrued interest	-768	-1,685	97
Total interest expense	26,538	24,306	28,646
Total expenses	980,643	929,876	1,028,590
Net farm income from operations	185,075	60,599	302,635
Gain or loss on capital sales	-	-	-
Net farm income	185,075	60,599	302,635

D. Financial Summary Information, Herds with 250-449 Cows

Table 49 Crop Production and Marketing Summary			
2014 MI Dairy Herds (250-449 Cows)			
(Farms Sorted By Rate of Return on Assets - Mkt)			
	Avg. Of All Farms	Low 50%	High 50%
Dairy			
Number of farms	15	7	8
Average number of cows	329	322	335
Milk production per cow lbs.,	24,666	23,947	25,204
Average milk price per cwt.,	\$23.86	\$23.39	\$24.20
Acreage Summary			
Total acres owned	390	446	335
Total crop acres	996	1,098	895
Crop acres owned	582	664	499
Crop acres cash rented	415	434	396
Crop acres share rented	-	-	-
Total pasture acres	-	-	-
Percent crop acres owned	58 %	61 %	56 %
Mach invest/crop acre cost	585	688	457
Mach invest/crop acre market	1,017	1,124	886
Average Price Received (Cash Sales Only)			
Wheat, Winter per bushel	4.96	-	-
Average Yield Per Acre			
Corn (bushel)	158.38	-	-

Table 50

Farm Income Statement
2014 MI Dairy Herds (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	15	7	8
Cash Farm Income			
Beans, Dark Red Kidney	268	536	-
Corn	22,479	31,809	13,149
Hay, Alfalfa	2,916	2,303	3,528
Hay, Mixed	214	429	-
Soybeans	32,600	40,153	25,048
Straw	232	-	464
Sugar Beets	33,656	-	67,312
Wheat, Winter	8,349	9,113	7,586
Beef Cow-Calf, Beef Calves	1,299	-	2,598
Dairy, Milk	1,915,314	1,777,782	2,052,846
Dairy, Dairy Calves	18,571	20,674	16,468
Dairy Finishing	58,804	9,958	107,651
Goats, Dairy, Goat Milk	2,459	4,919	-
Dairy Feeder	151	-	302
Cull breeding livestock	135,308	132,250	138,366
Misc. livestock income	21	-	43
Crop government payments	1,785	-	3,569
Other government payments	5,072	3,288	6,857
Custom work income	1,377	143	2,611
Patronage dividends, cash	13,034	15,322	10,747
Crop insurance income	6,365	12,730	-
Property insurance income	20,156	19,751	20,561
Tax refunds	86	171	-
Other farm income	14,430	15,912	12,948
Gross Cash Farm Income	2,294,948	2,097,242	2,492,655

Table 50

Farm Income Statement (continued)
2014 MI Dairy Herds (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	15	7	8
Cash Farm Expense			
Seed	86,488	76,762	96,214
Fertilizer	64,681	75,077	54,284
Crop chemicals	28,713	19,638	37,788
Crop insurance	3,483	4,958	2,008
Drying expense	1,644	-	3,288
Storage	740	1,480	-
Crop packaging and supplies	1,311	-	2,622
Crop hauling and trucking	115	230	-
Crop marketing	1,193	-	2,386
Crop miscellaneous	5,685	5,620	5,750
Feeder livestock purchase	21,235	1,918	40,553
Purchased feed	651,021	608,647	693,395
Breeding fees	14,983	14,178	15,787
Veterinary	46,113	57,396	34,830
Supplies	79,662	76,727	82,598
DHIA	1,762	-	3,523
Contract production exp.	12,368	-	24,735
Livestock custom hire	6,386	-	12,771
Livestock leases	818	-	1,636
Grazing fees	2,585	5,170	-
Livestock hauling and trucking	23,031	12,801	33,260
Livestock marketing	42,046	47,443	36,648
Bedding	15,457	8,066	22,847
Consultants	879	1,758	-
Interest	69,323	67,120	71,527
Packaging and supplies	3,250	3,117	3,383
Fuel & oil	73,696	70,110	77,281
Repairs	90,430	105,462	75,398
Repair, machinery	3,923	-	7,845
Repair, livestock equip	495	-	989
Custom hire	48,955	29,751	68,159
Repair, buildings	741	1,224	258
Repair, irrigation equip	455	-	909
Hired labor	221,161	196,969	245,353
Land rent	52,165	55,829	48,501
Machinery leases	12,683	9,796	15,569
Real estate taxes	16,057	14,923	17,190
Personal property taxes	922	1,707	137
Farm insurance	27,136	30,797	23,475
Utilities	51,170	63,355	38,984
Dues & professional fees	8,281	6,004	10,559
Miscellaneous	23,431	33,305	13,557
Total cash expense	1,816,669	1,707,339	1,925,999
Net cash farm income	478,279	389,902	566,656

Inventory Changes			
Prepays and supplies	-2,030	5,154	-9,213
Accounts receivable	-1,663	-1,858	-1,469
Hedging accounts	-8,718	310	-17,747
Other current assets	10,768	17,470	4,066
Crops and feed	22,455	-49,571	94,480
Market livestock	-1,988	-3,977	-
Breeding livestock	40,324	11,797	68,850
Other assets	-241	-650	168
Accounts payable	-11,267	-25,992	3,458
Accrued interest	1,324	-30	2,678
Total inventory change	48,963	-47,346	145,271
Net operating profit	527,242	342,556	711,927
Depreciation			
Machinery and equipment	-61,165	-70,871	-51,460
Titled vehicles	-619	-	-1,238
Buildings and improvements	-85,363	-56,640	-114,086
Total depreciation	-147,147	-127,511	-166,784
Net farm income from operations	380,094	215,046	545,143
Gain or loss on capital sales	-	-	-
Net farm income	380,094	215,046	545,143

Table 51

Inventory Changes
2014 MI Dairy Herds (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of		
	All Farms	Low 50%	High 50%
Number of farms	15	7	8
Net cash farm income	478,279	389,902	566,656
Crops and Feed			
Ending inventory	480,327	487,342	473,313
Beginning inventory	457,873	536,913	378,832
Inventory change	22,455	-49,571	94,480
Market Livestock			
Ending inventory	41,064	36,056	46,071
Beginning inventory	43,052	40,032	46,071
Inventory change	-1,988	-3,977	-
Accts Receivable			
Ending inventory	87,505	53,082	121,927
Beginning inventory	89,168	54,940	123,396
Inventory change	-1,663	-1,858	-1,469
Prepaid Expenses and Supplies			
Ending inventory	74,856	92,608	57,103
Beginning inventory	76,885	87,454	66,316
Inventory change	-2,030	5,154	-9,213
Hedging Activities			
Ending inventory	155	310	-
Withdrawals	-8,873	-	-17,747
Beginning inventory	-	-	-
Deposits	-	-	-
Gain or loss	-8,718	310	-17,747
Other Current Assets			
Ending inventory	47,046	59,831	34,261
Beginning inventory	36,278	42,361	30,195
Inventory change	10,768	17,470	4,066
Breeding Livestock			
Ending inventory	825,810	844,357	807,263
Capital sales	512	-	1,024
Beginning inventory	771,048	803,114	738,982
Capital purchases	14,950	29,446	455
Depreciation, capital adjust	40,324	11,797	68,850
Other Capital Assets			
Ending inventory	106,532	75,757	137,306
Capital sales	4,102	117	8,086
Beginning inventory	103,845	70,955	136,735
Capital purchases	7,029	5,569	8,489
Depreciation, capital adjust	-241	-650	168
Accounts Payable			
Beginning inventory	50,717	72,811	28,623
Ending inventory	61,984	98,802	25,165
Inventory change	-11,267	-25,992	3,458
Accrued Interest			
Beginning inventory	3,682	3,007	4,357
Ending inventory	2,358	3,037	1,679
Inventory change	1,324	-30	2,678
Total inventory change	48,963	-47,346	145,271
Net operating profit	527,242	342,556	711,927

Table 52

Depreciation
2014 MI Dairy Herds (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	15	7	8
Net operating profit	527,242	342,556	711,927
Machinery and Equipment			
Ending inventory	624,785	792,895	456,674
Capital sales	3,740	6,094	1,386
Beginning inventory	522,686	717,554	327,818
Capital purchases	167,004	152,306	181,702
Depreciation, capital adjust.	-61,165	-70,871	-51,460
Titled Vehicles			
Ending inventory	8,429	714	16,143
Capital sales	-	-	-
Beginning inventory	9,048	714	17,381
Capital purchases	-	-	-
Depreciation, capital adjust.	-619	-	-1,238
Buildings and Improvements			
Ending inventory	952,356	990,551	914,161
Capital sales	-	-	-
Beginning inventory	877,912	967,234	788,589
Capital purchases	159,807	79,957	239,658
Depreciation, capital adjust.	-85,363	-56,640	-114,086
Total depreciation, capital adj.	-147,147	-127,511	-166,784
Net farm income from operations	380,094	215,046	545,143
Gain or loss on capital sales	-	-	-
Net farm income	380,094	215,046	545,143

Table 53

Profitability Measures
2014 MI Dairy Herds (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	15	7	8
Profitability (assets valued at cost)			
Net farm income from operations	380,094	215,046	545,143
Rate of return on assets	9.5 %	5.0 %	14.4 %
Rate of return on equity	13.0 %	5.6 %	21.7 %
Operating profit margin	22.4 %	14.4 %	28.4 %
Asset turnover rate	42.3 %	34.8 %	50.6 %
Farm interest expense	67,999	67,150	68,848
Value of operator lbr and mgmt.	73,929	74,286	73,571
Return on farm assets	374,165	207,910	540,420
Average farm assets	3,951,581	4,142,682	3,760,480
Return on farm equity	306,166	140,760	471,572
Average farm equity	2,347,950	2,520,608	2,175,292
Value of farm production	1,673,168	1,442,729	1,903,608
	Avg. Of All Farms	Low 50%	High 50%
Number of farms	15	7	8
Profitability (assets valued at market)			
Net farm income from operations	560,445	346,567	774,322
Rate of return on assets	9.8 %	5.9 %	13.9 %
Rate of return on equity	12.1 %	6.6 %	17.7 %
Operating profit margin	33.1 %	23.5 %	40.4 %
Asset turnover rate	29.7 %	25.2 %	34.3 %
Farm interest expense	67,999	67,150	68,848
Value of operator lbr and mgmt.	73,929	74,286	73,571
Return on farm assets	554,515	339,431	769,599
Average farm assets	5,633,930	5,716,601	5,551,259
Return on farm equity	486,516	272,281	700,751
Average farm equity	4,030,299	4,094,527	3,966,071
Value of farm production	1,673,168	1,442,729	1,903,608

Table 54

Liquidity & Repayment Capacity Measures
2014 MI Dairy Herds (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	15	7	8
Liquidity			
Current ratio	3.42	3.05	3.90
Working capital	644,204	612,051	676,358
Working capital to gross inc	27.5 %	29.8 %	25.6 %
Current assets	910,250	910,586	909,914
Current liabilities	266,046	298,536	233,556
Gross revenues (accrual)	2,345,425	2,053,294	2,637,556
Repayment capacity			
Net farm income from operations	380,094	215,046	545,143
Depreciation	147,147	127,511	166,784
Personal income	1,543	-1,913	4,999
Family living/owner withdrawals	-57,183	-39,188	-75,177
Cash discrepancy	0	0	-
Payments on personal debt	-2,612	-4,503	-720
Income taxes paid	-8,428	-12,602	-4,254
Interest on term debt	67,790	63,991	71,590
Capital debt repayment capacity	528,353	348,342	708,364
Scheduled term debt payments	-186,348	-213,542	-159,154
Capital debt repayment margin	342,005	134,800	549,210
Cash replacement allowance	-43,849	-50,143	-37,556
Replacement margin	298,155	84,656	511,654
Term debt coverage ratio	2.84	1.63	4.45
Replacement coverage ratio	2.30	1.32	3.60

Table 55

Balance Sheet at Cost Values
2014 MI Dairy Herds (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 50%		High 50%	
	15		7		8	
Number of farms	15		7		8	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	53,230	179,298	60,398	181,358	46,062	177,238
Prepaid expenses & supplies	76,885	74,856	87,454	92,608	66,316	57,103
Growing crops	35,928	46,387	42,361	59,831	29,495	32,943
Accounts receivable	89,168	87,505	54,940	53,082	123,396	121,927
Hedging accounts	0	155	0	310	0	0
Crops held for sale or feed	457,873	480,327	536,913	487,342	378,832	473,313
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	43,052	41,064	40,032	36,056	46,071	46,071
Other current assets	350	659	0	0	700	1,318
Total current farm assets	756,485	910,250	822,098	910,586	690,873	909,914
Intermediate Farm Assets						
Breeding livestock	771,048	825,810	803,114	844,357	738,982	807,263
Machinery and equipment	522,686	624,785	717,554	792,895	327,818	456,674
Titled vehicles	9,048	8,429	714	714	17,381	16,143
Other intermediate assets	87,950	89,081	70,955	75,757	104,945	102,404
Total intermediate farm assets	1,390,732	1,548,104	1,592,337	1,713,724	1,189,126	1,382,485
Long Term Farm Assets						
Farm land	702,225	731,752	610,113	678,720	794,337	784,783
Buildings and improvements	877,912	952,356	967,234	990,551	788,589	914,161
Other long-term assets	15,895	17,451	0	0	31,790	34,902
Total long-term farm assets	1,596,032	1,701,559	1,577,347	1,669,271	1,614,716	1,733,846
Total Farm Assets	3,743,249	4,159,913	3,991,782	4,293,581	3,494,716	4,026,245
Total Nonfarm Assets	450,591	473,611	777,047	812,332	124,135	134,890
Total Assets	4,193,840	4,633,524	4,768,829	5,105,913	3,618,851	4,161,134
Liabilities						
Current Farm Liabilities						
Accrued interest	3,682	2,358	3,007	3,037	4,357	1,679
Accounts payable	50,717	61,984	72,811	98,802	28,623	25,165
Current notes	59,915	56,805	50,109	34,622	69,722	78,988
Government crop loans	0	0	0	0	0	0
Principal due on term debt	118,558	144,899	149,551	162,074	87,564	127,724
Total current farm liabilities	232,872	266,046	275,478	298,536	190,267	233,556
Total intermediate farm liab	289,861	370,578	270,986	396,705	308,737	344,451
Total long term farm liabilities	1,013,589	1,034,316	993,962	1,008,481	1,033,216	1,060,152
Total farm liabilities	1,536,323	1,670,940	1,540,426	1,703,722	1,532,219	1,638,158
Total nonfarm liabilities	18,374	13,328	27,571	14,390	9,177	12,265
Total liabilities	1,554,697	1,684,268	1,567,997	1,718,113	1,541,397	1,650,423
Net worth (farm and nonfarm)	2,639,143	2,949,256	3,200,832	3,387,800	2,077,454	2,510,712
Net worth change		310,113		186,968		433,258
Percent net worth change		12 %		6 %		21 %
Ratio Analysis						
Current farm liabilities / assets	31 %	29 %	34 %	33 %	28 %	26 %
Intermediate farm liab. / assets	21 %	24 %	17 %	23 %	26 %	25 %
Long term farm liab. / assets	64 %	61 %	63 %	60 %	64 %	61 %
Total debt to asset ratio	37 %	36 %	33 %	34 %	43 %	40 %

Table 56

Balance Sheet at Market Values
2014 MI Dairy Herds (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

Number of farms	Avg. Of All Farms 15		Low 50% 7		High 50% 8	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	53,230	179,298	60,398	181,358	46,062	177,238
Prepaid expenses & supplies	76,885	74,856	87,454	92,608	66,316	57,103
Growing crops	35,928	46,387	42,361	59,831	29,495	32,943
Accounts receivable	89,168	87,505	54,940	53,082	123,396	121,927
Hedging accounts	0	155	0	310	0	0
Crops held for sale or feed	457,873	480,327	536,913	487,342	378,832	473,313
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	43,052	41,064	40,032	36,056	46,071	46,071
Other current assets	350	659	0	0	700	1,318
Total current farm assets	756,485	910,250	822,098	910,586	690,873	909,914
Intermediate Farm Assets						
Breeding livestock	833,070	890,403	852,443	898,829	813,696	881,977
Machinery and equipment	912,298	1,055,881	1,145,450	1,296,450	679,146	815,313
Titled vehicles	28,692	29,859	11,146	14,717	46,239	45,000
Other intermediate assets	88,307	89,438	70,955	75,757	105,659	103,119
Total intermediate farm assets	1,862,367	2,065,581	2,079,994	2,285,753	1,644,741	1,845,409
Long Term Farm Assets						
Farm land	1,489,062	1,528,561	1,145,623	1,208,460	1,832,502	1,848,662
Buildings and improvements	1,162,970	1,361,951	1,452,227	1,528,462	873,713	1,195,441
Other long-term assets	64,538	66,094	0	0	129,077	132,188
Total long-term farm assets	2,716,571	2,956,606	2,597,850	2,736,922	2,835,291	3,176,291
Total Farm Assets	5,335,423	5,932,437	5,499,941	5,933,262	5,170,905	5,931,613
Total Nonfarm Assets	500,390	521,559	804,762	836,346	196,017	206,773
Total Assets	5,835,813	6,453,997	6,304,703	6,769,608	5,366,923	6,138,386
Liabilities						
Current Farm Liabilities						
Accrued interest	3,682	2,358	3,007	3,037	4,357	1,679
Accounts payable	50,717	61,984	72,811	98,802	28,623	25,165
Current notes	59,915	56,805	50,109	34,622	69,722	78,988
Government crop loans	0	0	0	0	0	0
Principal due on term debt	118,558	144,899	149,551	162,074	87,564	127,724
Total current farm liabilities	232,872	266,046	275,478	298,536	190,267	233,556
Total intermediate farm liabs	289,861	370,578	270,986	396,705	308,737	344,451
Total long term farm liabilities	1,013,589	1,034,316	993,962	1,008,481	1,033,216	1,060,152
Total farm liabilities	1,536,323	1,670,940	1,540,426	1,703,722	1,532,219	1,638,158
Total nonfarm liabilities	18,374	13,328	27,571	14,390	9,177	12,265
Total liabs excluding deferreds	1,554,697	1,684,268	1,567,997	1,718,113	1,541,397	1,650,423
Total deferred liabilities	0	0	0	0	0	0
Total liabilities	1,554,697	1,684,268	1,567,997	1,718,113	1,541,397	1,650,423
Retained earnings	2,639,143	2,949,256	3,200,832	3,387,800	2,077,454	2,510,712
Market valuation equity	1,641,973	1,820,473	1,535,873	1,663,695	1,748,072	1,977,251
Net worth (farm and nonfarm)	4,281,116	4,769,729	4,736,705	5,051,495	3,825,526	4,487,963
Net worth excluding deferreds	4,281,116	4,769,729	4,736,705	5,051,495	3,825,526	4,487,963
Net worth change		488,613		314,790		662,437
Percent net worth change		11 %		7 %		17 %
Ratio Analysis						
Current farm liabilities / assets	31 %	29 %	34 %	33 %	28 %	26 %
Intermediate farm liab. / assets	16 %	18 %	13 %	17 %	19 %	19 %
Long term farm liab. / assets	37 %	35 %	38 %	37 %	36 %	33 %
Total debt to asset ratio	27 %	26 %	25 %	25 %	29 %	27 %
Debt to assets excl deferreds	27 %	26 %	25 %	25 %	29 %	27 %

Table 57

Statement Of Cash Flows
2014 MI Dairy Herds (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	15	7	8
Beginning cash (farm & nonfarm)	53,644	61,226	46,062
Cash Provided By Operating Activities			
Gross cash farm income	2,294,948	2,097,242	2,492,655
Total cash farm expense	-1,816,669	-1,707,339	-1,925,999
Net cash from hedging transactions	-8,873	-	-17,747
Cash provided by operating	469,406	389,902	548,909
Cash Provided By Investing Activities			
Sale of breeding livestock	512	-	1,024
Sale of machinery & equipment	3,740	6,094	1,386
Sale of titled vehicles	-	-	-
Sale of farm land	4,777	-	9,554
Sale of farm buildings	-	-	-
Sale of other farm assets	2,752	117	5,386
Sale of nonfarm assets	-	-	-
Purchase of breeding livestock	-14,950	-29,446	-455
Purchase of machinery & equip.	-167,004	-152,306	-181,702
Purchase of titled vehicles	-	-	-
Purchase of farm land	-29,527	-59,053	-
Purchase of farm buildings	-159,807	-79,957	-239,658
Purchase of other farm assets	-7,029	-5,569	-8,489
Purchase of nonfarm assets	-5,874	-2,903	-8,846
Cash provided by investing	-372,411	-323,022	-421,800
Cash Provided By Financing Activities			
Money borrowed	431,486	417,883	445,090
Principal payments	-311,122	-293,789	-328,455
Personal income	1,543	-1,913	4,999
Family living/owner withdrawals	-57,183	-39,188	-75,177
Income and social security tax	-8,428	-12,602	-4,254
Capital contributions	-	-	-
Capital distributions	-27,164	-16,194	-38,134
Dividends paid	-	-	-
Cash gifts and inheritances	2,084	4,168	-
Gifts given	-2,143	-4,286	-
Other cash flows	-	-	-
Cash provided by financing	29,074	54,080	4,067
Net change in cash balance	126,068	120,960	131,177
Ending cash (farm & nonfarm)	179,712	182,186	177,238
Discrepancy	0	0	0

Table 58

Financial Standards Measures
2014 MI Dairy Herds (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	15	7	8
Liquidity			
Current ratio	3.42	3.05	3.90
Working capital	644,204	612,051	676,358
Working capital to gross inc	27.5 %	29.8 %	25.6 %
Solvency (market)			
Farm debt to asset ratio	28 %	29 %	28 %
Farm equity to asset ratio	72 %	71 %	72 %
Farm debt to equity ratio	0.39	0.40	0.38
Profitability (cost)			
Rate of return on farm assets	9.5 %	5.0 %	14.4 %
Rate of return on farm equity	13.0 %	5.6 %	21.7 %
Operating profit margin	22.4 %	14.4 %	28.4 %
Net farm income	378,744	215,046	542,443
EBITDA	595,241	409,706	780,776
Repayment Capacity			
Capital debt repayment capacity	528,353	348,342	708,364
Capital debt repayment margin	342,005	134,800	549,210
Replacement margin	298,155	84,656	511,654
Term debt coverage ratio	2.84	1.63	4.45
Replacement coverage ratio	2.30	1.32	3.60
Efficiency			
Asset turnover rate (cost)	42.3 %	34.8 %	50.6 %
Operating expense ratio	74.6 %	80.0 %	70.4 %
Depreciation expense ratio	6.3 %	6.2 %	6.3 %
Interest expense ratio	2.9 %	3.3 %	2.6 %
Net farm income ratio	16.1 %	10.5 %	20.6 %

Table 59

Operator and Labor Information
2014 MI Dairy Herds (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	15	7	8
Operator Information			
Average number of operators	1.6	1.4	1.7
Average age of operators	53.0	52.2	53.7
Average number of years farming	28.1	27.6	28.5
Results Per Operator			
Working capital	409,948	428,435	394,542
Total assets (market)	4,107,089	4,738,725	3,580,725
Total liabilities	1,071,807	1,202,679	962,747
Net worth (market)	3,035,282	3,536,047	2,617,978
Net worth excl deferred liabs	3,035,282	3,536,047	2,617,978
Gross farm income	1,492,543	1,437,306	1,538,574
Total farm expense	1,250,665	1,286,774	1,220,574
Net farm income from operations	241,878	150,532	318,000
Net nonfarm income	982	-1,339	2,916
Family living & tax withdrawals	41,752	36,253	46,335
Total acres owned	248.4	312.2	195.2
Total crop acres	634.1	768.6	522.0
Crop acres owned	370.3	465.1	291.3
Crop acres cash rented	263.8	303.5	230.7
Crop acres share rented	-	-	-
Total pasture acres	-	-	-
Labor Analysis			
Number of farms	15	7	8
Total unpaid labor hours	5,481	5,463	5,499
Total hired labor hours	14,322	13,606	15,038
Total labor hours per farm	19,803	19,069	20,537
Unpaid hours per operator	3,488	3,824	3,208
Value of farm production / hour	84.49	75.66	92.69
Net farm income / unpaid hour	69.35	39.37	99.13
Average hourly hired labor wage	15.44	14.48	16.32
Partnerships & LLCs			
Number of farms	7	3	5
Number of operators	2.0	-	-
Owner withdrawals per farm	-	-	-
Withdrawals per operator	-	-	-

Table 60

Financial Summary

2014 MI Dairy Herds (250-449 Cows)

(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of		
	All Farms	Low 50%	High 50%
Number of farms	15	7	8
Income Statement			
Gross cash farm income	2,294,948	2,097,242	2,492,655
Total cash farm expense	1,816,669	1,707,339	1,925,999
Net cash farm income	478,279	389,902	566,656
Inventory change	48,963	-47,346	145,271
Depreciation	-147,147	-127,511	-166,784
Net farm income from operations	380,094	215,046	545,143
Gain or loss on capital sales	-1,350	-	-2,700
Average net farm income	378,744	215,046	542,443
Median net farm income	363,544	334,740	526,378
Profitability (cost)			
Rate of return on assets	9.5 %	5.0 %	14.4 %
Rate of return on equity	13.0 %	5.6 %	21.7 %
Operating profit margin	22.4 %	14.4 %	28.4 %
Asset turnover rate	42.3 %	34.8 %	50.6 %
Profitability (market)			
Rate of return on assets	9.8 %	5.9 %	13.9 %
Rate of return on equity	12.1 %	6.6 %	17.7 %
Operating profit margin	33.1 %	23.5 %	40.4 %
Asset turnover rate	29.7 %	25.2 %	34.3 %
Liquidity & Repayment (end of year)			
Current assets	910,250	910,586	909,914
Current liabilities	266,046	298,536	233,556
Current ratio	3.42	3.05	3.90
Working capital	644,204	612,051	676,358
Working capital to gross inc	27.5 %	29.8 %	25.6 %
Term debt coverage ratio	2.84	1.63	4.45
Replacement coverage ratio	2.30	1.32	3.60
Term debt to EBITDA	2.19	3.09	1.72
Solvency (end of year at cost)			
Number of farms	15	7	8
Total assets	4,633,524	5,105,913	4,161,134
Total liabilities	1,684,268	1,718,113	1,650,423
Net worth	2,949,256	3,387,800	2,510,712
Net worth change	310,113	186,968	433,258
Farm debt to asset ratio	40 %	40 %	41 %
Total debt to asset ratio	36 %	34 %	40 %
Change in earned net worth %	12 %	6 %	21 %
Solvency (end of year at market)			
Number of farms	15	7	8
Total assets	6,453,997	6,769,608	6,138,386
Total liabilities	1,684,268	1,718,113	1,650,423
Net worth	4,769,729	5,051,495	4,487,963
Total net worth change	488,613	314,790	662,437
Farm debt to asset ratio	28 %	29 %	28 %
Total debt to asset ratio	26 %	25 %	27 %
Change in total net worth %	11 %	7 %	17 %
Nonfarm Information			
Net nonfarm income	1,543	-1,913	4,999
Crop Acres			
Total crop acres	996	1,098	895
Total crop acres owned	582	664	499
Total crop acres cash rented	415	434	396
Total crop acres share rented	-	-	-
Machinery value per crop acre	1,017	1,124	886

Table 61

Summary Farm Income Statement
2014 MI Dairy Herds (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	15	7	8
Crop sales	100,715	84,342	117,087
Crop inventory change	22,455	-49,571	94,480
Gross crop income	123,169	34,771	211,568
Livestock sales	1,996,599	1,813,333	2,179,865
Livestock inventory change	-1,988	-3,977	-
Gross livestock income	1,994,610	1,809,356	2,179,865
Government payments	6,857	3,288	10,426
Other cash farm income	190,778	196,279	185,277
Change in accounts receivable	-1,663	-1,858	-1,469
Gain or loss on hedging accounts	-8,718	310	-17,747
Change in other assets	68	-650	786
Gain or loss on breeding lvst	40,324	11,797	68,850
Gross farm income	2,345,425	2,053,294	2,637,556
Cash operating expenses	1,747,346	1,640,219	1,854,472
Change in prepaids and supplies	2,030	-5,154	9,213
Change in growing crops	-10,459	-17,470	-3,448
Change in accounts payable	11,267	25,992	-3,458
Depreciation	147,147	127,511	166,784
Total operating expense	1,897,331	1,771,098	2,023,564
Interest paid	69,323	67,120	71,527
Change in accrued interest	-1,324	30	-2,678
Total interest expense	67,999	67,150	68,848
Total expenses	1,965,330	1,838,248	2,092,412
Net farm income from operations	380,094	215,046	545,143
Gain or loss on capital sales	-	-	-
Net farm income	380,094	215,046	545,143

E. Financial Summary Information, Herds with 450 + Cows

Table 62 Crop Production and Marketing Summary			
2014 MI Dairy Herds (450 + Cows)			
(Farms Sorted By Rate of Return on Assets - Mkt)			
	Avg. Of All Farms	Low 50%	High 50%
Dairy			
Number of farms	19	9	10
Average number of cows	738	760	719
Milk production per cow lbs.,	24,183	23,271	25,004
Average milk price per cwt.,	\$25.18	\$24.07	\$26.18
Acreage Summary			
Total acres owned	914	911	917
Total crop acres	1,781	1,819	1,747
Crop acres owned	1,043	831	1,234
Crop acres cash rented	738	989	513
Crop acres share rented	-	-	-
Total pasture acres	16	8	24
Percent crop acres owned	59 %	46 %	71 %
Mach invest/crop acre cost	560	530	589
Mach invest/crop acre market	997	895	1,093

Table 63

Farm Income Statement
2014 MI Dairy Herds (450 + Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	19	9	10
Cash Farm Income			
Aftermath Grazing	632	-	1,200
Alfalfa Seed	464	-	881
Beans, Black Turtle	14,728	-	27,983
Beans, Dark Red Kidney	4,480	-	8,512
Beans, Great Northern	2,953	-	5,610
Corn	74,026	68,018	79,434
Corn Silage	16,231	28,156	5,499
Hay, Alfalfa	108	-	206
Hay, Mixed	125	-	237
Oats	552	1,164	-
Soybeans	87,990	112,619	65,823
Wheat, Spring	1,250	2,639	-
Wheat, Winter	18,811	17,177	20,283
Beef Bulls	206	-	391
Beef Cow-Calf, Beef Calves	2,650	-	5,035
Beef Finishing	72	-	136
Dairy, Milk	4,465,853	4,231,970	4,676,348
Dairy, Dairy Calves	46,188	43,938	48,213
Dairy Replacement Heifers	5,904	3,013	8,507
Dairy Finishing	45,631	-	86,698
Dairy Feeder	23,384	49,367	-
Cull breeding livestock	327,801	305,494	347,877
Misc. livestock income	-53,753	3,887	-105,628
Crop government payments	5,707	540	10,357
Other government payments	6,765	2,020	11,035
Custom work income	20,536	2,667	36,618
Patronage dividends, cash	38,043	33,361	42,256
Crop insurance income	21,231	39,189	5,069
Property insurance income	3,986	4,012	3,963
Other farm income	128,161	65,691	184,384
Gross Cash Farm Income	5,331,973	5,014,923	5,617,317

Table 63

Farm Income Statement (continued)
2014 MI Dairy Herds (450 + Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	19	9	10
Cash Farm Expense			
Seed	162,755	172,361	154,111
Fertilizer	150,468	151,146	149,858
Crop chemicals	66,558	58,775	73,564
Crop insurance	7,374	4,568	9,900
Drying expense	3,019	1,183	4,672
Storage	96	2	180
Irrigation energy	495	1,045	-
Crop packaging and supplies	517	1,092	-
Crop custom hire	3,042	6,423	-
Crop hauling and trucking	6,878	2,398	10,910
Crop marketing	3,134	815	5,221
Crop miscellaneous	51,524	43,181	59,032
Purchased feed	1,227,188	1,163,686	1,284,341
Breeding fees	32,849	24,424	40,432
Veterinary	101,337	97,137	105,116
Supplies	186,588	195,029	178,992
DHIA	5,123	5,563	4,727
Contract production exp.	29,491	22,509	35,774
Livestock custom hire	1,034	2,183	-
Grazing fees	288	609	-
Livestock utilities	2,082	4,396	-
Livestock hauling and trucking	15,312	32,278	43
Livestock marketing	94,806	92,258	97,100
Bedding	16,273	29,316	4,533
Consultants	177	373	-
Interest	147,947	213,796	88,683
Packaging and supplies	1,869	3,946	-
Fuel & oil	163,436	140,275	184,281
Repairs	218,866	229,876	208,957
Custom hire	147,526	52,822	232,759
Repair, buildings	3,415	-	6,488
Hired labor	619,172	550,233	681,218
Land rent	202,304	205,340	199,571
Machinery leases	50,355	31,429	67,388
Building leases	19,675	41,536	-
Real estate taxes	33,548	37,466	30,021
Personal property taxes	1,941	2,920	1,061
Farm insurance	71,543	81,084	62,957
Utilities	91,175	85,227	96,528
Dues & professional fees	14,108	17,234	11,294
Miscellaneous	185,435	173,836	195,875
Total cash expense	4,140,724	3,979,769	4,285,584
Net cash farm income	1,191,248	1,035,154	1,331,733

Inventory Changes

Prepays and supplies	99,911	37,273	156,285
Accounts receivable	177,284	97,766	248,850
Hedging accounts	-158	-	-300
Other current assets	10,156	18,691	2,474
Crops and feed	-43,542	-30,359	-55,406
Market livestock	21,928	4,983	37,178
Breeding livestock	184,308	88,146	270,853
Other assets	107,917	-13,440	217,139
Accounts payable	-23,081	-51,361	2,371
Accrued interest	1,280	2,111	533
Total inventory change	536,003	153,810	879,977
Net operating profit	1,727,251	1,188,964	2,211,710
Depreciation			
Machinery and equipment	-222,235	-240,929	-205,410
Titled vehicles	-650	-1,139	-210
Buildings and improvements	-148,627	-149,802	-147,570
Total depreciation	-371,512	-391,869	-353,190
Net farm income from operations	1,355,739	797,095	1,858,520
Gain or loss on capital sales	-	-	-
Net farm income	1,355,739	797,095	1,858,520

Table 64

Inventory Changes
2014 MI Dairy Herds (450 + Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of		
	All Farms	Low 50%	High 50%
Number of farms	19	9	10
Net cash farm income	1,191,248	1,035,154	1,331,733
Crops and Feed			
Ending inventory	1,067,508	987,079	1,139,895
Beginning inventory	1,111,050	1,017,438	1,195,301
Inventory change	-43,542	-30,359	-55,406
Market Livestock			
Ending inventory	84,769	57,444	109,361
Beginning inventory	62,841	52,461	72,184
Inventory change	21,928	4,983	37,178
Accts Receivable			
Ending inventory	356,893	326,941	383,851
Beginning inventory	179,610	229,175	135,001
Inventory change	177,284	97,766	248,850
Prepaid Expenses and Supplies			
Ending inventory	355,613	237,300	462,095
Beginning inventory	255,702	200,026	305,809
Inventory change	99,911	37,273	156,285
Hedging Activities			
Ending inventory	789	-	1,500
Withdrawals	-	-	-
Beginning inventory	947	-	1,800
Deposits	-	-	-
Gain or loss	-158	-	-300
Other Current Assets			
Ending inventory	71,929	84,521	60,595
Beginning inventory	61,773	65,830	58,121
Inventory change	10,156	18,691	2,474
Breeding Livestock			
Ending inventory	2,242,864	2,186,511	2,293,583
Capital sales	62,419	5,526	113,622
Beginning inventory	2,065,170	2,046,175	2,082,265
Capital purchases	55,805	57,716	54,086
Depreciation, capital adjust	184,308	88,146	270,853
Other Capital Assets			
Ending inventory	344,422	207,768	467,411
Capital sales	93,447	57,043	126,209
Beginning inventory	228,633	193,683	260,088
Capital purchases	101,319	84,568	116,394
Depreciation, capital adjust	107,917	-13,440	217,139
Accounts Payable			
Beginning inventory	151,353	289,804	26,747
Ending inventory	174,435	341,165	24,377
Inventory change	-23,081	-51,361	2,371
Accrued Interest			
Beginning inventory	3,439	3,899	3,026
Ending inventory	2,159	1,788	2,493
Inventory change	1,280	2,111	533
Total inventory change	536,003	153,810	879,977
Net operating profit	1,727,251	1,188,964	2,211,710

Table 65

Depreciation
2014 MI Dairy Herds (450 + Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	19	9	10
Net operating profit	1,727,251	1,188,964	2,211,710
Machinery and Equipment			
Ending inventory	1,096,838	1,023,294	1,163,027
Capital sales	48,006	85,419	14,335
Beginning inventory	866,320	884,770	849,715
Capital purchases	500,758	464,872	533,056
Depreciation, capital adjust.	-222,235	-240,929	-205,410
Titled Vehicles			
Ending inventory	16,271	10,250	21,690
Capital sales	-	-	-
Beginning inventory	16,921	11,389	21,900
Capital purchases	-	-	-
Depreciation, capital adjust.	-650	-1,139	-210
Buildings and Improvements			
Ending inventory	1,649,890	1,994,175	1,340,033
Capital sales	-	-	-
Beginning inventory	1,560,350	1,868,419	1,283,087
Capital purchases	238,168	275,558	204,516
Depreciation, capital adjust.	-148,627	-149,802	-147,570
Total depreciation, capital adj.	-371,512	-391,869	-353,190
Net farm income from operations	1,355,739	797,095	1,858,520
Gain or loss on capital sales	-	-	-
Net farm income	1,355,739	797,095	1,858,520

Table 66

Profitability Measures
2014 MI Dairy Herds (450 + Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	19	9	10
Profitability (assets valued at cost)			
Net farm income from operations	1,355,739	797,095	1,858,520
Rate of return on assets	15.6 %	10.0 %	21.0 %
Rate of return on equity	22.0 %	16.0 %	25.6 %
Operating profit margin	30.3 %	22.7 %	35.7 %
Asset turnover rate	51.7 %	44.2 %	58.8 %
Farm interest expense	146,667	211,685	88,150
Value of operator lbr and mgmt.	122,345	97,513	144,694
Return on farm assets	1,380,061	911,267	1,801,975
Average farm assets	8,826,481	9,083,240	8,595,398
Return on farm equity	1,233,394	699,582	1,713,825
Average farm equity	5,603,226	4,378,181	6,705,766
Value of farm production	4,559,050	4,012,116	5,051,290
	Avg. Of All Farms	Low 50%	High 50%
Number of farms	19	9	10
Profitability (assets valued at market)			
Net farm income from operations	1,553,947	676,566	2,343,590
Rate of return on assets	12.5 %	6.1 %	18.4 %
Rate of return on equity	15.2 %	7.1 %	20.8 %
Operating profit margin	34.6 %	19.7 %	45.3 %
Asset turnover rate	36.0 %	31.1 %	40.5 %
Farm interest expense	146,667	211,685	88,150
Value of operator lbr and mgmt.	122,345	97,513	144,694
Return on farm assets	1,578,269	790,738	2,287,046
Average farm assets	12,671,056	12,908,446	12,457,404
Return on farm equity	1,431,602	579,053	2,198,896
Average farm equity	9,447,800	8,203,387	10,567,772
Value of farm production	4,559,050	4,012,116	5,051,290

Table 67

Liquidity & Repayment Capacity Measures
2014 MI Dairy Herds (450 + Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	19	9	10
Liquidity			
Current ratio	4.51	2.84	6.81
Working capital	1,827,088	1,174,375	2,414,529
Working capital to gross inc	31.6 %	22.7 %	38.1 %
Current assets	2,347,740	1,811,862	2,830,031
Current liabilities	520,653	637,487	415,501
Gross revenues (accrual)	5,786,238	5,175,802	6,335,630
Repayment capacity			
Net farm income from operations	1,355,739	797,095	1,858,520
Depreciation	371,512	391,869	353,190
Personal income	29,528	34,531	25,024
Family living/owner withdrawals	-199,478	-76,076	-310,539
Cash discrepancy	0	-	0
Payments on personal debt	-4,282	-492	-7,692
Income taxes paid	-43,650	-	-82,935
Interest on term debt	160,352	225,724	101,518
Capital debt repayment capacity	1,669,722	1,372,650	1,937,086
Scheduled term debt payments	-380,253	-427,721	-337,532
Capital debt repayment margin	1,289,468	944,929	1,599,554
Cash replacement allowance	-77,081	-85,541	-69,466
Replacement margin	1,212,388	859,388	1,530,087
Term debt coverage ratio	4.39	3.21	5.74
Replacement coverage ratio	3.65	2.67	4.76

Table 68

Balance Sheet at Cost Values
2014 MI Dairy Herds (450 + Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 50%		High 50%	
	19	9	10			
Number of farms	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	357,146	410,239	86,179	118,577	601,016	672,734
Prepaid expenses & supplies	255,702	355,613	200,026	237,300	305,809	462,095
Growing crops	51,951	55,578	45,095	50,004	58,121	60,595
Accounts receivable	179,610	356,893	229,175	326,941	135,001	383,851
Hedging accounts	947	789	0	0	1,800	1,500
Crops held for sale or feed	1,111,050	1,067,508	1,017,438	987,079	1,195,301	1,139,895
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	62,841	84,769	52,461	57,444	72,184	109,361
Other current assets	9,822	16,350	20,734	34,517	0	0
Total current farm assets	2,029,069	2,347,740	1,651,110	1,811,862	2,369,232	2,830,031
Intermediate Farm Assets						
Breeding livestock	2,065,170	2,242,864	2,046,175	2,186,511	2,082,265	2,293,583
Machinery and equipment	866,320	1,096,838	884,770	1,023,294	849,715	1,163,027
Titled vehicles	16,921	16,271	11,389	10,250	21,900	21,690
Other intermediate assets	191,372	306,951	138,632	152,272	238,838	446,161
Total intermediate farm assets	3,139,783	3,662,924	3,080,966	3,372,327	3,192,718	3,924,461
Long Term Farm Assets						
Farm land	1,530,404	1,658,071	2,057,909	2,219,165	1,055,649	1,153,085
Buildings and improvements	1,560,350	1,649,890	1,868,419	1,994,175	1,283,087	1,340,033
Other long-term assets	37,261	37,472	55,051	55,496	21,250	21,250
Total long-term farm assets	3,128,015	3,345,432	3,981,380	4,268,837	2,359,986	2,514,368
Total Farm Assets	8,296,866	9,356,096	8,713,455	9,453,026	7,921,936	9,268,860
Total Nonfarm Assets	403,609	434,395	111,163	124,427	666,810	713,365
Total Assets	8,700,475	9,790,491	8,824,619	9,577,452	8,588,746	9,982,225
Liabilities						
Current Farm Liabilities						
Accrued interest	3,439	2,159	3,899	1,788	3,026	2,493
Accounts payable	151,353	174,435	289,804	341,165	26,747	24,377
Current notes	114,202	126,625	162,490	90,182	70,742	159,424
Government crop loans	0	0	0	0	0	0
Principal due on term debt	219,901	217,434	201,997	204,351	236,014	229,208
Total current farm liabilities	488,895	520,653	658,190	637,487	336,530	415,501
Total intermediate farm liabs	677,144	658,458	929,117	920,498	450,369	422,621
Total long term farm liabilities	2,073,001	2,028,360	3,140,778	3,124,048	1,112,002	1,042,241
Total farm liabilities	3,239,041	3,207,470	4,728,085	4,682,033	1,898,901	1,880,363
Total nonfarm liabilities	72,364	68,432	10,391	9,938	128,139	121,077
Total liabilities	3,311,404	3,275,902	4,738,476	4,691,972	2,027,040	2,001,440
Net worth (farm and nonfarm)	5,389,071	6,514,588	4,086,143	4,885,481	6,561,706	7,980,785
Net worth change		1,125,517		799,338		1,419,079
Percent net worth change		21 %		20 %		22 %
Ratio Analysis						
Current farm liabilities / assets	24 %	22 %	40 %	35 %	14 %	15 %
Intermediate farm liab. / assets	22 %	18 %	30 %	27 %	14 %	11 %
Long term farm liab. / assets	66 %	61 %	79 %	73 %	47 %	41 %
Total debt to asset ratio	38 %	33 %	54 %	49 %	24 %	20 %

Table 69

Balance Sheet at Market Values
2014 MI Dairy Herds (450 + Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

Number of farms	Avg. Of All Farms		Low 50%		High 50%	
	19 Beginning	Ending	9 Beginning	Ending	10 Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	357,146	410,239	86,179	118,577	601,016	672,734
Prepaid expenses & supplies	255,702	355,613	200,026	237,300	305,809	462,095
Growing crops	51,951	55,578	45,095	50,004	58,121	60,595
Accounts receivable	179,610	356,893	229,175	326,941	135,001	383,851
Hedging accounts	947	789	0	0	1,800	1,500
Crops held for sale or feed	1,111,050	1,067,508	1,017,438	987,079	1,195,301	1,139,895
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	62,841	84,769	52,461	57,444	72,184	109,361
Other current assets	9,822	16,350	20,734	34,517	0	0
Total current farm assets	2,029,069	2,347,740	1,651,110	1,811,862	2,369,232	2,830,031
Intermediate Farm Assets						
Breeding livestock	2,109,949	2,242,864	2,090,809	2,186,511	2,127,175	2,293,583
Machinery and equipment	1,594,846	1,875,721	1,494,727	1,697,735	1,684,954	2,035,908
Titled vehicles	40,952	40,931	33,496	32,261	47,662	48,735
Other intermediate assets	195,020	308,203	142,501	153,138	242,288	447,761
Total intermediate farm assets	3,940,767	4,467,720	3,761,533	4,069,646	4,102,079	4,825,987
Long Term Farm Assets						
Farm land	3,788,426	4,110,059	4,673,819	4,666,229	2,991,573	3,609,507
Buildings and improvements	2,247,125	2,336,783	2,458,070	2,614,734	2,057,274	2,086,627
Other long-term assets	36,950	37,472	54,394	55,496	21,250	21,250
Total long-term farm assets	6,072,501	6,484,314	7,186,283	7,336,459	5,070,096	5,717,384
Total Farm Assets	12,042,337	13,299,775	12,598,925	13,217,967	11,541,407	13,373,401
Total Nonfarm Assets	476,668	502,857	238,160	241,783	691,326	737,823
Total Assets	12,519,005	13,802,631	12,837,086	13,459,750	12,232,732	14,111,224
Liabilities						
Current Farm Liabilities						
Accrued interest	3,439	2,159	3,899	1,788	3,026	2,493
Accounts payable	151,353	174,435	289,804	341,165	26,747	24,377
Current notes	114,202	126,625	162,490	90,182	70,742	159,424
Government crop loans	0	0	0	0	0	0
Principal due on term debt	219,901	217,434	201,997	204,351	236,014	229,208
Total current farm liabilities	488,895	520,653	658,190	637,487	336,530	415,501
Total intermediate farm liabs	677,144	658,458	929,117	920,498	450,369	422,621
Total long term farm liabilities	2,073,001	2,028,360	3,140,778	3,124,048	1,112,002	1,042,241
Total farm liabilities	3,239,041	3,207,470	4,728,085	4,682,033	1,898,901	1,880,363
Total nonfarm liabilities	72,364	68,432	10,391	9,938	128,139	121,077
Total liabs excluding deferreds	3,311,404	3,275,902	4,738,476	4,691,972	2,027,040	2,001,440
Total deferred liabilities	0	0	0	0	0	0
Total liabilities	3,311,404	3,275,902	4,738,476	4,691,972	2,027,040	2,001,440
Retained earnings	5,389,071	6,514,588	4,086,143	4,885,481	6,561,706	7,980,785
Market valuation equity	3,818,530	4,012,141	4,012,467	3,882,298	3,643,986	4,128,999
Net worth (farm and nonfarm)	9,207,601	10,526,729	8,098,610	8,767,779	10,205,692	12,109,784
Net worth excluding deferreds	9,207,601	10,526,729	8,098,610	8,767,779	10,205,692	12,109,784
Net worth change		1,319,128		669,169		1,904,092
Percent net worth change		14 %		8 %		19 %
Ratio Analysis						
Current farm liabilities / assets	24 %	22 %	40 %	35 %	14 %	15 %
Intermediate farm liab. / assets	17 %	15 %	25 %	23 %	11 %	9 %
Long term farm liab. / assets	34 %	31 %	44 %	43 %	22 %	18 %
Total debt to asset ratio	26 %	24 %	37 %	35 %	17 %	14 %
Debt to assets excl deferreds	26 %	24 %	37 %	35 %	17 %	14 %

Table 70

Statement Of Cash Flows
2014 MI Dairy Herds (450 + Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	19	9	10
Beginning cash (farm & nonfarm)	357,146	86,179	601,016
Cash Provided By Operating Activities			
Gross cash farm income	5,331,973	5,014,923	5,617,317
Total cash farm expense	-4,140,724	-3,979,769	-4,285,584
Net cash from hedging transactions	-	-	-
Cash provided by operating	1,191,248	1,035,154	1,331,733
Cash Provided By Investing Activities			
Sale of breeding livestock	62,419	5,526	113,622
Sale of machinery & equipment	48,006	85,419	14,335
Sale of titled vehicles	-	-	-
Sale of farm land	-	-	-
Sale of farm buildings	-	-	-
Sale of other farm assets	93,447	57,043	126,209
Sale of nonfarm assets	79	-	150
Purchase of breeding livestock	-55,805	-57,716	-54,086
Purchase of machinery & equip.	-500,758	-464,872	-533,056
Purchase of titled vehicles	-	-	-
Purchase of farm land	-142,200	-135,641	-148,103
Purchase of farm buildings	-238,168	-275,558	-204,516
Purchase of other farm assets	-101,319	-84,568	-116,394
Purchase of nonfarm assets	-5,532	-3,561	-7,306
Cash provided by investing	-839,832	-873,927	-809,146
Cash Provided By Financing Activities			
Money borrowed	712,066	765,630	663,859
Principal payments	-769,369	-861,385	-686,555
Personal income	29,528	34,531	25,024
Family living/owner withdrawals	-199,478	-76,076	-310,539
Income and social security tax	-43,650	-	-82,935
Capital contributions	11,416	24,100	-
Capital distributions	-40,040	-15,630	-62,008
Dividends paid	-	-	-
Cash gifts and inheritances	20,306	-	38,582
Gifts given	-19,104	-	-36,297
Other cash flows	-	-	-
Cash provided by financing	-298,324	-128,829	-450,869
Net change in cash balance	53,092	32,398	71,718
Ending cash (farm & nonfarm)	410,239	118,577	672,734
Discrepancy	0	-	0

Table 71

Financial Standards Measures
2014 MI Dairy Herds (450 + Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	19	9	10
Liquidity			
Current ratio	4.51	2.84	6.81
Working capital	1,827,088	1,174,375	2,414,529
Working capital to gross inc	31.6 %	22.7 %	38.1 %
Solvency (market)			
Farm debt to asset ratio	24 %	35 %	14 %
Farm equity to asset ratio	76 %	65 %	86 %
Farm debt to equity ratio	0.32	0.55	0.16
Profitability (cost)			
Rate of return on farm assets	15.6 %	10.0 %	21.0 %
Rate of return on farm equity	22.0 %	16.0 %	25.6 %
Operating profit margin	30.3 %	22.7 %	35.7 %
Net farm income	1,355,739	797,095	1,858,520
EBITDA	1,873,918	1,400,649	2,299,860
Repayment Capacity			
Capital debt repayment capacity	1,669,722	1,372,650	1,937,086
Capital debt repayment margin	1,289,468	944,929	1,599,554
Replacement margin	1,212,388	859,388	1,530,087
Term debt coverage ratio	4.39	3.21	5.74
Replacement coverage ratio	3.65	2.67	4.76
Efficiency			
Asset turnover rate (cost)	51.7 %	44.2 %	58.8 %
Operating expense ratio	67.6 %	72.9 %	63.7 %
Depreciation expense ratio	6.4 %	7.6 %	5.6 %
Interest expense ratio	2.5 %	4.1 %	1.4 %
Net farm income ratio	23.4 %	15.4 %	29.3 %

Table 72

Operator and Labor Information
2014 MI Dairy Herds (450 + Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	19	9	10
Operator Information			
Average number of operators	1.9	2.0	1.8
Average age of operators	52.9	56.9	48.9
Average number of years farming	27.3	29.7	25.0
Results Per Operator			
Working capital	964,296	587,187	1,341,405
Total assets (market)	7,284,722	6,729,875	7,839,569
Total liabilities	1,728,949	2,345,986	1,111,911
Net worth (market)	5,555,774	4,383,889	6,727,658
Net worth excl deferred liabs	5,555,774	4,383,889	6,727,658
Gross farm income	3,053,848	2,587,901	3,519,795
Total farm expense	2,338,319	2,189,354	2,487,284
Net farm income from operations	715,529	398,547	1,032,511
Net nonfarm income	15,584	17,266	13,902
Family living & tax withdrawals	128,317	38,038	218,597
Total acres owned	482.5	455.3	509.6
Total crop acres	940.0	909.6	970.4
Crop acres owned	550.3	415.4	685.3
Crop acres cash rented	389.7	494.3	285.1
Crop acres share rented	-	-	-
Total pasture acres	8.7	4.2	13.2
Labor Analysis			
Number of farms	19	9	10
Total unpaid labor hours	6,316	5,767	6,810
Total hired labor hours	33,077	21,853	43,180
Total labor hours per farm	39,393	27,619	49,989
Unpaid hours per operator	3,333	2,883	3,783
Value of farm production / hour	115.73	145.27	101.05
Net farm income / unpaid hour	214.66	138.22	272.92
Average hourly hired labor wage	18.08	25.18	14.84
Partnerships & LLCs			
Number of farms	14	6	8
Number of operators	2.1	2.2	2.0
Owner withdrawals per farm	-	-	-
Withdrawals per operator	-	-	-

Table 73

Financial Summary
2014 MI Dairy Herds (450 + Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of		
	All Farms	Low 50%	High 50%
Number of farms	19	9	10
Income Statement			
Gross cash farm income	5,331,973	5,014,923	5,617,317
Total cash farm expense	4,140,724	3,979,769	4,285,584
Net cash farm income	1,191,248	1,035,154	1,331,733
Inventory change	536,003	153,810	879,977
Depreciation	-371,512	-391,869	-353,190
Net farm income from operations	1,355,739	797,095	1,858,520
Gain or loss on capital sales	-	-	-
Average net farm income	1,355,739	797,095	1,858,520
Median net farm income	1,131,856	658,057	1,328,724
Profitability (cost)			
Rate of return on assets	15.6 %	10.0 %	21.0 %
Rate of return on equity	22.0 %	16.0 %	25.6 %
Operating profit margin	30.3 %	22.7 %	35.7 %
Asset turnover rate	51.7 %	44.2 %	58.8 %
Profitability (market)			
Rate of return on assets	12.5 %	6.1 %	18.4 %
Rate of return on equity	15.2 %	7.1 %	20.8 %
Operating profit margin	34.6 %	19.7 %	45.3 %
Asset turnover rate	36.0 %	31.1 %	40.5 %
Liquidity & Repayment (end of year)			
Current assets	2,347,740	1,811,862	2,830,031
Current liabilities	520,653	637,487	415,501
Current ratio	4.51	2.84	6.81
Working capital	1,827,088	1,174,375	2,414,529
Working capital to gross inc	31.6 %	22.7 %	38.1 %
Term debt coverage ratio	4.39	3.21	5.74
Replacement coverage ratio	3.65	2.67	4.76
Term debt to EBITDA	1.47	2.91	0.68
Solvency (end of year at cost)			
Number of farms	19	9	10
Total assets	9,790,491	9,577,452	9,982,225
Total liabilities	3,275,902	4,691,972	2,001,440
Net worth	6,514,588	4,885,481	7,980,785
Net worth change	1,125,517	799,338	1,419,079
Farm debt to asset ratio	34 %	50 %	20 %
Total debt to asset ratio	33 %	49 %	20 %
Change in earned net worth %	21 %	20 %	22 %
Solvency (end of year at market)			
Number of farms	19	9	10
Total assets	13,802,631	13,459,750	14,111,224
Total liabilities	3,275,902	4,691,972	2,001,440
Net worth	10,526,729	8,767,779	12,109,784
Total net worth change	1,319,128	669,169	1,904,092
Farm debt to asset ratio	24 %	35 %	14 %
Total debt to asset ratio	24 %	35 %	14 %
Change in total net worth %	14 %	8 %	19 %
Nonfarm Information			
Net nonfarm income	29,528	34,531	25,024
Crop Acres			
Total crop acres	1,781	1,819	1,747
Total crop acres owned	1,043	831	1,234
Total crop acres cash rented	738	989	513
Total crop acres share rented	-	-	-
Machinery value per crop acre	997	895	1,093

Table 74

Summary Farm Income Statement
2014 MI Dairy Herds (450 + Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 50%	High 50%
Number of farms	19	9	10
Crop sales	243,608	229,774	256,058
Crop inventory change	-43,542	-30,359	-55,406
Gross crop income	200,066	199,415	200,652
Livestock sales	4,589,911	4,328,287	4,825,373
Livestock inventory change	21,928	4,983	37,178
Gross livestock income	4,611,839	4,333,271	4,862,551
Government payments	12,472	2,560	21,392
Other cash farm income	485,982	454,302	514,494
Change in accounts receivable	177,284	97,766	248,850
Gain or loss on hedging accounts	-158	-	-300
Change in other assets	114,446	343	217,139
Gain or loss on breeding lvst	184,308	88,146	270,853
Gross farm income	5,786,238	5,175,802	6,335,630
Cash operating expenses	3,992,777	3,765,973	4,196,901
Change in prepaids and supplies	-99,911	-37,273	-156,285
Change in growing crops	-3,627	-4,908	-2,474
Change in accounts payable	23,081	51,361	-2,371
Depreciation	371,512	391,869	353,190
Total operating expense	4,283,832	4,167,022	4,388,961
Interest paid	147,947	213,796	88,683
Change in accrued interest	-1,280	-2,111	-533
Total interest expense	146,667	211,685	88,150
Total expenses	4,430,499	4,378,707	4,477,111
Net farm income from operations	1,355,739	797,095	1,858,520
Gain or loss on capital sales	-	-	-
Net farm income	1,355,739	797,095	1,858,520