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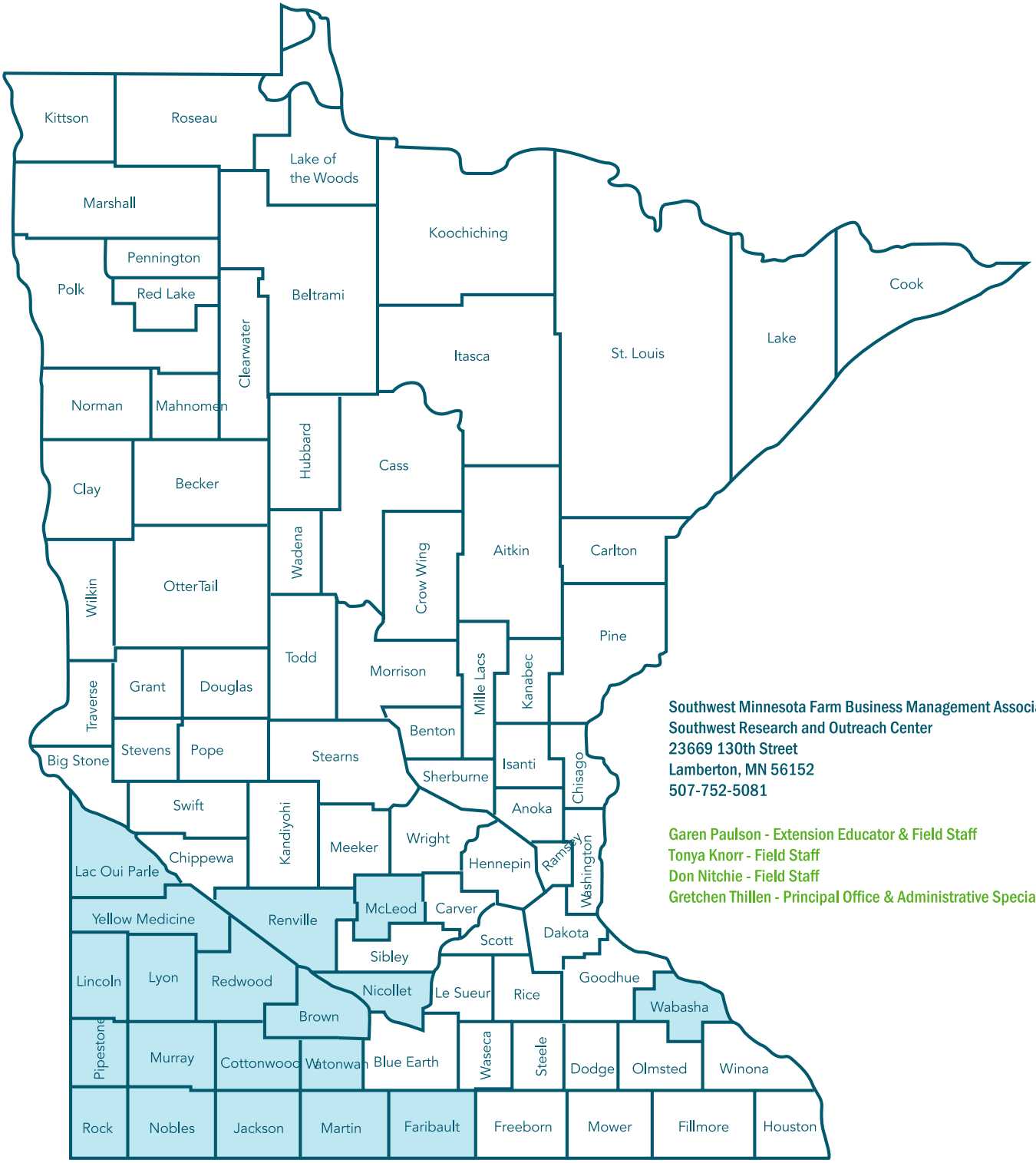
SOUTHWEST MINNESOTA
FARM BUSINESS MANAGEMENT ASSOCIATION

2019
ANNUAL REPORT

Staff paper #P20-2
Department of Applied Economics
University of Minnesota
Saint Paul, MN 55108
March 2020

In Cooperation with:
Center for Farm Financial Management · Department of Applied Economics · University of Minnesota Extension
College of Food, Agricultural and Natural Resource Sciences · University of Minnesota

SOUTHWEST MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION



Southwest Minnesota Farm Business Management Association
Southwest Research and Outreach Center
23669 130th Street
Lamberton, MN 56152
507-752-5081

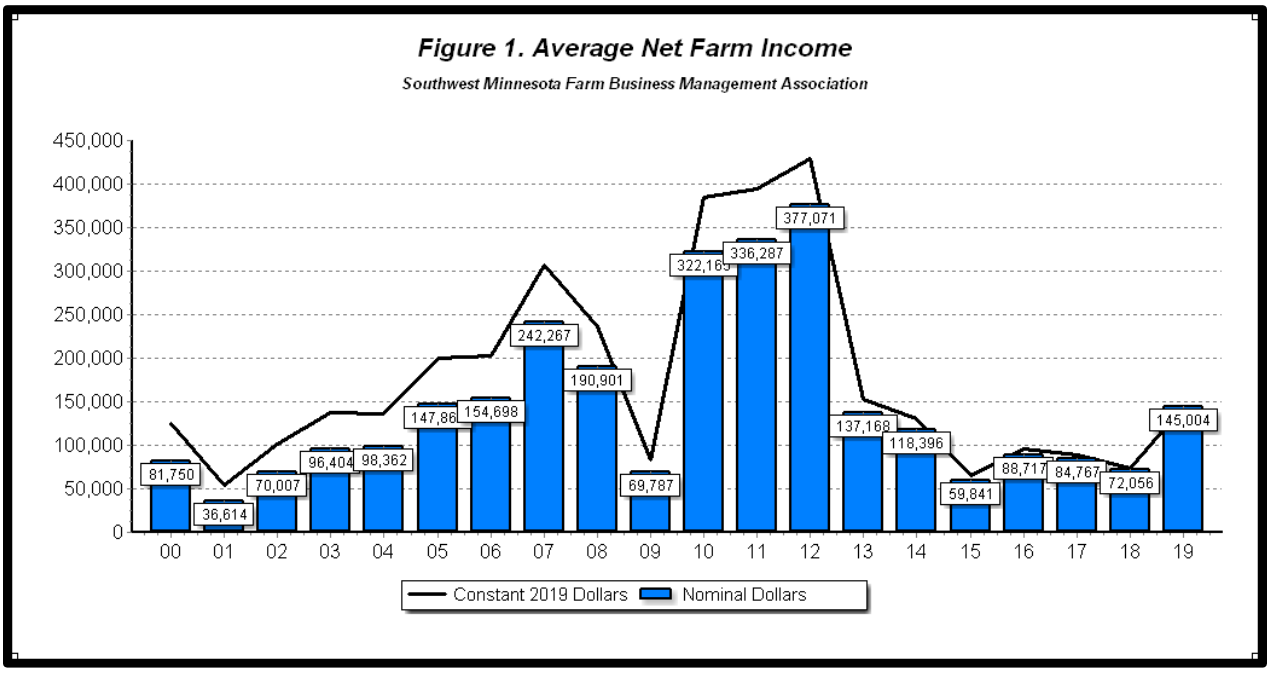
Garen Paulson - Extension Educator & Field Staff
Tonya Knorr - Field Staff
Don Nitchie - Field Staff
Gretchen Thillen - Principal Office & Administrative Specialist

Executive Summary

2019 Annual Report of the Southwest Minnesota Farm Business Management Association

by Pauline A. Van Nurden, Garen J. Paulson, Donald L. Nitchie,
Tonya L. Knorr, Rachel A. Purdy, and Dale W. Nordquist

The average net farm income for the 106 farms included in the 2019 annual report of the Southwest Minnesota Farm Business Management Association showed improved margins for the year. Improved profitability of livestock enterprises coupled with government support payments provided much of the boost in profitability. The average farm earned $145,004 in 2019, up from just over $72,000 in 2018. Yet, earnings received in the recent past are still historically low compared to those received in the first half of the decade. Crop producers saw slightly higher net farm income for the year on average. Again, much of this was provided by the Federal farm program payments related to trade losses. The southwest area of the state experienced below trendline yields and unprecedented numbers of prevented plant acres in 2019 because of the yearlong weather challenges. Overall, crop farm operations were again challenged for the year due to weather, leading to the lowest crop yields most producers have experienced in recent years. Earnings for all types of livestock operations were up from the previous year, as commodity prices for major livestock types were all improved year over year.

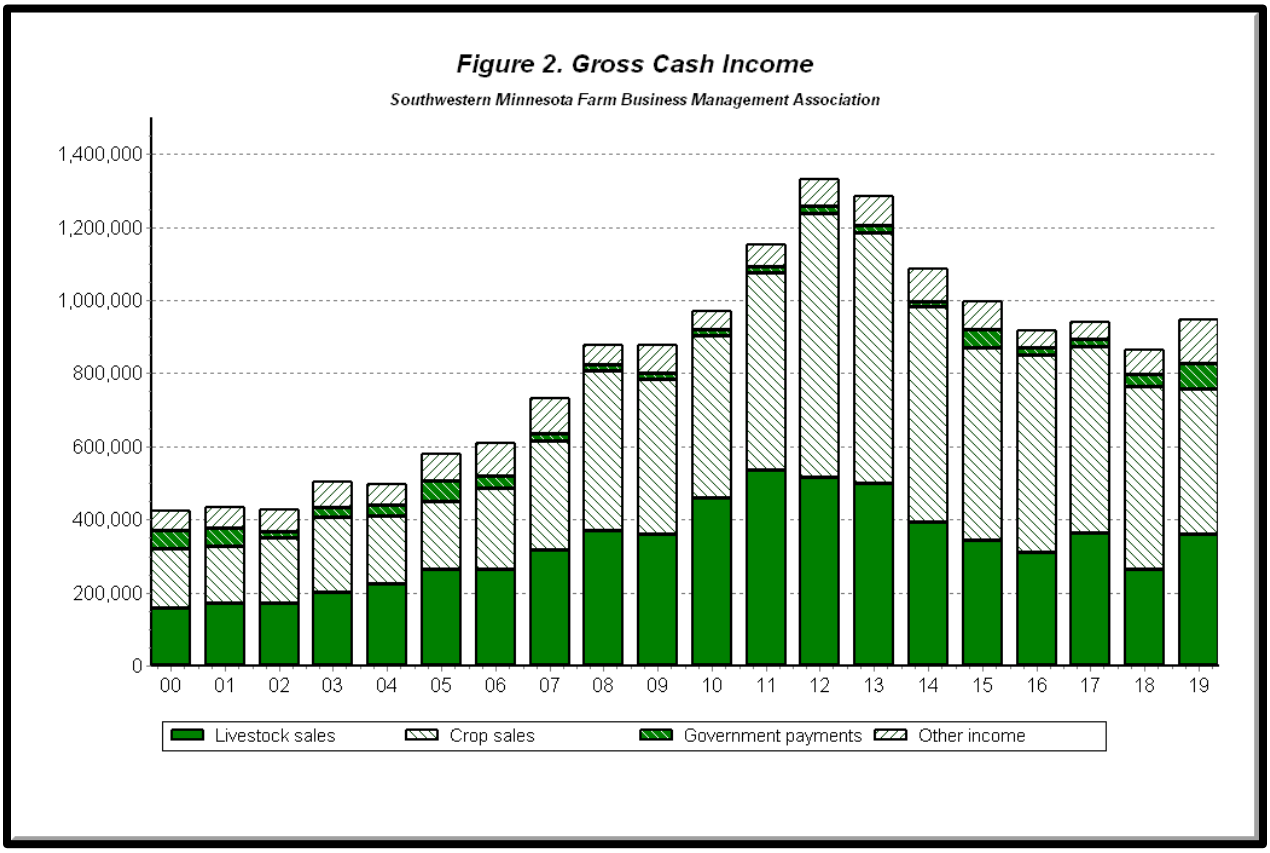


Highlights of association financial results for 2019:

- Median net farm income, or the income earned by the middle farm, was $91,895. This value was below the average net farm income of the group, which is common. This year was like most years, where the average net farm income is skewed higher by high profits of larger operations.

- Typically, incomes vary widely around the average and this year is no exception. The average net farm income for the most profitable 20% of the farms was $445,236 while the least

profitable 20% experienced a loss of $28,628. While still a concern, the average loss experienced on the low end was less than the previous year. Crop insurance indemnities and payments from the Market Facilitation Program likely shielded some of the most vulnerable farms from larger losses. Farms experienced lower corn yields, which were 11% below the 10-year average yield. Prevented plant challenges also persisted for the 2019 production year.



- Average gross cash income was up 9% from 2018. Total cash expenses were also up 11%, as compared to the previous year. Crop sales were down 21% in 2019. Conversely, livestock sales increased 37% from the previous year. Other types of farm income also increased year over year, this included government payment income (up 116%) and other cash income (up 69%), as compared to 2018.

- Crops accounted for 42% of gross sales while livestock sales were 38% (Figure 2). Government payments increased by 116% to $70,944 per farm. These payments accounted for 8% of gross cash income. Payments reported are those accrued to 2018 production for the ARC and PLC program. In 2019, producers also received a second round of payments for the Market Facilitation Program (MFP). This was the USDA program for commodities directly impacted by foreign retaliatory tariffs. MFP payments comprised the bulk of the government payments received by producers, as there were limited ARC or PLC payments received on crop acres for the year.

- The average farm earned a rate of return on assets (ROA) of 5% with assets valued at adjusted cost or book value. Rates of return have remained historically low for the last 7 years but were increased from 2% in 2018. The average rate of return on equity capital (ROE) was 5%, improving from 0% from the previous year (Figure 3).

- The average farm reported net worth growth of $206,481, of which $148,000 resulted from farm and non-farm earnings. The remaining $58,000 resulted from increases in the estimated market value of capital assets.

- Member balance sheets remain strong. The debt-to-asset ratio of the average sole proprietor farm decreased by 1% to 31% with assets valued at estimated market value. (Figure 4).

- The average farm's working capital improved in 2019, with an increase of $54,000 year over year. Since 2012, working capital has eroded by over $352,000 for the average farm. This is a loss of 46% since the end of 2012. Even with this loss of liquidity, working capital remained strong for these operations, at 42% of gross revenue. This working capital to gross revenue position remained unchanged from the previous year.

- Debt repayment capacity improved markedly to an average of 2.31:1. This was a much stronger repayment position than the previous year's 1.25:1 level. A debt repayment capacity position of 2.31:1 means the average farm generated $2.31 in income from farm and non-farm sources for each $1.00 of scheduled debt payments.

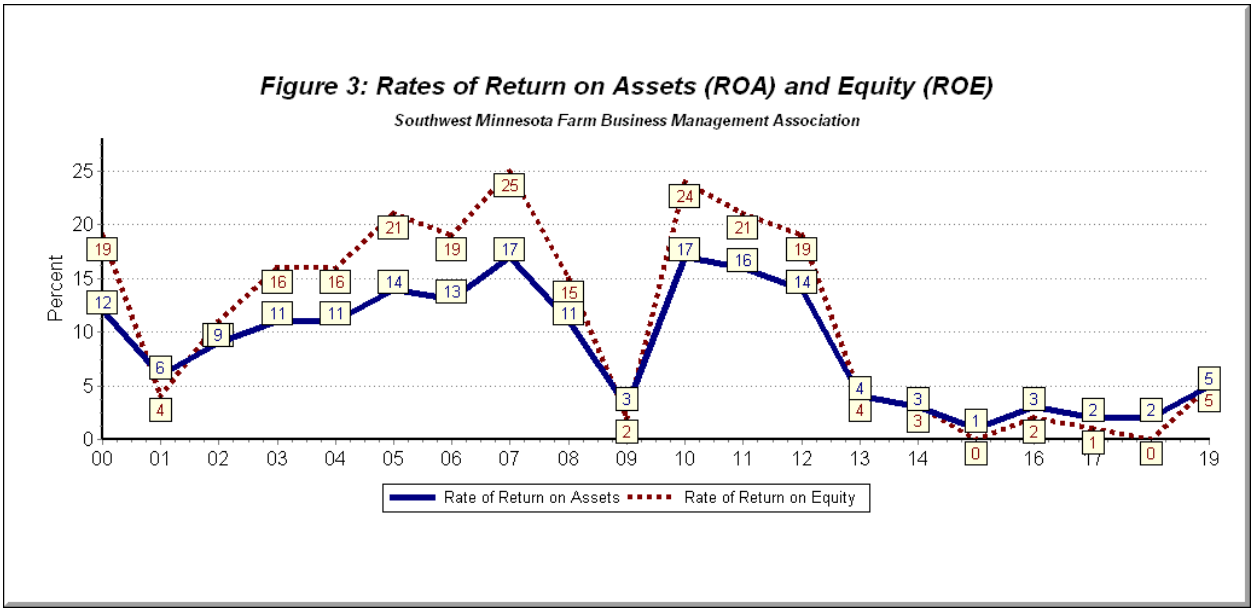


Figure 3: Rates of Return on Assets (ROA) and Equity (ROE)
Southwest Minnesota Farm Business Management Association
Percent
Rate of Return on Assets
Rate of Return on Equity

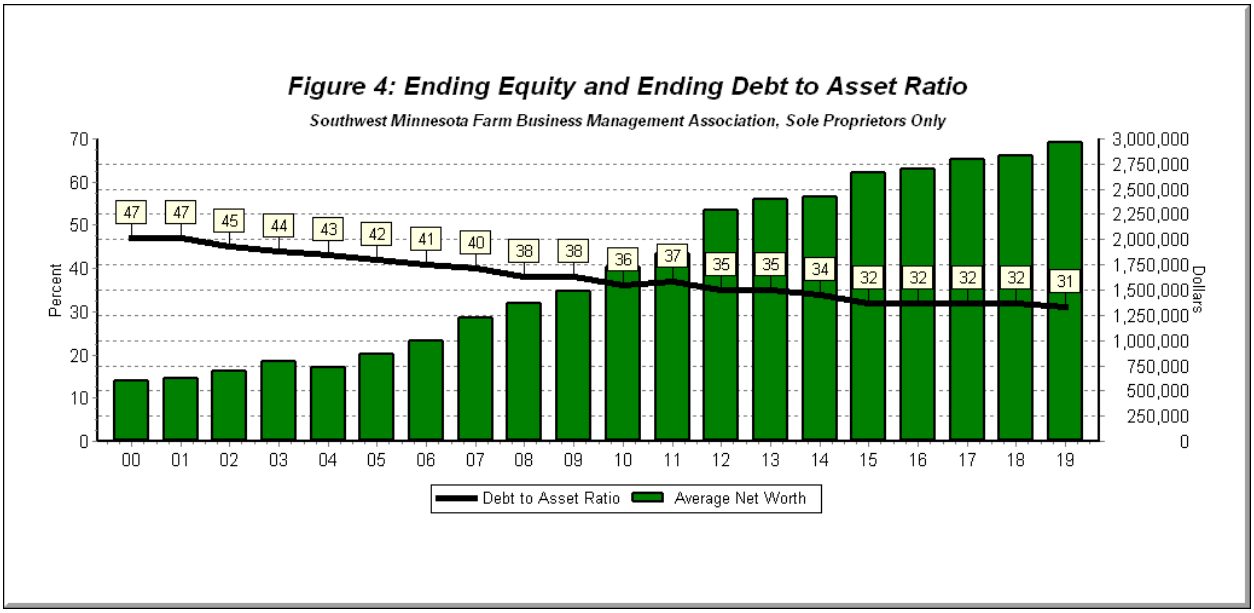


Figure 4: Ending Equity and Ending Debt to Asset Ratio
Southwest Minnesota Farm Business Management Association, Sole Proprietors Only
Percent
Dollars
Debt to Asset Ratio
Average Net Worth

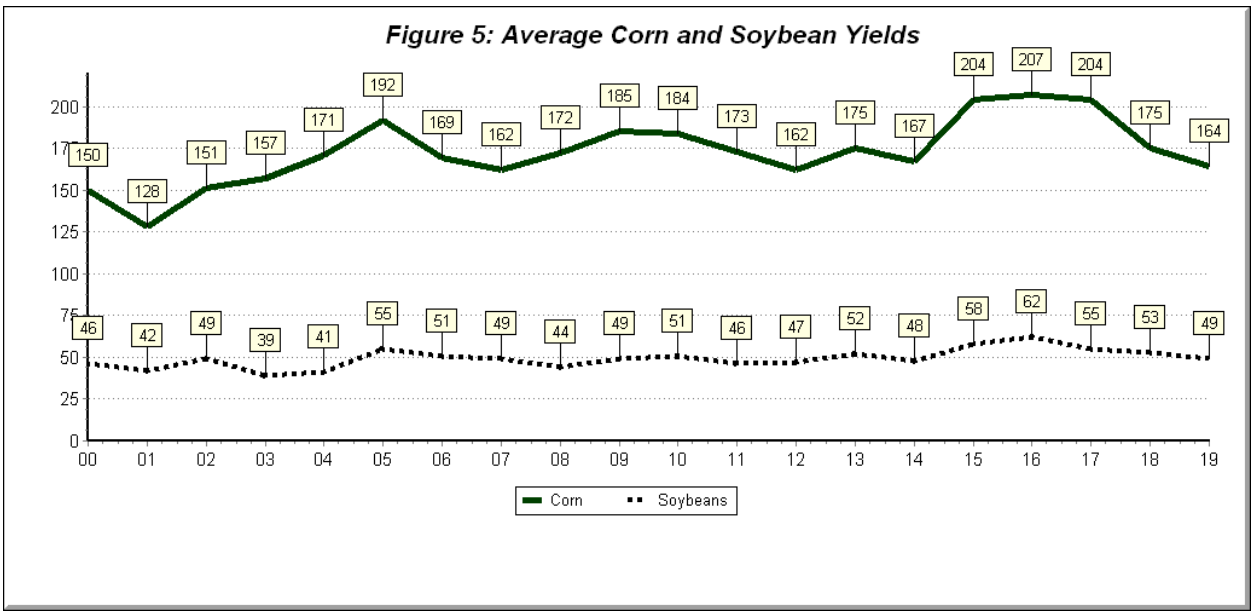


Figure 5: Average Corn and Soybean Yields
Corn
Soybeans

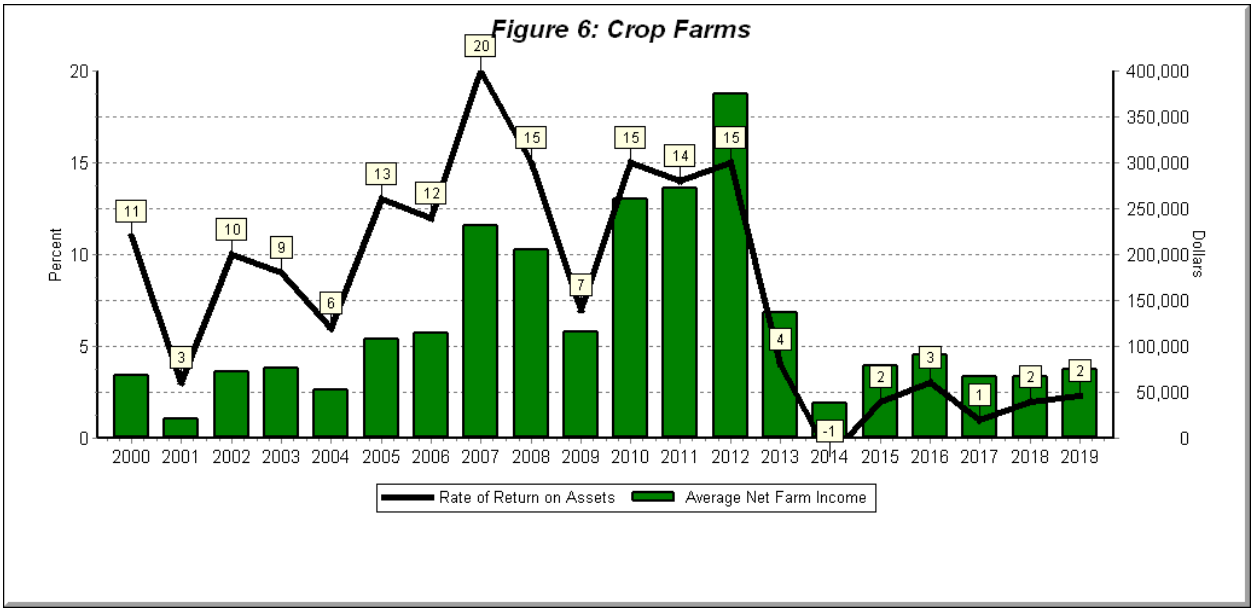


Figure 6: Crop Farms
Percent
Dollars
Rate of Return on Assets
Average Net Farm Income

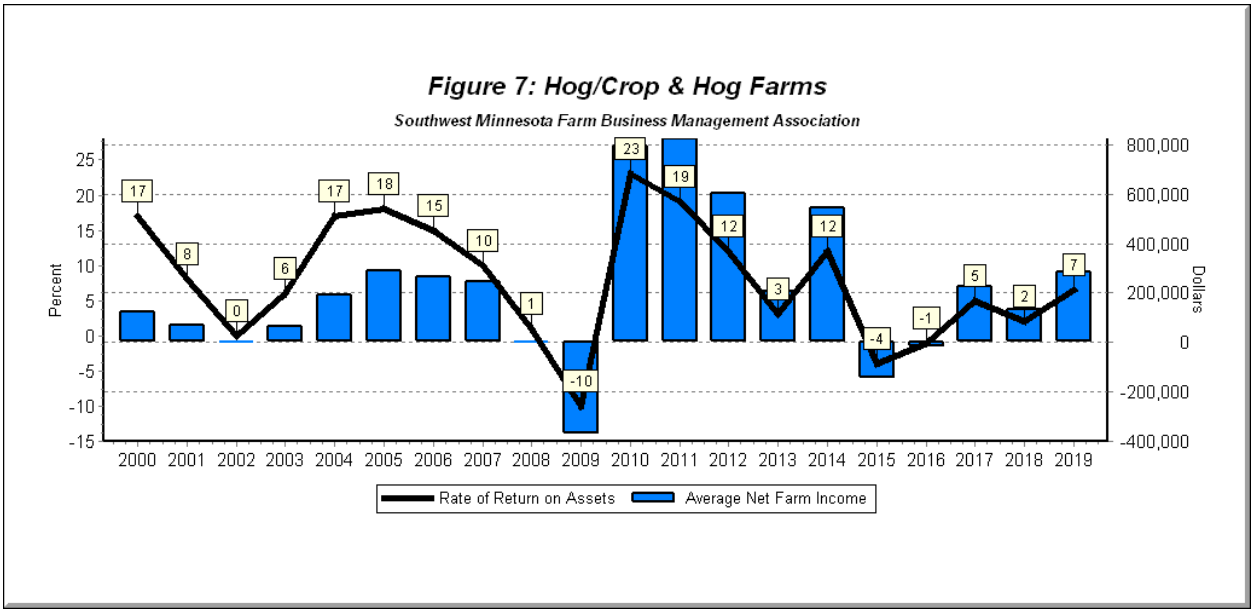


Figure 7: Hog/Crop & Hog Farms
Southwest Minnesota Farm Business Management Association
Percent
Dollars
Rate of Return on Assets
Average Net Farm Income

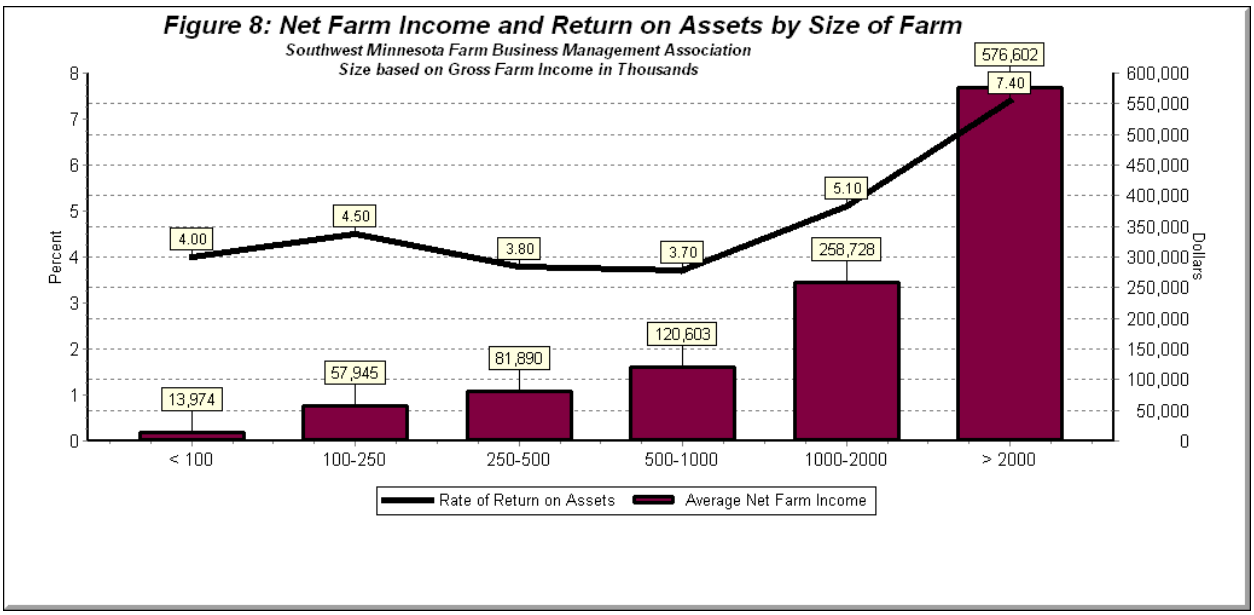


Figure 8: Net Farm Income and Return on Assets by Size of Farm
Southwest Minnesota Farm Business Management Association
Size based on Gross Farm Income in Thousands
Percent
Dollars
< 100
100-250
250-500
500-1000
1000-2000
> 2000
Rate of Return on Assets
Average Net Farm Income

Crops

- Association members harvested a smaller corn crop again in 2019. Corn yields were down another 6% from the previous year. Corn yields averaged 164 bushels per acre, down from 175 in 2018 and 201 in 2017. By comparison, the average corn yield for the ten prior years was 184 bushels per acre. Soybean yields were also down slightly again. Soybean yields averaged 49 bushels per acre as compared to 53 in 2018 and 55 in 2017. Soybean yields for 2019 were also lower than the previous ten-year average for association members. The ten-year average soybean yield is 52 bushels per acre.

- Crop prices continue to trend below beginning of the decade levels, but the average price received for corn improved for the year. The 2019 average price received was $3.58 per bushel. This is a 9% increase over 2018. This is the highest price received for corn sales since 2015. The price received for soybean cash sales was 8% lower than the previous year's price. The average soybean cash sale price for 2019 was $8.46 versus $9.20 in 2018. This price has continued to erode over the last three years. By year-end, corn prices had rallied further to $3.80. Soybean prices also improved to $8.90. Soybean prices have been challenged by large production and stocks nationwide and ongoing trade challenges with major export buyers.

- The cost to raise an acre of corn (with land rent) was $720 in 2019, an increase of $56 over 2018. The input costs for corn production have decreased over time though, decreasing 8% since 2013. The change in major expense items from the previous year was mixed. Corn seed expense remained constant and land rent expense decreased. Conversely, fertilizer expense increased by 22% and machinery expenses increased by 11% year over year. All other expenses also increased in total year over year, with an increase of 20% for all other expenses. Cash rental rates on corn and soybean acres continued to decline on average. The average cash rental rate was $203 per acre, down over 17% from highs experienced in 2013. Crop insurance payments and the USDA Market Facilitation Program (MFP) helped keep protect corn cost of production in 2019. The MFP payment alone provided approximately $0.50 a bushel for corn producers, thus helping profitability for association members.

- The cost to produce a bushel of corn on cash rented land increased by 3% this year to $3.90. Lower yields were the contributor to this increased cost of production. If the bin busting yields of from 2015-2017 would have continued, cost of production would have fallen to approximately $3.43, similar to 2017. Soybean costs per bushel increased dramatically from the previous year from $8.15 in 2018 to $9.38. The USDA Market Facilitation Program (MFP) helped shelter this increase as did steady production costs. But lower yields lead to an overall higher cost of production. The MFP payment was allocated on a county by county basis and equaled approximately $1.65 per bushel for soybeans again in 2019. This decreased cost of production by approximately $80 per acre in 2018. These costs include a charge for unpaid labor and management, but do not include a charge for equity capital.

Type of Farm

- Crop farm earnings continued to increase in 2019. Earnings went to $79,000 for crop farmers this past year, up from $68,000 in 2018. Gross cash farm income was down for crop farms in 2019. But lower cash farm expenses and less inventory change lead to increased earnings for the year. The difference was lower total cash farm expenses and a lower depreciation value. The value of inventories continued to decrease in 2019, an annual occurrence since 2012. The average crop farm earned a 3% rate of return on assets (Figure 6). After all costs of production, including a charge for unpaid operator labor and management, member farms lost an average of $18 per acre on cash rented corn production and lost an average of $27 per acre on rented soybean ground.

- Pork producers saw a more profitable year in 2019, compared to 2018. Specialized hog farms and hog/crop farms in the association (those farms with over 70% of gross income from sale of hogs or a combination of hogs and crops) made an average of $283,238 in 2019 as compared to profits of $132,326 in 2018. Prices for market hogs increased year over year, increasing to $50.22 per hundred pounds of live weight in 2019 as compared to the $49.75 received in 2018. The average pork producer made $7 for every $100 of assets invested (Figure 7).

- There were not enough specialized dairy or beef farms to summarize these farm types.

Size of Farm

- Net income increased with size of farm in 2019, as is typically the case (Figure 8). Farms with gross farm incomes over $2 million had the highest net farm income and the highest median net farm income as well.

- Rates of return were relatively consistent across size groups, with averages ranging from 4% to 7% for producers in 2019. The highest rates of return were achieved by the largest farms, those grossing over $2 million. These farms achieved a rate of return of 7.4%. The next highest rate of return was 5.1%, earned by farms grossing between $1 and $2 million. The smallest farms, those with gross income of less than $100,000 had stronger rates of return in 2019 as well, with a rate of return on assets of 4.5%.

Debt Level

- Of the 106 farms in the report, 39 had debt-to-asset ratios above 40%, up from 38 the previous year. Only 16 of those farms had debt-to-assets of greater than 60%, up from 11 farms the previous year.

- Those farms with debt-to-assets 40% and lower had the strongest current ratio and term debt coverage ratios of the association. This is to be expected with lower debt levels and stronger solvency positions.

Operator Age

- There were 27 farms whose principle operator was 40 years of age or less among the 106 farms included in the report. The 50 farms over the age of 60 saw the highest average net farm income of the group in 2019.

- Earnings did vary by age of operator. In 2019, those producers over the age of 40 saw higher average net farm income and rates of return on assets, as compared to their younger counterparts. The younger farm operators had the largest number of crop acres. Given the challenging profitability of crop producers in 2019, it is expected that these farms would have experienced lower profitability levels for the year.

Projected Profitability

The Projected Profitability report displays actual results for association members in 2019 along with projected financial results for 2020. Projected results are based on the authors' estimates of changes in revenue, operating expenses, interest rates, and asset values. Assumptions are displayed at the bottom of the page.

- **2019 All Farms Actual** – Average financial results for all farms in 2019. Balance sheet measures reflect the average position of association farms at the end of the year.

- **2019 Improved Margin Management** – Potential impacts of small changes in farm performance. If association farms had, on average, improved sales by 5% and cut costs by 5%, the net farm income of the average farm would have increased by over 50%.

- **2019 SW Association Crop Farms Actual** – Average financial results for the 67 crop farms in the association for 2019.

- **2020 SW Association Crop Farms Projected** – Even with expected higher crop yields, the average net income for member crop farms is expected to decrease in 2020 because of reduced government payments and lower commodity prices. Government payments and other crop income (like crop insurance) are expected to see decreases in this model, as the Market Facilitation Program is not expected to provide additional payments in 2020 and crop insurance indemnity payments will be reduced with a return to trendline yields. Operating expenses are expected to decrease slightly, aided by lower fuel at this time.

- **2019 Statewide Livestock Farms Actual** – Average financial results for the 629 farmers in the statewide database who received a major portion of their income from livestock and milk sales for 2019. This includes farms enrolled in Minnesota State Farm Business Management programs.

- **2020 Statewide Livestock Farms Projected** – Statewide livestock farm profits are projected to decrease on average in 2020. Hog producers are expected to see gains in revenue for the coming year, with higher sales prices and lower input costs. But, challenging profits for beef and dairy producers continue, with lower prices expected for both. Even with decreases in operating expenses for livestock producers, lower beef and milk prices are likely to lead to lower profitability for livestock producers during the year.

These decreased prices equate to this group of producers seeing the greatest negative change in profitability in the coming year.

The assumptions used to project these results are subjective. We offer these projections as a most likely scenario to help members consider management decisions in a period of tightening margins. Predictions at this time more challenging than usual, as the full impact of COVID-19 is not known.

Full Report

The complete report provides additional information on whole farm financial performance as well as detailed information on crop and livestock enterprise profitability. The report also includes whole-farm financial condition and performance by business size, type of farm, debt-to-asset ratio, and age of operator.

2019 Annual Report of the Southwest Minnesota[1] Farm Business Management Association

by

Pauline A. Van Nurden, Garen J. Paulson, Donald L. Nitchie,
Tonya L. Knorr, Rachel A. Purdy, and Dale W. Nordquist[2]

This report summarizes the individual farm records of the members of the Southwest Minnesota Farm Business Management Association for 2019.

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

Of the 112 farms in the Southwest Association, the data for 106 farms are included in this report. The rest were omitted because the records were incomplete at the time this report was prepared. In addition to this report, members receive an annual farm business analysis; on-farm instructional visits; end-of-year income tax planning and preparation; periodic meetings, tours, and seminars; a monthly newsletter; and other managerial and educational assistance. Each farmer pays an annual fee which covers much of the cost, with the balance defrayed by University of Minnesota Extension and research programs of the University of Minnesota.

The livestock enterprise summaries include data from both Southwest Minnesota Farm Management Association farms and Minnesota State Farm Business Management program farms. This provides a greater number of instances for each enterprise with the goal of providing more accurate benchmark information. Minnesota State FBM programs are distributed across the state and include over 2,150 participating farms. We thank the Minnesota State FBM program and participating producers for making this data available to be included in this report.

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[1]This report was partially funded by a Farm Business Management and Benchmarking Grant from the USDA National Institute of Food and Agriculture.

[2]Van Nurden, Purdy, and Nordquist are Extension Economists–Center for Farm Financial Management (CFFM), University of Minnesota, Twin Cities; Paulson is an Extension Educator—Ag Business Management for the Association; Nitchie and Knorr are financial analysts for the Association. Special thanks to Rann Loppnow, Software Development, CFFM; Katie Carr, Administrative Associate, CFFM; and Gretchen Thillen, Southwest Research and Outreach Center.

Southwest Minnesota Farm Business Management Association

Distribution of Membership -- 2019

County	Number of Farm Units	Number of Records Submitted
Brown	1	0
Cottonwood	15	14
Faribault	2	2
Jackson	16	13
Lyon	2	2
Martin	1	1
Murray	17	17
Nobles	23	21
Pipestone	10	12
Redwood	7	7
Rock	5	5
Wabasha	2	3
Watonwan	6	4
Others	5	5
TOTAL	112	106

Officers and Directors

Wesley Beck, President
Ryan Gravenhof, Vice President
Ian Sandager, Secretary-Treasurer

2019/2020 Southwest Minnesota Farm Business Management Association Directors:
Jason Diemer, Ben Fast, Justin Keller, Russell Gundermann, Alan Vander Lugt, and John Volk.

Southwest Minnesota Farm Business Management Association

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Whole-Farm Reports

The whole-farm reports summarize the financial performance of member farms in 2019. Each table includes the average of the 106 farms included in the report and the average 20 percent of the farms with the lowest and highest profits (based on Net Farm Income). Appendix I provides detail on how the whole-farm measures are calculated. Below is a short summary of the whole farm reports.

Financial Summary

The Financial Summary report provides a summary of the key financial measures and ratios included on the other detailed whole farm reports. All profitability and repayment capacity measures are based on accrual adjusted net farm income.

Financial Standards Measures

The Farm Financial Standards Council recommends farms use these twenty-one measures as standard measures of farm financial performance. Many are repeated from the Profitability, Liquidity, and Balance Sheet tables. For a complete description, see the Financial Guidelines for Agricultural Producers at http://www. ffsc. org/index. php/order-the-guidelines/

Farm Income Statement

The Income Statement calculates the accrual Net Farm Income generated by the average farm for year 2019. Net Farm Income is reported based on accrual adjustments to the cash income and expenses reported for the year. Net Farm Income is the income earned before any compensation for owner labor and management. If owner compensation was included in farm expenses, it has been excluded here to make all farms uniform. Net Farm Income represents the return to the operator's labor, management, and equity capital (net worth). It is the amount the farm contributed to owner family living, income taxes, and net worth growth. However, it does not include any asset appreciation, debt forgiveness or asset repossessions.

Profitability Measures

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

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

Liquidity and Repayment Capacity Measures

Liquidity reflects the ability of the farm to meet its financial obligations on time. *Current Ratio* is current farm assets divided by current farm liabilities. *Working Capital* is current farm assets minus current farm liabilities. Businesses with more working capital are generally in a better position to overcome short-term financial downturns or production problems. *Working Capital to Gross Income* measures liquidity relative to business size.

Repayment capacity measures the ability of the business to meet debt payments and replace capital assets. *Term Debt Coverage Ratio* measures the ability of the business to meet its scheduled debt payments. A term debt coverage ratio greater than 1.0 indicates that the business produced more than enough earnings to meet its scheduled debt payments. *Replacement Coverage Ratio* adds the need for capital replacement. A replacement coverage ratio greater than 1.0 indicates that the business produced more than enough earnings to meet its payments and replace its depreciable assets.

Balance Sheets

Balance sheet reports are included for both the cost and market value of assets. Current assets are identical in both tables, with crop and livestock inventories generally valued at market value. This conforms to the methodology recommended by the Farm Financial Standards Council. On the cost-based table, intermediate and long-term assets are shown at depreciated value using estimated economic, rather than tax, depreciation. On the market table, they are valued at estimated market value.

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

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

Statement of Cash Flows

The Statement of Cash Flows displays the sources and uses of cash for the year. *Cash From Operating Activities* includes sources and uses of cash related to normal farm operations. *Cash From Investing Activities* reflect cash used to buy and sell capital assets. *Cash From Financing Activities* includes sources and uses of borrowed funds as well as cash from non-farm activities.

Crop Production and Marketing

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

Household and Personal Expenses

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

Operator and Labor Information

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

Non-farm Summary

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

Projected Profitability

Based on the past year's results and the authors' estimates of changes in next year's production, prices and costs, this page projects the financial performance of these farms in the coming year.

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

	Avg. Of All Farms	*Low 20%*	*High 20%*
Number of farms	106	21	22
Income Statement			
Gross cash farm income	946,154	672,951	1,773,565
Total cash farm expense	783,687	607,090	1,494,366
Net cash farm income	162,466	65,861	279,199
Inventory change	52,089	-28,726	287,239
Depreciation	-71,520	-65,436	-124,478
Net farm income from operations	143,035	-28,302	441,959
Gain or loss on capital sales	1,969	-326	3,277
Average net farm income	145,004	-28,628	445,236
Median net farm income	91,895	-7,624	230,664
Profitability (cost)			
Rate of return on assets	4.8 %	-1.8 %	9.0 %
Rate of return on equity	4.9 %	-9.0 %	11.6 %
Operating profit margin	15.7 %	-6.4 %	27.4 %
Asset turnover rate	30.7 %	27.5 %	32.7 %
Liquidity & Repayment (end of year)			
Current assets	808,635	571,236	1,336,137
Current liabilities	389,388	500,396	620,197
Current ratio	2.08	1.14	2.15
Working capital	419,247	70,840	715,939
Change in working capital	78,098	-34,527	264,482
Working capital to gross inc	42.3 %	10.8 %	35.1 %
Term debt coverage ratio	2.31	0.54	3.32
Replacement coverage ratio	1.49	0.37	2.32
Term debt to EBITDA	1.94	5.10	1.59
Solvency (end of year at market)			
Number of farms	106	21	22
Total assets	4,344,977	2,604,691	7,372,372
Total liabilities	1,488,321	1,259,793	2,455,911
Net worth	2,856,656	1,344,897	4,916,462
Total net worth change	206,481	11,677	644,282
Farm debt to asset ratio	38 %	52 %	37 %
Total debt to asset ratio	34 %	48 %	33 %
Change in total net worth %	8 %	1 %	15 %
Nonfarm Information			
Net nonfarm income	47,034	51,022	40,840
Farms reporting living expenses	39	4	8
Total family living expense	66,585	-	67,308
Total living, invest, cap. purch	99,802	-	120,383
Crop Acres			
Total crop acres	940	678	1,323
Total crop acres owned	233	113	338
Total crop acres cash rented	659	551	909
Total crop acres share rented	48	14	76
Machinery value per crop acre	487	764	516

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

	Avg. Of All Farms	*Low 20%*	*High 20%*
Number of farms	106	21	22
Liquidity			
Current ratio	2.08	1.14	2.15
Working capital	419,247	70,840	715,939
Working capital to gross inc	42.3 %	10.8 %	35.1 %
Solvency (market)			
Farm debt to asset ratio	38 %	52 %	37 %
Farm equity to asset ratio	62 %	48 %	63 %
Farm debt to equity ratio	0.61	1.08	0.59
Profitability (cost)			
Rate of return on farm assets	4.8 %	-1.8 %	9.0 %
Rate of return on farm equity	4.9 %	-9.0 %	11.6 %
Operating profit margin	15.7 %	-6.4 %	27.4 %
Net farm income	145,004	-28,628	445,236
EBITDA	258,118	80,706	641,887
Repayment Capacity			
Capital debt repayment capacity	187,647	41,031	510,429
Capital debt repayment margin	106,279	-35,512	356,481
Replacement margin	62,091	-70,555	290,397
Term debt coverage ratio	2.31	0.54	3.32
Replacement coverage ratio	1.49	0.37	2.32
Efficiency			
Asset turnover rate (cost)	30.7 %	27.5 %	32.7 %
Operating expense ratio	74.0 %	87.7 %	68.5 %
Depreciation expense ratio	7.2 %	10.0 %	6.1 %
Interest expense ratio	4.4 %	6.7 %	3.7 %
Net farm income ratio	14.4 %	-4.3 %	21.7 %

Financial Summary
(Farms Sorted By Years)

	Avg. Of All Farms	*2016*	*2017*	*2018*	*2019*
Number of farms	414	103	104	101	106
Income Statement					
Gross cash farm income	918,451	918,546	941,931	865,101	946,154
Total cash farm expense	755,283	748,909	783,231	703,195	783,687
Net cash farm income	163,168	169,638	158,700	161,907	162,466
Inventory change	2,958	-8,515	-7,784	-25,846	52,089
Depreciation	-71,737	-71,987	-74,624	-68,737	-71,520
Net farm income from operations	94,388	89,136	76,292	67,324	143,035
Gain or loss on capital sales	3,683	-418	8,475	4,732	1,969
Average net farm income	98,072	88,717	84,767	72,056	145,004
Median net farm income	74,719	84,823	40,096	52,423	91,895
Profitability (cost)					
Rate of return on assets	2.8 %	2.5 %	1.9 %	1.7 %	4.8 %
Rate of return on equity	2.0 %	1.8 %	0.8 %	0.3 %	4.9 %
Operating profit margin	9.2 %	8.2 %	6.5 %	5.9 %	15.7 %
Asset turnover rate	30.1 %	30.9 %	29.7 %	29.0 %	30.7 %
Profitability (market)					
Rate of return on assets	2.7 %	2.0 %	2.6 %	1.8 %	4.2 %
Rate of return on equity	2.7 %	1.8 %	2.7 %	1.3 %	4.8 %
Operating profit margin	13.0 %	9.7 %	12.8 %	9.2 %	19.7 %
Asset turnover rate	20.6 %	21.2 %	20.3 %	19.8 %	21.2 %
Liquidity & Repayment (end of year)					
Current assets	803,135	825,230	803,844	774,100	808,635
Current liabilities	416,078	430,196	436,049	409,125	389,388
Current ratio	1.93	1.92	1.84	1.89	2.08
Working capital	387,057	395,033	367,795	364,975	419,247
Change in working capital	9,097	-32,986	-11,429	734	78,098
Working capital to gross inc	41.4 %	42.1 %	39.4 %	41.9 %	42.3 %
Term debt coverage ratio	1.56	1.41	1.27	1.25	2.31
Replacement coverage ratio	1.02	0.93	0.84	0.80	1.49
Term debt to EBITDA	2.27	2.22	2.44	2.65	1.94
Solvency (end of year at cost)					
Number of farms	414	103	104	101	106
Total assets	2,914,803	2,831,608	2,916,373	2,913,455	2,995,387
Total liabilities	965,463	937,759	988,053	960,176	975,256
Net worth	1,949,340	1,893,848	1,928,320	1,953,279	2,020,132
Net worth change	75,442	44,834	48,138	58,396	148,214
Farm debt to asset ratio	36 %	36 %	37 %	36 %	36 %
Total debt to asset ratio	33 %	33 %	34 %	33 %	33 %
Change in earned net worth %	4 %	2 %	3 %	3 %	8 %
Solvency (end of year at market)					
Number of farms	414	103	104	101	106
Total assets	4,189,673	4,028,119	4,196,248	4,184,664	4,344,977
Total liabilities	1,477,364	1,435,257	1,505,682	1,479,646	1,488,321
Net worth	2,712,309	2,592,862	2,690,566	2,705,017	2,856,656
Total net worth change	115,062	62,309	111,911	76,160	206,481
Farm debt to asset ratio	38 %	38 %	39 %	38 %	38 %
Total debt to asset ratio	35 %	36 %	36 %	35 %	34 %
Change in total net worth %	4 %	2 %	4 %	3 %	8 %
Nonfarm Information					
Net nonfarm income	41,614	39,590	38,552	41,141	47,034
Farms reporting living expenses	162	44	45	34	39
Total family living expense	70,527	73,384	69,964	72,096	66,585
Total living, invest, cap. purch	113,469	125,223	116,348	110,123	99,802
Crop Acres					
Total crop acres	941	939	940	947	940
Total crop acres owned	234	236	233	233	233
Total crop acres cash rented	659	651	661	665	659
Total crop acres share rented	49	53	46	48	48
Machinery value per crop acre	753	769	763	747	734

Financial Standards Measures
(Farms Sorted By Years)

	Avg. Of All Farms	*2016*	*2017*	*2018*	*2019*
Number of farms	414	103	104	101	106
Liquidity					
Current ratio	1.93	1.92	1.84	1.89	2.08
Working capital	387,057	395,033	367,795	364,975	419,247
Working capital to gross inc	41.4 %	42.1 %	39.4 %	41.9 %	42.3 %
Solvency (market)					
Farm debt to asset ratio	38 %	38 %	39 %	38 %	38 %
Farm equity to asset ratio	62 %	62 %	61 %	62 %	62 %
Farm debt to equity ratio	0.62	0.62	0.64	0.62	0.61
Profitability (cost)					
Rate of return on farm assets	2.8 %	2.5 %	1.9 %	1.7 %	4.8 %
Rate of return on farm equity	2.0 %	1.8 %	0.8 %	0.3 %	4.9 %
Operating profit margin	9.2 %	8.2 %	6.5 %	5.9 %	15.7 %
Net farm income	98,072	88,717	84,767	72,056	145,004
EBITDA	203,165	193,017	185,965	173,551	258,118
Repayment Capacity					
Capital debt repayment capacity	128,588	116,322	109,183	99,097	187,647
Capital debt repayment margin	46,214	33,969	23,019	19,549	106,279
Replacement margin	2,313	-8,573	-21,026	-25,293	62,091
Term debt coverage ratio	1.56	1.41	1.27	1.25	2.31
Replacement coverage ratio	1.02	0.93	0.84	0.80	1.49
Efficiency					
Asset turnover rate (cost)	30.1 %	30.9 %	29.7 %	29.0 %	30.7 %
Operating expense ratio	78.2 %	79.4 %	80.1 %	80.1 %	74.0 %
Depreciation expense ratio	7.7 %	7.7 %	8.0 %	7.9 %	7.2 %
Interest expense ratio	4.0 %	3.4 %	3.8 %	4.3 %	4.4 %
Net farm income ratio	10.1 %	9.5 %	8.2 %	7.7 %	14.4 %

Summary Farm Income Statement
(Farms Sorted By Years)

	Avg. Of All Farms	*2016*	*2017*	*2018*	*2019*
Number of farms	414	103	104	101	106
Crop sales	485,592	539,346	510,971	498,364	396,291
Crop inventory change	-9,702	18,976	-7,062	-48,444	-3,243
Gross crop income	475,891	558,323	503,909	449,920	393,049
Livestock sales	300,581	288,169	341,813	240,734	329,212
Livestock inventory change	7,943	2,159	-5,349	21,640	13,554
Gross livestock income	308,524	290,328	336,464	262,374	342,766
Government payments	36,596	22,681	18,951	32,905	70,944
Other cash farm income	95,682	68,351	70,196	93,098	149,706
Change in accounts receivable	7,831	-6,523	2,556	22,450	13,026
Gain or loss on hedging accounts	1,925	3,575	-6,947	3,297	7,720
Change in other assets	5,725	1,036	5,299	2,781	13,506
Gain or loss on breeding lvst	1,807	-269	2,304	4,229	1,029
Gross farm income	933,981	937,500	932,732	871,054	991,746
Cash operating expenses	719,475	718,186	749,677	667,269	740,838
Change in prepaids and supplies	7,943	13,474	3,483	19,733	-4,289
Change in growing crops	-9	-110	94	-538	491
Change in accounts payable	3,408	12,934	-6,487	11,039	-3,412
Depreciation	71,737	71,987	74,624	68,737	71,520
Total operating expense	802,553	816,471	821,391	766,240	805,148
Interest paid	35,808	30,723	33,554	35,925	42,849
Change in accrued interest	1,231	1,171	1,495	1,565	714
Total interest expense	37,040	31,894	35,049	37,490	43,563
Total expenses	839,593	848,365	856,440	803,731	848,711
Net farm income from operations	94,388	89,136	76,292	67,324	143,035
Gain or loss on capital sales	3,683	-418	8,475	4,732	1,969
Net farm income	98,072	88,717	84,767	72,056	145,004

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

	Avg. Of All Farms	*Low 20%*	*High 20%*
Number of farms	106	21	22
Cash Farm Income			
Corn	225,668	146,208	272,468
Corn Silage	4,495	198	17,706
Hay, All Types	4,999	3,636	14,316
Oats	892	-	-
Peas, Processing	301	-	1,452
Sorghum Silage	771	-	3,713
Soybeans	150,798	154,443	199,481
Soybeans Seed	2,742	-	-
Sweet Corn, Processing	2,716	-	13,085
Wheat, Spring	150	389	-
Barley	407	-	-
Other Crops	1,082	-	-
Miscellaneous crop income	1,176	-476	-
Beef Cow-Calf, Beef Calves	1,662	5,717	1,484
Beef Finishing	65,618	169,712	92,011
Dairy, Milk	94,244	-	418,552
Dairy, Dairy Calves	2,376	-	8,905
Dairy Replacement Heifers	3,903	-	-
Dairy Finishing	12,669	63,544	-
Hogs, Feeder Pig Prod, Feeder Pigs	758	-	-
Hogs, Finish Feeder Pigs	6,858	4,698	19,183
Sheep, Feeder Lamb Prod, Fdr Lambs	336	-	-
Sheep, Market Lamb Prod, Mkt Lambs	3,378	-	-
Hogs, Weaning to Finish	133,703	-	342,797
Cull breeding livestock	2,524	1,002	8,263
Misc. livestock income	4,261	-	1,944
Crop government payments	3,448	1,057	4,794
CRP payments	960	101	1,924
Livestock govt payments	2,200	-	8,474
Other government payments	64,336	49,565	98,390
Custom work income	19,673	4,372	58,588
Patronage dividends, cash	8,451	6,551	16,320
Crop insurance income	66,515	23,588	60,061
Property insurance income	1,492	2,883	620
Contract livestock income	26,427	22,704	51,941
Other farm income	24,167	13,061	57,096
Gross Cash Farm Income	946,154	672,951	1,773,565

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

	Avg. Of All Farms	*Low 20%*	*High 20%*
Number of farms	106	21	22
Cash Farm Expense			
Seed and plants	64,908	50,948	110,206
Fertilizer	57,495	37,616	86,165
Crop chemicals	30,721	32,309	34,994
Non-chemical crop protect	486	-	2,341
Crop insurance	13,326	10,423	21,050
Drying expense	8,689	4,610	11,415
Storage	515	5	620
Crop miscellaneous	1,530	1,255	4,012
Consultants	2,335	1,195	3,015
Feeder livestock purchase	101,382	118,779	209,749
Purchased feed	117,038	56,494	334,030
Breeding fees	2,057	338	8,055
Veterinary	7,746	8,890	19,006
Supplies	5,285	1,035	18,313
Contract production exp.	17,524	-	49,567
Livestock insurance	666	-	3,211
Grazing fees	214	1,080	-
Interest	42,849	42,197	75,271
Fuel & oil	24,062	15,542	38,731
Repairs	45,114	32,071	71,603
Custom hire	15,787	10,579	36,746
Hired labor	24,989	9,649	57,855
Land rent	132,372	127,059	171,303
Machinery leases	15,193	5,219	33,333
Building leases	2,200	3,374	5,282
Real estate taxes	8,508	3,066	16,491
Farm insurance	11,674	8,845	19,461
Utilities	10,446	4,696	21,409
Hauling and trucking	4,398	4,268	12,413
Marketing	2,391	4,416	2,108
Dues & professional fees	5,864	4,603	8,342
Purchase of resale items	458	1,932	-
Miscellaneous	5,461	4,596	8,273
Total cash expense	783,687	607,090	1,494,366
Net cash farm income	162,466	65,861	279,199
Inventory Changes			
Prepaids and supplies	4,289	-17,520	4,474
Accounts receivable	13,026	10,948	35,991
Hedging accounts	7,720	-13,383	19,531
Other current assets	-614	-581	106
Crops and feed	-3,243	5,769	77,827
Market livestock	13,554	-19,617	63,750
Breeding livestock	1,029	-1,184	8,371
Other assets	13,629	-149	60,651
Accounts payable	3,412	8,366	16,717
Accrued interest	-714	-1,374	-179
Total inventory change	52,089	-28,726	287,239
Net operating profit	214,555	37,135	566,438
Depreciation			
Machinery and equipment	-49,211	-49,676	-82,526
Titled vehicles	-3,231	-2,482	-4,039
Buildings and improvements	-19,079	-13,278	-37,914
Total depreciation	-71,520	-65,436	-124,478
Net farm income from operations	143,035	-28,302	441,959
Gain or loss on capital sales	1,969	-326	3,277
Net farm income	145,004	-28,628	445,236

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

	Avg. Of All Farms	*Low 20%*	*High 20%*
Number of farms	106	21	22
Profitability (assets valued at cost)			
Net farm income from operations	143,035	-28,302	441,959
Rate of return on assets	4.8 %	-1.8 %	9.0 %
Rate of return on equity	4.9 %	-9.0 %	11.6 %
Operating profit margin	15.7 %	-6.4 %	27.4 %
Asset turnover rate	30.7 %	27.5 %	32.7 %
Farm interest expense	43,563	43,571	75,449
Value of operator lbr and mgmt.	65,146	45,813	107,083
Return on farm assets	121,452	-30,543	410,326
Average farm assets	2,519,443	1,737,085	4,574,283
Return on farm equity	77,889	-74,115	334,876
Average farm equity	1,598,124	824,172	2,893,573
Value of farm production	772,867	477,547	1,495,907

	Avg. Of All Farms	*Low 20%*	*High 20%*
Number of farms	106	21	22
Profitability (assets valued at market)			
Net farm income from operations	173,907	7,967	471,577
Rate of return on assets	4.2 %	0.2 %	7.3 %
Rate of return on equity	4.8 %	-3.3 %	9.9 %
Operating profit margin	19.7 %	1.2 %	29.4 %
Asset turnover rate	21.2 %	20.6 %	24.7 %
Farm interest expense	43,563	43,571	75,449
Value of operator lbr and mgmt.	65,146	45,813	107,083
Return on farm assets	152,323	5,725	439,944
Average farm assets	3,650,358	2,322,736	6,053,475
Return on farm equity	108,760	-37,846	364,494
Average farm equity	2,248,850	1,132,687	3,682,830
Value of farm production	772,867	477,547	1,495,907

Liquidity & Repayment Capacity Measures
Southwest Minnesota Farm Business Management Association
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	*Low 20%*	*High 20%*
Number of farms	106	21	22
Liquidity			
Current ratio	2.08	1.14	2.15
Working capital	419,247	70,840	715,939
Working capital to gross inc	42.3 %	10.8 %	35.1 %
Current assets	808,635	571,236	1,336,137
Current liabilities	389,388	500,396	620,197
Gross revenues (accrual)	991,746	654,753	2,039,686
Repayment capacity			
Net farm income from operations	143,035	-28,302	441,959
Depreciation	71,520	65,436	124,478
Personal income	47,034	51,022	40,840
Family living/owner withdrawals	-74,905	-58,729	-103,320
Cash discrepancy	-162	-84	-128
Payments on personal debt	-3,258	-3,195	-4,643
Income taxes paid	-20,948	-6,267	-39,353
Interest on term debt	25,330	21,149	50,595
Capital debt repayment capacity	187,647	41,031	510,429
Scheduled term debt payments	-81,368	-76,543	-153,948
Capital debt repayment margin	106,279	-35,512	356,481
Cash replacement allowance	-44,188	-35,043	-66,084
Replacement margin	62,091	-70,555	290,397
Term debt coverage ratio	2.31	0.54	3.32
Replacement coverage ratio	1.49	0.37	2.32

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

	Avg. Of All Farms		*Low 20%*		*High 20%*	
Number of farms	106		21		22	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	70,669	82,468	6,803	22,990	130,422	94,820
Prepaid expenses & supplies	91,439	95,729	67,943	50,423	151,579	156,054
Growing crops	513	22	0	0	0	106
Accounts receivable	55,969	68,995	11,577	22,525	158,432	194,423
Hedging accounts	6,788	12,311	11,960	12,448	4,838	17,667
Crops held for sale or feed	433,290	430,047	304,934	310,703	593,563	671,390
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	105,453	119,008	171,690	152,073	137,927	201,677
Other current assets	177	54	655	74	0	0
Total current farm assets	764,299	808,635	575,562	571,236	1,176,761	1,336,137
Intermediate Farm Assets						
Breeding livestock	49,951	52,551	33,590	34,048	145,268	170,800
Machinery and equipment	674,094	670,032	658,088	666,744	1,041,296	1,040,032
Titled vehicles	35,572	34,659	25,150	23,777	37,281	38,532
Other intermediate assets	73,414	84,395	46,116	41,768	220,436	297,468
Total intermediate farm assets	833,030	841,638	762,945	766,337	1,444,281	1,546,831
Long Term Farm Assets						
Farm land	1,385,198	1,474,365	628,971	661,251	2,025,985	2,166,880
Buildings and improvements	540,504	553,538	318,882	321,127	1,071,906	1,121,093
Other long-term assets	46,880	52,630	13,095	26,065	99,208	117,869
Total long-term farm assets	1,972,583	2,080,533	960,948	1,008,443	3,197,099	3,405,842
Total Farm Assets	3,569,912	3,730,805	2,299,455	2,346,016	5,818,141	6,288,809
Total Nonfarm Assets	546,803	614,172	238,092	258,675	941,209	1,083,563
Total Assets	4,116,715	4,344,977	2,537,547	2,604,691	6,759,350	7,372,372
Liabilities						
Current Farm Liabilities						
Accrued interest	13,884	14,598	16,026	17,400	21,893	22,072
Accounts payable	37,226	33,814	23,142	14,776	96,841	80,125
Current notes	316,001	287,057	375,634	412,905	503,215	415,010
Government crop loans	0	0	0	0	0	0
Principal due on term debt	56,038	53,918	55,394	55,315	103,353	102,990
Total current farm liabilities	423,150	389,388	470,195	500,396	725,304	620,197
Total intermediate farm liabs	108,366	107,202	147,778	132,874	177,557	191,182
Total long term farm liabilities	391,133	423,401	264,054	310,529	844,618	802,560
Total farm liabilities	922,648	919,991	882,026	943,799	1,747,479	1,613,940
Total nonfarm liabilities	53,015	55,265	35,095	29,972	63,915	78,010
Total liabs excluding deferreds	975,663	975,256	917,122	973,771	1,811,393	1,691,950
Total deferred liabilities	490,877	513,065	287,206	286,023	675,777	763,961
Total liabilities	1,466,540	1,488,321	1,204,327	1,259,793	2,487,170	2,455,911
Retained earnings	1,871,918	2,020,132	997,123	965,321	3,069,857	3,646,698
Market valuation equity	778,257	836,524	336,096	379,576	1,202,323	1,269,764
Net worth (farm and nonfarm)	2,650,175	2,856,656	1,333,220	1,344,897	4,272,180	4,916,462
Net worth excluding deferreds	3,141,052	3,369,721	1,620,426	1,630,920	4,947,957	5,680,422
Net worth change		206,481		11,677		644,282
Percent net worth change		8 %		1 %		15 %
Ratio Analysis						
Current farm liabilities / assets	55 %	48 %	82 %	88 %	62 %	46 %
Intermediate farm liab. / assets	13 %	13 %	19 %	17 %	12 %	12 %
Long term farm liab. / assets	20 %	20 %	27 %	31 %	26 %	24 %
Total debt to asset ratio	36 %	34 %	47 %	48 %	37 %	33 %
Debt to assets excl deferreds	24 %	22 %	36 %	37 %	27 %	23 %

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

	Avg. Of All Farms		Low 20%		High 20%	
Number of farms	106		21		22	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	70,669	82,468	6,803	22,990	130,422	94,820
Prepaid expenses & supplies	91,439	95,729	67,943	50,423	151,579	156,054
Growing crops	513	22	0	0	0	106
Accounts receivable	55,969	68,995	11,577	22,525	158,432	194,423
Hedging accounts	6,788	12,311	11,960	12,448	4,838	17,667
Crops held for sale or feed	433,290	430,047	304,934	310,703	593,563	671,390
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	105,453	119,008	171,690	152,073	137,927	201,677
Other current assets	177	54	655	74	0	0
Total current farm assets	764,299	808,635	575,562	571,236	1,176,761	1,336,137
Intermediate Farm Assets						
Breeding livestock	43,891	43,989	28,101	29,591	142,954	153,855
Machinery and equipment	456,038	443,605	515,973	501,156	712,452	701,288
Titled vehicles	21,268	19,861	16,792	14,882	22,085	22,092
Other intermediate assets	63,906	77,459	26,725	26,567	218,731	296,854
Total intermediate farm assets	585,103	584,913	587,591	572,196	1,096,222	1,174,090
Long Term Farm Assets						
Farm land	699,280	766,754	310,112	334,366	1,279,117	1,393,295
Buildings and improvements	368,915	369,300	243,472	238,300	737,036	750,198
Other long-term assets	44,208	47,480	14,174	27,160	102,696	103,014
Total long-term farm assets	1,112,403	1,183,534	567,758	599,826	2,118,848	2,246,508
Total Farm Assets	2,461,805	2,577,082	1,730,911	1,743,258	4,391,831	4,756,734
Total Nonfarm Assets	385,776	418,306	183,334	195,834	489,419	581,913
Total Assets	2,847,581	2,995,387	1,914,245	1,939,092	4,881,250	5,338,648
Liabilities						
Current Farm Liabilities						
Accrued interest	13,884	14,598	16,026	17,400	21,893	22,072
Accounts payable	37,226	33,814	23,142	14,776	96,841	80,125
Current notes	316,001	287,057	375,634	412,905	503,215	415,010
Government crop loans	0	0	0	0	0	0
Principal due on term debt	56,038	53,918	55,394	55,315	103,353	102,990
Total current farm liabilities	423,150	389,388	470,195	500,396	725,304	620,197
Total intermediate farm liabs	108,366	107,202	147,778	132,874	177,557	191,182
Total long term farm liabilities	391,133	423,401	264,054	310,529	844,618	802,560
Total farm liabilities	922,648	919,991	882,026	943,799	1,747,479	1,613,940
Total nonfarm liabilities	53,015	55,265	35,095	29,972	63,915	78,010
Total liabilities	975,663	975,256	917,122	973,771	1,811,393	1,691,950
Net worth (farm and nonfarm)	1,871,918	2,020,132	997,123	965,321	3,069,857	3,646,698
Net worth change		148,214		-31,802		576,841
Percent net worth change		8 %		-3 %		19 %
Ratio Analysis						
Current farm liabilities / assets	55 %	48 %	82 %	88 %	62 %	46 %
Intermediate farm liab. / assets	19 %	18 %	25 %	23 %	16 %	16 %
Long term farm liab. / assets	35 %	36 %	47 %	52 %	40 %	36 %
Total debt to asset ratio	34 %	33 %	48 %	50 %	37 %	32 %

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

	Avg. Of All Farms	*Low 20%*	*High 20%*
Number of farms	106	21	22
Beginning cash (farm & nonfarm)	80,694	20,407	133,064
Cash Provided By Operating Activities			
Gross cash farm income	946,154	672,951	1,773,565
Total cash farm expense	-783,687	-607,090	-1,494,366
Net cash from hedging transactions	2,197	-13,871	6,702
Cash provided by operating	164,663	51,990	285,901
Cash Provided By Investing Activities			
Sale of breeding livestock	3,183	3,904	-
Sale of machinery & equipment	17,757	20,488	50,723
Sale of titled vehicles	383	-	591
Sale of farm land	1,891	-	655
Sale of farm buildings	-	-	-
Sale of other farm assets	3,505	362	267
Sale of nonfarm assets	4,512	1,464	3,865
Purchase of breeding livestock	-2,252	-6,579	-2,531
Purchase of machinery & equip.	-53,750	-55,673	-119,462
Purchase of titled vehicles	-2,288	-571	-4,637
Purchase of farm land	-68,101	-24,255	-114,187
Purchase of farm buildings	-19,463	-8,107	-51,076
Purchase of other farm assets	-6,701	-13,339	-18,058
Purchase of nonfarm assets	-16,654	-9,014	-27,831
Cash provided by investing	-137,977	-91,320	-281,683
Cash Provided By Financing Activities			
Money borrowed	563,562	441,676	842,385
Principal payments	-566,004	-377,625	-958,153
Personal income	47,034	51,022	40,840
Family living/owner withdrawals	-74,887	-58,633	-103,320
Income and social security tax	-16,436	-6,684	-26,509
Capital contributions	9,075	2,347	41,482
Capital distributions	-440	-	-747
Dividends paid	-19	-95	-
Cash gifts and inheritances	29,273	6,280	124,116
Gifts given	-3,537	-	-
Other cash flows	-	-	-
Cash provided by financing	-12,378	58,287	-39,905
Net change in cash balance	14,307	18,956	-35,687
Ending cash (farm & nonfarm)	94,840	39,279	97,249
Discrepancy	162	84	128

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

	Avg. Of All Farms	*Low 20%*	*High 20%*
Number of farms	106	21	22
Acreage Summary			
Total acres owned	235	133	363
Total crop acres	940	678	1,323
Crop acres owned	233	113	338
Crop acres cash rented	659	551	909
Crop acres share rented	48	14	76
Total pasture acres	11	40	-
Percent crop acres owned	25 %	17 %	26 %
Mach invest/crop acre cost	487	764	516
Mach invest/crop acre market	734	1,003	763
Average Price Received (Cash Sales Only)			
Soybeans per bushel	8.46	8.32	8.55
Corn per bushel	3.58	3.47	3.66
Hay per ton	110.01	-	-
Oats per bushel	2.81	-	-
Corn Silage per ton	30.90	-	-
Hay, Alfalfa per ton	97.94	-	-
Average Yield Per Acre			
Soybeans (bushel)	48.61	48.68	52.37
Corn (bushel)	164.13	156.45	176.90
Corn Silage (ton)	18.02	-	18.16
Hay, Alfalfa (ton)	4.87	-	5.23
Hay, Grass (ton)	2.49	1.92	-
Oats (bushel)	87.24	-	-

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

	Avg. Of All Farms	*High 20%*
Number of farms	39	8
Average family size	2.9	3.4
Family Living Expenses		
Food and meals expense	8,973	9,840
Medical care	4,353	6,110
Health insurance	6,311	8,562
Cash donations	4,692	6,645
Household supplies	6,565	7,991
Clothing	2,675	1,951
Personal care	1,027	1,037
Child / Dependent care	815	71
Alimony and child support	-	-
Gifts	4,788	1,606
Education	858	1,810
Recreation	5,022	6,736
Utilities (household share)	3,310	3,752
Personal vehicle operating exp	3,832	2,772
Household real estate taxes	465	625
Dwelling rent	76	33
Household repairs	1,795	2,033
Personal interest	1,238	1,091
Disability / Long term care ins	315	106
Life insurance payments	2,840	2,079
Personal property insurance	985	1,418
Miscellaneous	5,418	1,040
Total cash family living expense	66,354	67,308
Family living from the farm	231	-
Total family living	66,585	67,308
Other Nonfarm Expenditures		
Income taxes	22,367	36,105
Furnishing & appliance purchases	577	-
Nonfarm vehicle purchases	2,139	3,349
Nonfarm real estate purchases	-	-
Other nonfarm capital purchases	1,292	-2,644
Nonfarm savings & investments	7,073	16,265
Total other nonfarm expenditures	33,449	53,075
Total cash family living investment & nonfarm capital purch	99,802	120,383

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

	Avg. Of All Farms	*Low 20%*	*High 20%*
Number of farms	106	21	22
Operator Information			
Average number of operators	1.2	1.1	1.4
Average age of operators	53.4	49.5	53.7
Average number of years farming	29.3	22.8	31.6
Results Per Operator			
Working capital	347,189	64,680	525,022
Total assets (market)	3,598,184	2,378,196	5,406,406
Total liabilities	1,232,516	1,150,246	1,801,001
Net worth (market)	2,365,668	1,227,950	3,605,405
Net worth excl deferred liabs	2,790,550	1,489,101	4,165,643
Gross farm income	821,289	597,818	1,495,769
Total farm expense	702,839	623,658	1,171,666
Net farm income from operations	118,451	-25,841	324,104
Net nonfarm income	38,950	46,585	29,950
Family living & tax withdrawals	79,512	59,421	104,721
Total acres owned	195.0	121.4	265.9
Total crop acres	778.6	619.0	970.2
Crop acres owned	193.2	102.9	248.2
Crop acres cash rented	545.9	503.0	666.7
Crop acres share rented	39.5	13.0	55.4
Total pasture acres	9.1	36.8	-
Labor Analysis			
Number of farms	106	21	22
Total unpaid labor hours	2,144	1,635	3,151
Total hired labor hours	958	341	2,055
Total labor hours per farm	3,103	1,976	5,206
Unpaid hours per operator	1,776	1,492	2,311
Value of farm production / hour	249.10	241.71	287.32
Net farm income / unpaid hour	66.70	-17.31	140.25
Average hourly hired labor wage	26.43	26.80	26.81

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

	Avg. Of All Farms	*Low 20%*	*High 20%*
Number of farms	106	21	22
Nonfarm Income			
Personal wages & salary	25,763	26,381	28,665
Net nonfarm business income	2,850	8,033	1,133
Personal rental income	4,038	5,894	2,185
Personal interest income	1,188	374	556
Personal cash dividends	81	292	58
Tax refunds	918	600	353
Other nonfarm income	12,195	9,447	7,890
Total nonfarm income	47,034	51,022	40,840
Gifts and inheritances	29,273	6,280	124,116
Nonfarm Assets (market)			
Checking & savings	12,371	16,289	2,428
Stocks & bonds	45,970	17,326	16,687
Other current assets	3,085	1,138	5,078
Furniture & appliances	10,268	5,443	11,883
Nonfarm vehicles	20,846	9,679	22,775
Cash value of life ins.	20,648	10,067	19,890
Retirement accounts	164,031	69,625	181,465
Other intermediate assets	101,753	35,943	406,298
Nonfarm real estate	121,583	54,268	121,360
Personal bus. investment	60,907	-	258,684
Other long term assets	52,709	38,897	37,014
Total nonfarm assets	614,172	258,675	1,083,563
Nonfarm Liabilities			
Accrued interest	104	137	132
Accounts payable	891	165	463
Current notes	75	-	363
Princ due on term debt	3,231	2,817	5,023
Total current liabilities	24,117	8,629	39,066
Intermediate liabilities	4,750	7,006	6,448
Long term liabilities	26,398	14,337	32,497
Total nonfarm liabilities	55,265	29,972	78,010
Nonfarm net worth	558,907	228,703	1,005,553
Nonfarm debt to asset ratio	9 %	12 %	7 %

Projected Profitability
Southwest Minnesota Farm Business Management Association

	2019 SW Assn Actual	2019 Improved Margin Mgmt.	2019 SW Assn Crop Farms Actual	2020 SW Assn Crop Farms Projected	2019 Statewide Lvst Farms Actual	2020 Statewide Lvst Farms Projected
Liquidity						
Current ratio	2.1	2.2	2.4	2.1	1.6	1.5
Working capital to gross	42%	44%	61%	56%	18%	14%
Solvency[1]						
Debt to asset	25%	24%	23%	23%	37%	38%
Debt to equity	0.33	0.32	0.29	0.30	0.59	0.61
Profitability						
Rate of return on assets[2]	3%	6%	2%	0%	3%	1%
Operating profit margin	16%	25%	8%	-2%	12%	3%
Net farm income[3]	$140,558	$231,000	$76,249	$25,000	$91,285	$32,000
Repayment capacity						
Term debt coverage	2.3	3.4	1.9	1.0	1.5	0.9
Replacement coverage	1.5	2.2	1.1	0.5	1.2	0.7
Efficiency						
Asset turnover rate	21%	23%	21%	19%	28%	24%
Operating expense ratio	74%	67%	75%	82%	84%	88%
Net worth growth						
Net worth change	7%	10%	4%	2%	6%	2%

Projected Changes	2018 All Farms Actual	2018 Improved Margin Mgmt.	2018 SW Assn Crop Farms Actual	2019 SW Assn Crop Farms Projected	2018 Statewide Lvst Farms Actual	2018 Statewide Lvst Farms Projected
Gross income	-	+5%	-	-10%	-	-12%
Operating expenses	-	-5%	-	-1%	-	-7%
Interest rates	-	0%	-	-1%	-	-1%
Current assets	-	+5%	-	-10%	-	-11%
Noncurrent assets	-	0%	-	0%	-	0%

[1] Assets at estimated market value excluding deferred liabilities.
[2] Assets at estimated market value, returns excluding change in market valuation.
[3] Differs from previous tables because Owner Wages and Benefits are treated as expenses. In previous tables, owner wages and benefits are moved to Value of Operator Labor and Management to improve comparative analysis.

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Crop Reports

The Crop Enterprise Analysis tables show the average physical production, gross return, direct costs, overhead costs, and net returns per acre. There are potentially three tables for each crop depending on the farmer's tenure on the land: owned land, cash rented land, and share rented land. Farms are classified into low 20% or high 20% based on net return per acre. The classification is done separately for each table.

Gross Return per Acre includes the value of the crop produced plus any other income directly associated with production of the crop, including hedging gains or losses, crop insurance proceeds and any disaster payments that might have been received. It does not include government payments that are decoupled from production such as ARC and PLC payments (see Net Return with Government Payments).

The *Value per Unit* is assigned by the producer. For cash crops, the value is based on the actual sales price for production sold or contracted before year-end and the inventory value for crops still in inventory at year-end. The local harvest-time price is used for forages and other feed crops.

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

Net Return with Government Payments is the net return per acre after decoupled government payments such as ARC and PLC payments have been added. These payments are generally allocated evenly per acre across all crops except vegetables and pasture.

Net Return Over Labor and Management is the return, including government payments, remaining after deducting an opportunity cost for unpaid operator labor and management. This is the per acre return to equity capital.

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

Machinery Cost per Acre includes fuel and oil, repairs, custom hire, machinery lease payments, machinery depreciation, and interest on intermediate debt.

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

Corn on Owned Land

	Avg. Of All Farms	Low 20%	High 20%
Number of farms	56	11	12
Acres	164.44	124.33	171.13
Yield per acre (bu.)	162.48	157.31	161.67
Operators share of yield %	100.00	100.00	100.00
Value per bu.	3.82	3.79	3.82
Total product return per acre	620.95	595.78	617.15
Hedging gains/losses per acre	0.17	1.78	-0.44
Crop insurance per acre	67.04	40.03	157.97
Other crop income per acre	75.85	71.71	81.21
Gross return per acre	764.00	709.31	855.90
Direct Expenses			
Seed and plants	114.89	124.97	112.25
Fertilizer	109.90	127.42	101.92
Crop chemicals	32.44	41.28	39.91
Crop insurance	15.05	12.23	20.55
Drying expense	20.46	16.90	14.49
Storage	0.44	-	0.74
Fuel & oil	21.43	21.50	21.25
Repairs	47.04	46.83	47.32
Custom hire	12.88	18.06	22.25
Hired labor	4.02	2.97	5.52
Machinery leases	1.22	1.10	1.14
Utilities	1.65	2.66	3.25
Hauling and trucking	0.25	0.69	0.68
Marketing	0.90	0.08	0.85
Operating interest	12.92	23.94	13.13
Miscellaneous	3.10	0.40	1.57
Total direct expenses per acre	398.60	441.01	406.83
Return over direct exp per acre	365.40	268.30	449.07
Overhead Expenses			
Hired labor	5.45	12.82	1.44
Machinery leases	2.88	2.69	0.02
Building leases	0.70	4.07	0.35
RE & pers. property taxes	29.65	30.61	26.44
Farm insurance	10.71	13.95	8.39
Utilities	6.45	5.77	6.84
Dues & professional fees	4.84	8.03	3.20
Interest	73.59	100.11	53.99
Mach & bldg depreciation	71.29	74.72	61.92
Miscellaneous	4.16	7.43	3.01
Total overhead expenses per acre	209.72	260.21	165.62
Total dir & ovhd expenses per acre	608.32	701.22	572.45
Net return per acre	155.68	8.09	283.45
Government payments	6.98	3.33	4.18
Net return with govt pmts	162.66	11.42	287.63
Labor & management charge	56.47	60.37	53.32
Net return over lbr & mgt	106.19	-48.95	234.31
Cost of Production			
Total direct expense per bu.	2.45	2.80	2.52
Total dir & ovhd exp per bu.	3.74	4.46	3.54
Less govt & other income	2.82	3.71	2.04
With labor & management	3.17	4.10	2.37
Net value per unit	3.82	3.80	3.81
Machinery cost per acre	148.48	157.01	147.76
Est. labor hours per acre	2.41	3.15	2.17

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

Corn on Cash Rent

	Avg. Of All Farms	Low 20%	High 20%
Number of farms	78	15	16
Acres	326.62	496.20	213.88
Yield per acre (bu.)	165.90	155.51	167.08
Operators share of yield %	100.00	100.00	100.00
Value per bu.	3.80	3.79	3.83
Other product return per acre	0.09	-	-
Total product return per acre	630.03	589.52	639.58
Hedging gains/losses per acre	0.06	0.35	-
Crop insurance per acre	54.33	45.29	126.51
Other crop income per acre	72.18	57.88	79.99
Gross return per acre	756.60	693.03	846.08
Direct Expenses			
Seed and plants	110.64	115.77	104.99
Fertilizer	110.66	95.75	113.29
Crop chemicals	33.97	35.52	36.88
Crop insurance	18.25	15.51	22.06
Drying expense	23.97	30.07	15.71
Storage	0.60	1.64	0.71
Fuel & oil	23.69	27.36	19.71
Repairs	39.10	45.10	30.24
Custom hire	11.75	5.92	16.71
Hired labor	6.68	9.91	1.06
Land rent	204.67	223.49	172.37
Machinery leases	5.37	10.92	2.18
Hauling and trucking	0.76	0.18	0.39
Marketing	1.39	1.62	3.27
Operating interest	16.49	23.06	7.73
Miscellaneous	2.91	3.65	0.71
Total direct expenses per acre	610.89	645.48	548.00
Return over direct exp per acre	145.71	47.55	298.08
Overhead Expenses			
Hired labor	3.58	2.95	4.51
Machinery leases	7.36	1.01	9.00
Building leases	1.76	3.09	6.17
Farm insurance	10.51	9.94	7.92
Utilities	5.87	5.40	6.28
Dues & professional fees	7.84	12.10	4.34
Interest	5.80	6.48	2.98
Mach & bldg depreciation	61.51	74.09	53.87
Miscellaneous	5.17	7.61	6.89
Total overhead expenses per acre	109.39	122.66	101.95
Total dir & ovhd expenses per acre	720.28	768.14	649.95
Net return per acre	36.31	-75.11	196.13
Government payments	4.63	2.03	1.13
Net return with govt pmts	40.94	-73.08	197.26
Labor & management charge	58.76	56.30	61.92
Net return over lbr & mgt	-17.82	-129.38	135.34
Cost of Production			
Total direct expense per bu.	3.68	4.15	3.28
Total dir & ovhd exp per bu.	4.34	4.94	3.89
Less govt & other income	3.55	4.26	2.65
With labor & management	3.90	4.62	3.02
Net value per unit	3.80	3.79	3.83
Machinery cost per acre	147.08	162.28	129.10
Est. labor hours per acre	2.29	2.39	2.54

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

Corn on Share Rent

	Avg. Of All Farms
Number of farms	15
Acres	134.15
Yield per acre (bu.)	156.24
Operators share of yield %	51.96
Value per bu.	3.78
Total product return per acre	306.90
Crop insurance per acre	55.31
Other crop income per acre	41.43
Gross return per acre	403.64
Direct Expenses	
Seed and plants	61.22
Fertilizer	59.56
Crop chemicals	22.55
Crop insurance	10.23
Drying expense	10.19
Storage	0.27
Fuel & oil	20.39
Repairs	34.61
Custom hire	9.00
Hired labor	5.11
Machinery leases	2.29
Marketing	1.36
Operating interest	11.29
Miscellaneous	2.24
Total direct expenses per acre	250.30
Return over direct exp per acre	153.34
Overhead Expenses	
Hired labor	7.87
Machinery leases	0.47
Building leases	2.59
Farm insurance	6.66
Utilities	4.20
Dues & professional fees	3.81
Interest	4.43
Mach & bldg depreciation	53.14
Miscellaneous	5.04
Total overhead expenses per acre	88.21
Total dir & ovhd expenses per acre	338.51
Net return per acre	65.13
Government payments	0.81
Net return with govt pmts	65.94
Labor & management charge	59.17
Net return over lbr & mgt	6.77
Cost of Production	
Total direct expense per bu.	3.08
Total dir & ovhd exp per bu.	4.17
Less govt & other income	2.97
With labor & management	3.70
Net value per unit	3.78
Machinery cost per acre	120.24
Est. labor hours per acre	2.21

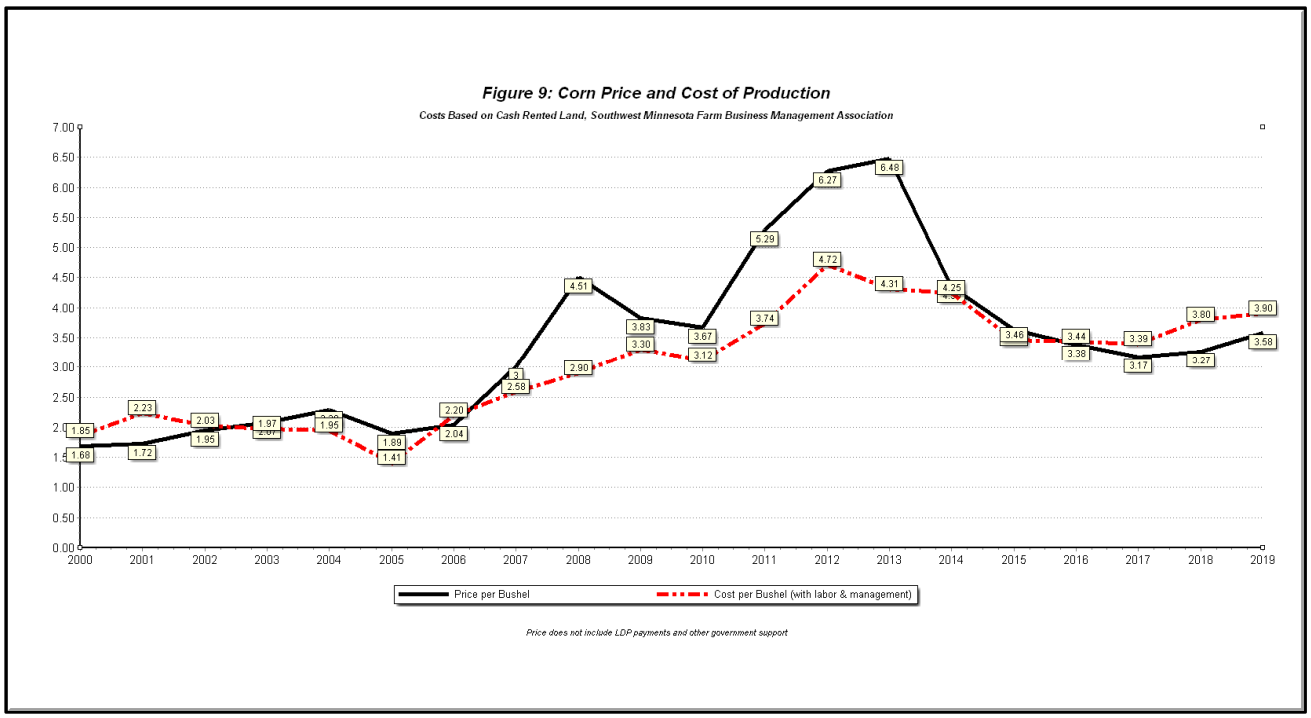
Figure 9: Corn Price and Cost of Production
Costs Based on Cash Rented Land, Southwest Minnesota Farm Business Management Association
Price per Bushel
Cost per Bushel (with labor & management)
Price does not include LDP payments and other government support

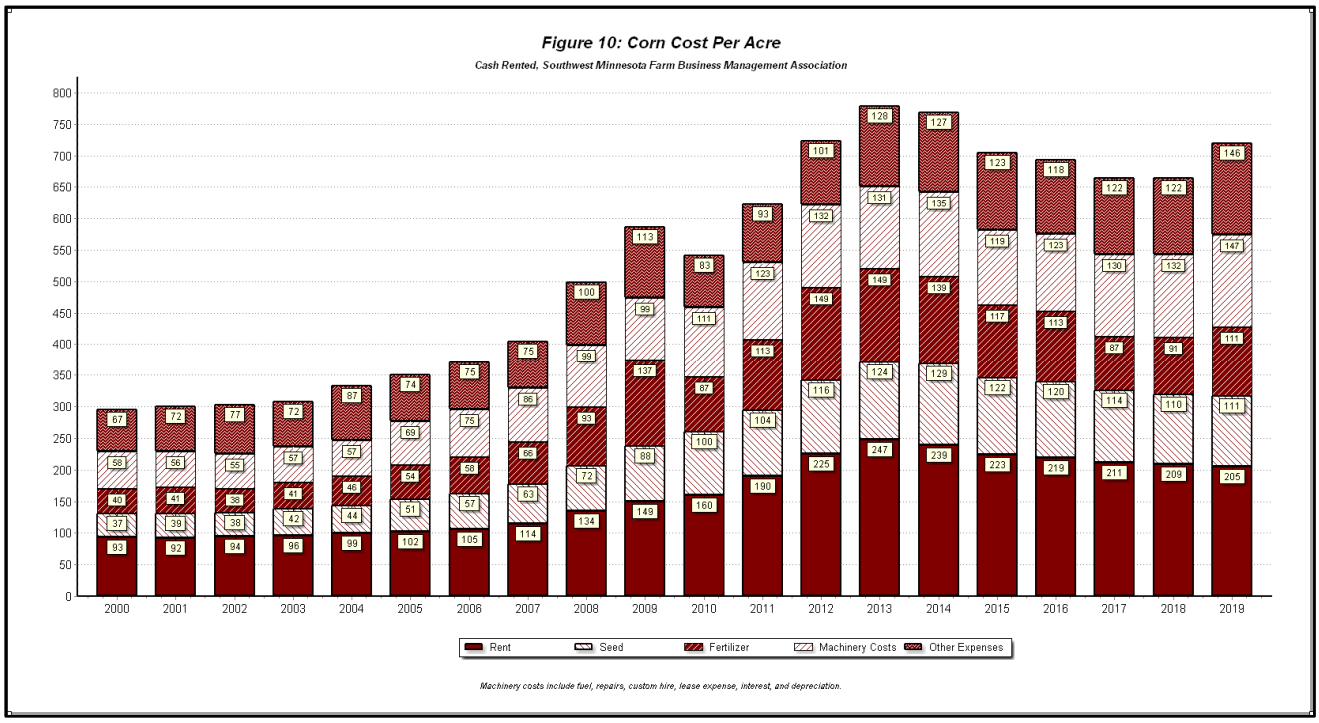
Figure 10: Corn Cost Per Acre
Cash Rented, Southwest Minnesota Farm Business Management Association
Rent
Seed
Fertilizer
Machinery Costs
Other Expenses
Machinery costs include fuel, repairs, custom hire, lease expense, interest, and depreciation.

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

Soybeans on Owned Land

	Avg. Of All Farms	Low 20%	High 20%
Number of farms	53	10	11
Acres	163.16	210.96	139.66
Yield per acre (bu.)	49.28	43.62	55.49
Operators share of yield %	100.00	100.00	100.00
Value per bu.	8.87	8.82	8.87
Total product return per acre	437.02	384.74	491.99
Crop insurance per acre	11.73	9.30	6.34
Other crop income per acre	74.14	76.22	81.90
Gross return per acre	522.90	470.27	580.23
Direct Expenses			
Seed and plants	54.97	54.00	51.49
Fertilizer	26.85	29.74	21.05
Crop chemicals	39.03	42.51	38.68
Crop insurance	15.70	18.96	18.96
Storage	0.56	-	0.05
Fuel & oil	18.52	16.12	19.47
Repairs	41.17	55.71	43.24
Custom hire	8.28	4.78	10.25
Hired labor	3.84	5.05	3.10
Machinery leases	2.29	8.96	0.39
Utilities	0.85	-	2.75
Marketing	0.87	1.13	1.07
Operating interest	9.69	18.45	4.96
Miscellaneous	3.32	1.99	0.43
Total direct expenses per acre	225.94	257.40	215.90
Return over direct exp per acre	296.95	212.86	364.34
Overhead Expenses			
Hired labor	5.11	4.86	0.95
Machinery leases	1.36	1.70	0.05
Building leases	0.76	2.81	0.44
RE & pers. property taxes	25.57	23.61	18.65
Farm insurance	9.53	8.16	11.76
Utilities	5.13	3.83	4.75
Dues & professional fees	4.09	3.65	7.28
Interest	65.51	116.34	17.74
Mach & bldg depreciation	53.29	48.73	44.51
Miscellaneous	3.72	5.45	1.74
Total overhead expenses per acre	174.07	219.13	107.87
Total dir & ovhd expenses per acre	400.01	476.54	323.77
Net return per acre	122.89	-6.27	256.47
Government payments	4.24	6.65	5.25
Net return with govt pmts	127.13	0.38	261.71
Labor & management charge	47.40	42.75	46.64
Net return over lbr & mgt	79.73	-42.37	215.07
Cost of Production			
Total direct expense per bu.	4.58	5.90	3.89
Total dir & ovhd exp per bu.	8.12	10.92	5.84
Less govt & other income	6.29	8.81	4.15
With labor & management	7.25	9.79	4.99
Net value per unit	8.87	8.82	8.87
Machinery cost per acre	117.99	128.00	111.20
Est. labor hours per acre	2.20	1.64	2.56

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

Soybeans on Cash Rent

	Avg. Of All Farms	Low 20%	High 20%
Number of farms	81	16	17
Acres	347.65	235.49	216.56
Yield per acre (bu.)	48.36	43.63	54.03
Operators share of yield %	100.00	100.00	100.00
Value per bu.	8.83	8.89	8.93
Total product return per acre	427.19	387.91	482.60
Hedging gains/losses per acre	0.04	-	0.34
Crop insurance per acre	21.72	13.50	22.52
Other crop income per acre	79.57	68.74	86.63
Gross return per acre	528.52	470.16	592.09
Direct Expenses			
Seed and plants	54.10	50.00	51.72
Fertilizer	23.90	28.77	29.89
Crop chemicals	43.28	42.17	43.18
Crop insurance	17.14	12.56	16.65
Storage	0.45	-	0.81
Fuel & oil	19.92	17.47	15.78
Repairs	33.42	37.58	21.42
Custom hire	8.15	4.77	10.44
Hired labor	8.18	5.61	1.25
Land rent	201.69	228.94	167.68
Machinery leases	10.94	4.10	3.12
Hauling and trucking	0.20	-	0.61
Marketing	1.70	0.71	2.13
Operating interest	13.87	20.38	4.51
Miscellaneous	3.35	5.19	0.06
Total direct expenses per acre	440.30	458.24	369.26
Return over direct exp per acre	88.22	11.91	222.83
Overhead Expenses			
Hired labor	2.92	5.61	3.10
Machinery leases	4.81	2.37	1.85
Building leases	1.24	4.55	2.67
Farm insurance	6.97	8.52	6.97
Utilities	4.11	2.45	6.52
Dues & professional fees	4.40	2.39	2.93
Interest	3.30	9.01	1.71
Mach & bldg depreciation	41.63	63.74	46.50
Miscellaneous	3.42	2.84	4.73
Total overhead expenses per acre	72.80	101.47	76.98
Total dir & ovhd expenses per acre	513.10	559.71	446.24
Net return per acre	15.42	-89.56	145.85
Government payments	3.24	5.36	2.93
Net return with govt pmts	18.66	-84.20	148.77
Labor & management charge	45.22	44.29	55.13
Net return over lbr & mgt	-26.56	-128.49	93.64
Cost of Production			
Total direct expense per bu.	9.10	10.50	6.83
Total dir & ovhd exp per bu.	10.61	12.83	8.26
Less govt & other income	8.45	10.82	6.18
With labor & management	9.38	11.84	7.20
Net value per unit	8.83	8.89	8.94
Machinery cost per acre	116.38	129.92	95.16
Est. labor hours per acre	1.84	1.62	2.22

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

Soybeans on Share Rent

	Avg. Of All Farms
Number of farms	14
Acres	153.46
Yield per acre (bu.)	48.98
Operators share of yield %	52.55
Value per bu.	8.77
Total product return per acre	225.69
Crop insurance per acre	32.06
Other crop income per acre	45.52
Gross return per acre	303.27
Direct Expenses	
Seed and plants	32.67
Fertilizer	16.52
Crop chemicals	32.99
Crop insurance	14.31
Fuel & oil	15.96
Repairs	32.56
Custom hire	9.69
Hired labor	3.26
Machinery leases	1.62
Marketing	0.64
Operating interest	7.59
Miscellaneous	1.01
Total direct expenses per acre	168.82
Return over direct exp per acre	134.45
Overhead Expenses	
Hired labor	6.25
Building leases	2.08
Farm insurance	5.82
Utilities	3.90
Dues & professional fees	2.81
Interest	3.10
Mach & bldg depreciation	42.28
Miscellaneous	3.52
Total overhead expenses per acre	69.77
Total dir & ovhd expenses per acre	238.58
Net return per acre	64.69
Government payments	0.89
Net return with govt pmts	65.57
Labor & management charge	50.89
Net return over lbr & mgt	14.69
Cost of Production	
Total direct expense per bu.	6.56
Total dir & ovhd exp per bu.	9.27
Less govt & other income	6.22
With labor & management	8.20
Net value per unit	8.77
Machinery cost per acre	100.92
Est. labor hours per acre	2.18

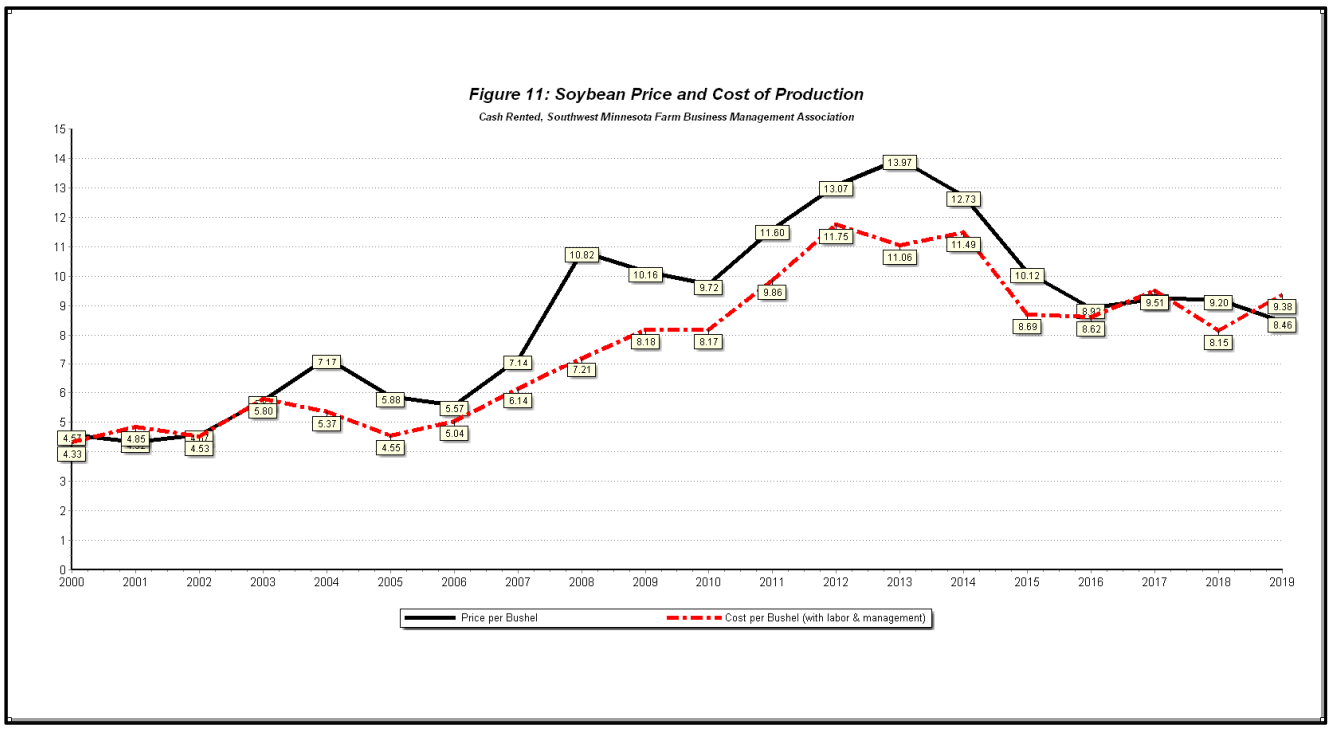
Figure 11: Soybean Price and Cost of Production
Cash Rented, Southwest Minnesota Farm Business Management Association
Price per Bushel
Cost per Bushel (with labor & management)

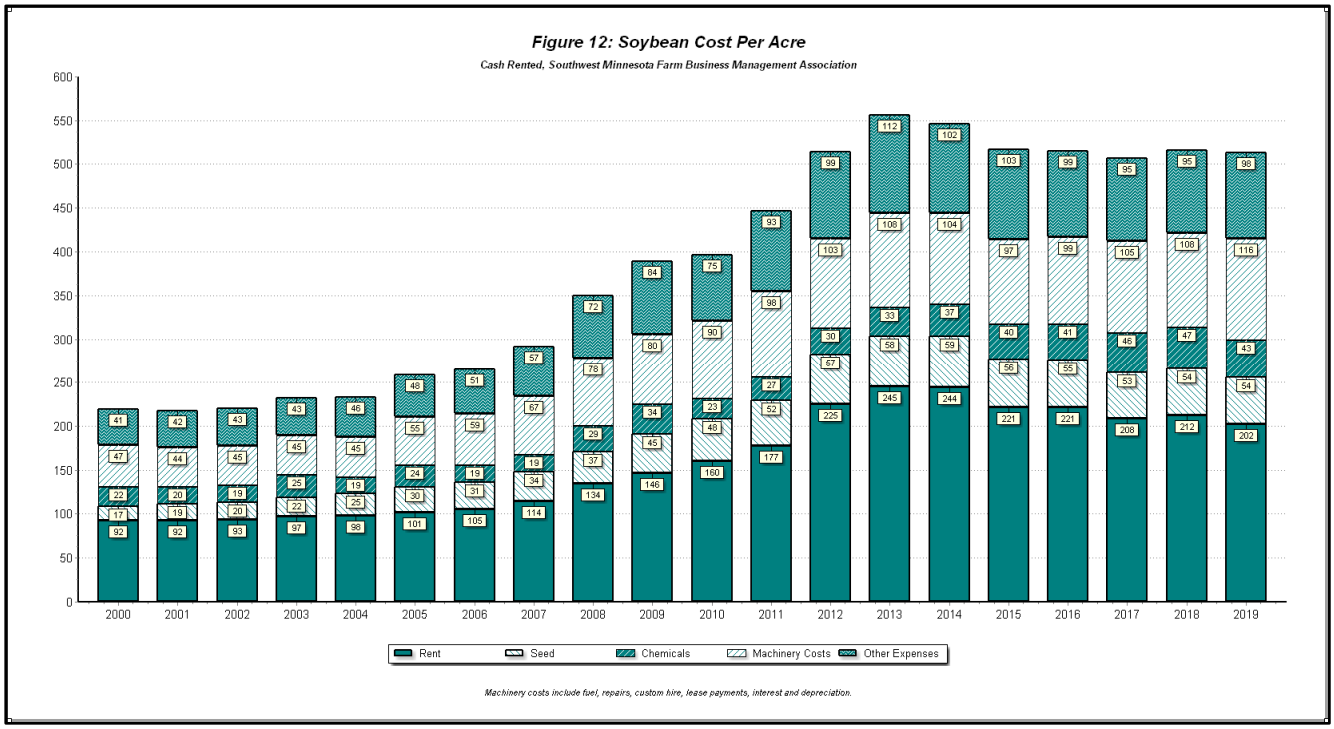
Figure 12: Soybean Cost Per Acre
Cash Rented, Southwest Minnesota Farm Business Management Association
Rent
Seed
Chemicals
Machinery Costs
Other Expenses
Machinery costs include fuel, repairs, custom hire, lease payments, interest and depreciation.

Crop Enterprise Analysis
Southwest Minnesota Farm Business Management Association
(Farms Sorted By Crop Tenure Type)

Corn Silage

	Owned Land	*Cash Rent*
Number of farms	13	9
Acres	135.07	77.27
Yield per acre (ton)	17.54	18.31
Operators share of yield %	100.00	100.00
Value per ton	32.94	32.97
Total product return per acre	577.60	603.61
Crop insurance per acre	98.78	73.61
Other crop income per acre	71.25	65.79
Gross return per acre	747.63	743.02
Direct Expenses		
Seed and plants	93.22	80.71
Fertilizer	103.98	112.49
Crop chemicals	25.18	21.80
Crop insurance	12.16	9.83
Fuel & oil	18.99	14.40
Repairs	29.22	30.05
Custom hire	21.14	2.10
Hired labor	5.51	2.76
Land rent	-	214.94
Machinery leases	4.14	4.18
Operating interest	9.79	10.55
Miscellaneous	2.79	6.59
Total direct expenses per acre	326.13	510.40
Return over direct exp per acre	421.50	232.62
Overhead Expenses		
Hired labor	2.28	2.46
Machinery leases	6.24	18.34
RE & pers. property taxes	31.56	-
Farm insurance	4.34	5.47
Utilities	3.81	7.56
Dues & professional fees	3.13	1.88
Interest	51.34	3.85
Mach & bldg depreciation	73.38	69.90
Miscellaneous	2.35	2.26
Total overhead expenses per acre	178.42	111.72
Total dir & ovhd expenses per acre	504.55	622.12
Net return per acre	243.08	120.89
Government payments	1.70	2.69
Net return with govt pmts	244.78	123.58
Labor & management charge	53.71	58.10
Net return over lbr & mgt	191.07	65.48
Cost of Production		
Total direct expense per ton	18.60	27.88
Total dir & ovhd exp per ton	28.77	33.98
Less govt & other income	18.98	26.22
With labor & management	22.04	29.39
Net value per unit	32.94	32.97
Machinery cost per acre	150.47	130.37
Est. labor hours per acre	1.76	2.23

Crop Enterprise Analysis
Southwest Minnesota Farm Business Management Association
(Farms Sorted By Crop Tenure Type)

Hay, Alfalfa

	Owned Land	*Cash Rent*
Number of farms	10	9
Acres	64.63	65.64
Yield per acre (ton)	5.38	4.98
Operators share of yield %	100.00	100.00
Value per ton	140.86	133.70
Total product return per acre	758.09	665.58
Other crop income per acre	71.32	68.31
Gross return per acre	829.41	733.89
Direct Expenses		
Seed and plants	9.69	5.25
Fertilizer	77.71	83.39
Crop chemicals	5.38	3.28
Crop insurance	1.35	0.24
Fuel & oil	22.86	18.20
Repairs	29.46	23.34
Custom hire	22.33	8.05
Hired labor	3.11	1.98
Land rent	-	222.21
Machinery leases	4.69	4.89
Operating interest	8.70	6.41
Miscellaneous	0.82	4.13
Total direct expenses per acre	146.10	381.35
Return over direct exp per acre	683.31	352.54
Overhead Expenses		
Hired labor	3.63	0.01
Machinery leases	4.91	0.01
Building leases	1.78	-
RE & pers. property taxes	40.47	-
Farm insurance	9.14	6.10
Utilities	6.46	5.42
Dues & professional fees	3.77	2.07
Interest	106.16	5.17
Mach & bldg depreciation	94.43	71.55
Miscellaneous	2.82	3.09
Total overhead expenses per acre	188.04	93.43
Total dir & ovhd expenses per acre	334.14	474.78
Net return per acre	495.27	259.12
Government payments	1.57	1.31
Net return with govt pmts	496.85	260.43
Labor & management charge	56.92	66.71
Net return over lbr & mgt	439.93	193.72
Cost of Production		
Total direct expense per ton	27.15	76.60
Total dir & ovhd exp per ton	62.09	95.37
Less govt & other income	48.54	81.39
With labor & management	59.12	94.78
Net value per unit	140.86	133.70
Machinery cost per acre	145.15	124.40
Est. labor hours per acre	1.88	2.10

Crop Enterprise Analysis
Southwest Minnesota Farm Business Management Association
(Farms Sorted By Crop Tenure Type)

CRP

	Owned Land	*Cash Rent*
Number of farms	10	5
Acres	33.33	32.74
Gross return per acre	144.48	190.64
Direct Expenses		
Crop chemicals	1.22	9.35
Fuel & oil	2.63	2.30
Repairs	3.55	5.35
Land rent	-	104.27
Operating interest	1.47	1.18
Total direct expenses per acre	8.64	122.46
Return over direct exp per acre	135.84	68.18
Overhead Expenses		
Machinery leases	0.58	1.20
RE & pers. property taxes	23.62	-
Farm insurance	0.69	1.55
Utilities	0.76	0.73
Dues & professional fees	0.57	0.98
Interest	8.53	0.63
Mach & bldg depreciation	10.90	7.25
Miscellaneous	1.00	0.10
Total overhead expenses per acre	42.82	12.44
Total dir & ovhd expenses per acre	51.46	134.89
Net return per acre	93.02	55.75
Government payments	-	-
Net return with govt pmts	93.02	55.75
Labor & management charge	7.58	6.66
Net return over lbr & mgt	85.44	49.09
Net value per unit	1.09	2.16
Machinery cost per acre	16.10	16.02
Est. labor hours per acre	0.29	0.40

Crop Enterprise Analysis
Southwest Minnesota Farm Business Management Association
(Farms Sorted By Crop Tenure Type)

Prevented planting

	Owned Land	*Cash Rent*	*Share Rent*
Number of farms	23	36	6
Acres	78.42	258.09	45.86
Yield per acre	257.11	304.06	258.85
Operators share of yield %	100.00	100.00	56.73
Value per 0	1.00	1.00	1.00
Other product return per acre	-	1.45	-
Total product return per acre	257.11	305.51	146.85
Crop insurance per acre	134.10	96.61	35.86
Other crop income per acre	34.02	29.39	29.78
Gross return per acre	425.23	431.51	212.48
Direct Expenses			
Seed and plants	12.27	16.62	12.89
Fertilizer	13.47	4.03	-
Crop chemicals	6.34	6.44	1.54
Crop insurance	15.61	13.71	15.52
Fuel & oil	12.11	13.01	11.68
Repairs	19.88	21.73	21.71
Custom hire	5.65	0.84	7.45
Hired labor	6.20	13.51	0.62
Land rent	-	223.66	-
Machinery leases	9.83	29.29	28.75
Marketing	1.08	2.81	-
Operating interest	5.47	9.16	6.38
Miscellaneous	3.44	3.59	0.11
Total direct expenses per acre	105.24	355.02	65.98
Return over direct exp per acre	319.99	76.49	146.50
Overhead Expenses			
Hired labor	2.06	0.78	0.00
Machinery leases	1.98	0.53	1.12
Building leases	0.00	0.19	1.54
RE & pers. property taxes	30.94	-	-
Farm insurance	6.97	3.33	5.21
Utilities	3.56	1.63	2.86
Dues & professional fees	2.19	1.99	4.67
Interest	63.78	1.32	2.04
Mach & bldg depreciation	39.44	17.49	52.77
Miscellaneous	4.67	1.52	1.94
Total overhead expenses per acre	154.46	28.37	39.75
Total dir & ovhd expenses per acre	259.70	383.39	105.73
Net return per acre	165.53	48.12	106.75
Government payments	2.01	1.51	5.32
Net return with govt pmts	167.54	49.64	112.07
Labor & management charge	37.96	24.65	28.53
Net return over lbr & mgt	129.59	24.98	83.53
Net value per unit	1.00	1.00	1.00
Machinery cost per acre	81.78	80.64	67.87
Est. labor hours per acre	1.61	1.07	1.23

Crop Enterprise Analysis
(Farms Sorted By Years)
Southwest Minnesota Farm Business Management Association
Corn on Cash Rent

	Avg. Of All Farms	2016	2017	2018	2019
Number of farms	338	87	88	85	78
Acres	365.73	377.44	379.21	375.67	326.62
Yield per acre (bu.)	188.67	206.92	200.58	175.62	165.90
Operators share of yield %	100.00	100.00	100.00	100.00	100.00
Value per bu.	3.29	3.09	3.08	3.39	3.80
Other product return per acre	0.07	-	0.07	0.10	0.09
Total product return per acre	620.24	638.63	617.97	595.87	630.03
Hedging gains/losses per acre	1.02	1.54	-0.59	2.93	0.06
Crop insurance per acre	27.01	6.08	16.34	37.89	54.33
Other crop income per acre	22.15	10.08	9.10	8.28	72.18
Gross return per acre	670.41	656.33	642.82	644.97	756.60
Direct Expenses					
Seed	113.83	119.82	113.94	110.10	110.64
Fertilizer	99.86	113.19	87.12	90.85	110.66
Crop chemicals	31.36	33.07	29.13	29.86	33.97
Crop insurance	16.38	16.28	16.26	15.10	18.25
Drying expense	14.16	6.52	14.92	13.40	23.97
Storage	0.84	0.67	1.22	0.81	0.60
Fuel & oil	21.82	17.28	21.13	25.73	23.69
Repairs	37.14	34.88	37.11	37.94	39.10
Custom hire	9.07	8.26	9.73	7.07	11.75
Hired labor	3.05	0.46	0.52	5.45	6.68
Land rent	211.14	218.68	211.17	208.52	204.67
Machinery leases	5.96	7.30	9.01	1.88	5.37
Hauling and trucking	0.60	0.82	0.35	0.50	0.76
Marketing	1.94	2.47	2.38	1.37	1.39
Operating interest	12.94	11.67	11.69	12.72	16.49
Miscellaneous	3.30	3.92	2.71	3.59	2.91
Total direct expenses per acre	583.39	595.29	568.39	564.88	610.89
Return over direct exp per acre	87.03	61.04	74.43	80.09	145.71
Overhead Expenses					
Hired labor	8.31	9.73	12.04	6.73	3.58
Machinery leases	5.76	2.12	1.59	12.59	7.36
Building leases	1.75	2.36	1.03	1.85	1.76
Farm insurance	9.88	9.90	9.97	9.26	10.51
Utilities	5.07	4.63	4.89	5.06	5.87
Dues & professional fees	4.50	3.26	3.19	4.48	7.84
Interest	3.94	2.68	3.28	4.46	5.80
Mach & bldg depreciation	56.47	58.97	56.14	50.23	61.51
Miscellaneous	4.37	3.93	3.90	4.67	5.17
Total overhead expenses per acre	100.05	97.57	96.04	99.34	109.39
Total dir & ovhd expenses per acre	683.44	692.86	664.43	664.22	720.28
Net return per acre	-13.02	-36.53	-21.61	-19.25	36.31
Government payments	8.37	15.18	12.54	0.01	4.63
Net return with govt pmts	-4.65	-21.34	-9.07	-19.24	40.94
Labor & management charge	53.09	51.08	52.26	51.52	58.76
Net return over lbr & mgt	-57.75	-72.42	-61.33	-70.77	-17.82
Cost of Production					
Total direct expense per bu.	3.09	2.88	2.83	3.22	3.68
Total dir & ovhd exp per bu.	3.62	3.35	3.31	3.78	4.34
Less govt & other income	3.31	3.19	3.13	3.50	3.55
With labor & management	3.59	3.44	3.39	3.80	3.90
Net value per unit	3.29	3.09	3.08	3.41	3.80
Machinery cost per acre	132.39	123.25	130.17	132.41	147.08
Est. labor hours per acre	2.21	2.22	2.24	2.10	2.29

Crop Enterprise Analysis
(Farms Sorted By Years)
Southwest Minnesota Farm Business Management Association
Soybeans on Cash Rent

	Avg. Of All Farms	2016	2017	2018	2019
Number of farms	343	87	90	85	81
Acres	348.46	341.85	337.77	367.32	347.65
Yield per acre (bu.)	54.41	61.56	54.28	53.20	48.36
Operators share of yield %	100.00	100.00	100.00	100.00	100.00
Value per bu.	8.94	9.37	8.96	8.54	8.83
Total product return per acre	486.57	576.68	486.28	454.57	427.19
Hedging gains/losses per acre	0.97	3.19	-1.22	1.83	0.04
Crop insurance per acre	14.35	1.93	6.68	27.01	21.72
Other crop income per acre	49.09	5.60	16.98	94.28	79.57
Gross return per acre	550.98	587.40	508.73	577.69	528.52
Direct Expenses					
Seed	54.03	55.00	52.76	54.27	54.10
Fertilizer	28.89	34.98	29.34	27.13	23.90
Crop chemicals	44.43	41.40	46.32	46.53	43.28
Crop insurance	16.24	14.50	16.32	17.01	17.14
Fuel & oil	17.64	13.41	16.70	20.54	19.92
Repairs	30.15	26.93	28.72	31.66	33.42
Custom hire	7.43	7.62	7.37	6.67	8.15
Hired labor	3.69	0.46	0.65	5.66	8.18
Land rent	210.88	220.90	208.02	212.41	201.69
Machinery leases	7.36	8.05	9.45	1.41	10.94
Hauling and trucking	0.32	0.35	0.19	0.53	0.20
Marketing	1.91	2.46	2.37	1.11	1.70
Operating interest	10.54	9.20	9.22	10.09	13.87
Miscellaneous	3.81	4.13	3.36	3.95	3.79
Total direct expenses per acre	437.31	439.39	430.79	438.98	440.30
Return over direct exp per acre	113.67	148.02	77.94	138.71	88.22
Overhead Expenses					
Hired labor	6.46	8.12	9.65	4.96	2.92
Machinery leases	5.09	2.03	1.13	12.12	4.81
Building leases	1.38	1.81	0.92	1.55	1.24
Farm insurance	7.22	7.30	7.55	7.04	6.97
Utilities	3.77	3.52	3.98	3.50	4.11
Dues & professional fees	3.18	2.81	2.44	3.16	4.40
Interest	2.80	2.09	2.51	3.29	3.30
Mach & bldg depreciation	42.52	45.25	45.48	37.82	41.63
Miscellaneous	3.19	3.04	2.85	3.46	3.42
Total overhead expenses per acre	75.60	75.97	76.51	76.89	72.80
Total dir & ovhd expenses per acre	512.91	515.36	507.30	515.88	513.10
Net return per acre	38.07	72.05	1.43	61.81	15.42
Government payments	7.23	15.33	10.42	0.01	3.24
Net return with govt pmts	45.30	87.38	11.85	61.82	18.66
Labor & management charge	42.11	41.14	41.56	40.76	45.22
Net return over lbr & mgt	3.19	46.23	-29.72	21.07	-26.56
Cost of Production					
Total direct expense per bu.	8.04	7.14	7.94	8.25	9.10
Total dir & ovhd exp per bu.	9.43	8.37	9.35	9.70	10.61
Less govt & other income	8.11	7.95	8.74	7.38	8.45
With labor & management	8.88	8.62	9.51	8.15	9.38
Net value per unit	8.96	9.42	8.94	8.58	8.83
Machinery cost per acre	106.91	98.90	105.00	107.84	116.38
Est. labor hours per acre	1.75	1.77	1.75	1.66	1.84

Livestock Reports

The Livestock Enterprise Analysis tables show the average physical production, gross margin over purchase costs, direct costs, overhead costs, and net returns per unit.

The livestock enterprise summaries include data from both Southwest Minnesota Farm Management Association farms and Minnesota State Farm Business Management program farms. This provides a greater numbers farms reporting for each enterprise, providing more accurate benchmark information. Minnesota State FBM programs are distributed across the state and include over 2,150 participating farms. We want to thank the Minnesota State FBM program and participating producers for making this data available to be included in this report.

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

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

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

Net Return Over Labor and Management is the return remaining after deducting an opportunity cost for unpaid labor and management. This is the return to equity capital.

Cost of Production shows the average cost per unit sold in each cost category. *Total direct and overhead expense per unit* is the breakeven price needed to cover cash costs and depreciation. For grow/finish enterprises, this includes the purchase cost or transfer in value of the animal. *With other revenue adjustments* is the breakeven price adjusted for cull sales, other offspring sales, the cost of replacement stock, and any other miscellaneous income. This assumes that some costs can be covered by these other income sources. *With labor and management* is the final breakeven price to provide a labor and management return for the operator(s).

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

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

Livestock Enterprise Analysis
Farm Business Management Statewide Data
(Farms Sorted By Net Return)

Hogs, Farrow To Finish -- Average Per Litter

	Avg. Of All Farms	
Number of farms	8	
	Quantity	Value
Raised Hogs sold (lb)	2,297.9	1,095.15
Cull sales (lb)	68.9	20.86
Government payments		33.16
Other income		44.80
Purchased (lb)	-21.5	-45.22
Inventory change (lb)	66.4	57.10
Gross margin		1,205.85
Direct Expenses		
Protein Vit Minerals (lb.)	1,049.7	165.57
Complete Ration (lb.)	2,651.6	251.12
Corn (bu.)	99.1	345.63
Other feed stuffs (lb)	110.4	11.90
Veterinary		49.40
Supplies		92.00
Fuel & oil		9.74
Repairs		12.04
Hired labor		65.42
Livestock leases		82.42
Operating interest		31.92
Total direct expenses		1,117.17
Return over direct expense		88.68
Overhead Expenses		
Hired labor		21.57
Building leases		92.35
Farm insurance		21.47
Utilities		23.50
Mach & bldg depreciation		32.68
Miscellaneous		19.90
Total overhead expenses		211.48
Total dir & ovhd expenses		1,328.65
Net return		-122.80
Labor & management charge		51.56
Net return over lbr & mgt		-174.35
Cost of Production/Cwt. Carcass Sold		
Total direct expense per unit		67.59
Total dir& ovhd expense per unit		80.38
With other revenue adjustments		78.02
With labor and management		81.14
Est. labor hours per unit		3.65
Other Information		
Average number of sows		293.6
Litters farrowed		621
Litters per sow		2.11
Litters per crate		10.37
Pigs born per litter		10.24
Pigs weaned per litter		9.71
Pigs weaned per sow		20.25
Pigs sold per litter		8.08
Percent substandard hogs		2
Lb. of feed / lb. of gain		3.89
Feed cost / cwt. of gain		32.06
Feed cost per litter		774.22
Hired labor per sow		183.90
Avg wgt/Raised Hogs sold		285
Avg price / cwt.		47.66
Average carcass weight		209
Average price / cwt. carcass		65.86

Livestock Enterprise Analysis
Farm Business Management Statewide Data
(Farms Sorted By Net Return)

Hogs, Farrow To Finish -- Average Per Cwt. Carcass Sold

	Avg. Of All Farms	
Number of farms	8	
	Quantity	Value
Raised Hogs sold (lb)	139.01	66.25
Cull sales (lb)	4.17	1.26
Government payments		2.01
Other income		2.71
Purchased (lb)	-1.30	-2.74
Inventory change (lb)	4.02	3.45
Gross margin		72.95
Direct Expenses		
Protein Vit Minerals (lb.)	63.50	10.02
Complete Ration (lb.)	160.42	15.19
Corn (bu.)	5.99	20.91
Other feed stuffs (lb)	6.68	0.72
Veterinary		2.99
Supplies		5.57
Fuel & oil		0.59
Repairs		0.73
Hired labor		3.96
Livestock leases		4.99
Operating interest		1.93
Total direct expenses		67.59
Return over direct expense		5.36
Overhead Expenses		
Hired labor		1.30
Building leases		5.59
Farm insurance		1.30
Utilities		1.42
Mach & bldg depreciation		1.98
Miscellaneous		1.20
Total overhead expenses		12.79
Total dir & ovhd expenses		80.38
Net return		-7.43
Labor & management charge		3.12
Net return over lbr & mgt		-10.55
Cost of Production/Cwt. Carcass Sold		
Total direct expense per unit		67.59
Total dir& ovhd expense per unit		80.38
With other revenue adjustments		78.02
With labor and management		81.14
Est. labor hours per unit		0.22
Other Information		
Average number of sows		293.6
Litters farrowed		621
Litters per sow		2.11
Litters per crate		10.37
Pigs born per litter		10.24
Pigs weaned per litter		9.71
Pigs weaned per sow		20.25
Pigs sold per litter		8.08
Percent substandard hogs		2
Lb. of feed / lb. of gain		3.89
Feed cost / cwt. of gain		32.06
Feed cost per litter		774.22
Hired labor per sow		183.90
Avg wgt/Raised Hogs sold		285
Avg price / cwt.		47.66
Average carcass weight		209
Average price / cwt. carcass		65.86

Livestock Enterprise Analysis
Farm Business Management Statewide Data
(Farms Sorted By Net Return)

Hogs, Finish Feeder Pigs -- Average Per Head

	Avg. Of All Farms		*Low 20%*		*High 20%*	
Number of farms	25		5		5	
	Quantity	Value	Quantity	Value	Quantity	Value
Finish Hogs sold (lb)	281.2	146.23	310.7	152.26	246.4	137.10
Transferred out (lb)	1.0	0.82	-	-	-	-
Cull sales (lb)	1.2	0.25	-	-	1.8	0.35
Insurance income		0.23		-		-
Government payments		4.03		0.77		5.35
Other income		3.82		12.83		0.38
Purchased (lb)	-39.7	-54.59	-47.7	-52.93	-31.4	-44.20
Transferred in (lb)	-3.9	-6.86	-11.3	-13.63	-	-9.32
Inventory change (lb)	-2.9	-0.16	-21.9	1.13	15.3	9.19
Gross margin		93.76		100.42		98.85
Direct Expenses						
Protein Vit Minerals (lb.)	150.2	22.14	58.0	6.29	140.4	22.22
Complete Ration (lb.)	113.3	13.91	263.6	54.10	145.7	11.33
Corn (bu.)	7.5	26.52	9.3	33.15	6.2	21.97
Other feed stuffs (lb)	22.0	1.70	-	-	22.5	1.67
Veterinary		1.24		0.90		1.31
Supplies		2.48		2.35		3.59
Contract production exp.		5.98		-		-
Fuel & oil		0.61		1.69		0.39
Custom hire		0.84		0.13		1.30
Livestock leases		0.40		-		2.01
Hauling and trucking		1.83		1.62		1.05
Marketing		0.59		1.38		0.42
Operating interest		1.56		6.16		0.51
Total direct expenses		79.83		107.78		67.78
Return over direct expense		13.93		-7.36		31.07
Overhead Expenses						
Hired labor		1.20		3.23		0.53
Building leases		4.45		5.13		5.32
Farm insurance		0.91		2.11		1.13
Utilities		0.69		1.34		1.01
Mach & bldg depreciation		2.31		5.29		1.14
Miscellaneous		1.90		2.02		1.60
Total overhead expenses		11.45		19.12		10.73
Total dir & ovhd expenses		91.28		126.90		78.51
Net return		2.48		-26.48		20.34
Labor & management charge		2.79		4.13		3.23
Net return over lbr & mgt		-0.32		-30.61		17.11
Cost of Production/Cwt. Carcass Sold						
Total direct expense per unit		67.77		74.88		61.27
Total dir& ovhd expense per unit		73.27		83.16		67.15
With other revenue adjustments		69.45		77.39		64.06
With labor and management		70.79		79.17		65.83
Est. labor hours per unit		0.19		0.34		0.21
Other Information						
No. purchased or trans in		10,988		4,389		10,579
Number sold or trans out		10,082		4,071		8,869
Percentage death loss		4.2		2.9		4.0
Percent substandard hogs		2		1		6
Avg. daily gain (lb.)		1.58		1.70		1.62
Lb. of feed / lb. of gain		2.96		3.65		2.82
Feed cost per cwt. of gain		27.11		40.59		24.63
Feed cost per head		64.28		93.54		57.19
Hired labor per head		1.62		3.23		1.17
Average purchase weight		41		50		38
Avg wgt / Finish Hogs sold		278		289		277
Avg purch price / head		56.07		55.54		53.10
Avg sales price / cwt.		52.00		49.01		55.64
Average carcass weight		210		217		217
Average price / cwt. carcass		69.86		65.54		74.92

Livestock Enterprise Analysis
Farm Business Management Statewide Data
(Farms Sorted By Net Return)

Hogs, Finish Feeder Pigs -- Average Per Cwt. Carcass Sold

	Avg. Of All Farms		*Low 20%*		*High 20%*	
Number of farms	25		5		5	
	Quantity	Value	Quantity	Value	Quantity	Value
Finish Hogs sold (lb)	135.09	70.24	134.52	65.92	135.19	75.21
Transferred out (lb)	0.46	0.40	-	-	-	-
Cull sales (lb)	0.60	0.12	-	-	1.01	0.19
Insurance income		0.11		-		-
Government payments		1.93		0.33		2.93
Other income		1.83		5.55		0.21
Purchased (lb)	-19.07	-26.23	-20.65	-22.92	-17.23	-24.25
Transferred in (lb)	-1.87	-3.30	-4.88	-5.90	-	-5.11
Inventory change (lb)	-1.40	-0.08	-9.46	0.49	8.39	5.04
Gross margin		45.04		43.48		54.23
Direct Expenses						
Protein Vit Minerals (lb.)	72.13	10.64	25.12	2.72	77.00	12.19
Complete Ration (lb.)	54.41	6.68	114.13	23.42	79.94	6.21
Corn (bu.)	3.58	12.74	4.01	14.35	3.38	12.05
Other feed stuffs (lb)	10.59	0.82	-	-	12.36	0.92
Veterinary		0.60		0.39		0.72
Supplies		1.19		1.02		1.97
Contract production exp.		2.87		-		-
Fuel & oil		0.30		0.73		0.21
Custom hire		0.40		0.06		0.72
Livestock leases		0.19		-		1.10
Hauling and trucking		0.88		0.70		0.58
Marketing		0.28		0.60		0.23
Operating interest		0.75		2.67		0.28
Total direct expenses		38.35		46.66		37.18
Return over direct expense		6.69		-3.19		17.04
Overhead Expenses						
Hired labor		0.58		1.40		0.29
Building leases		2.14		2.22		2.92
Farm insurance		0.44		0.91		0.62
Mach & bldg depreciation		1.11		2.29		0.63
Miscellaneous		1.24		1.46		1.43
Total overhead expenses		5.50		8.28		5.89
Total dir & ovhd expenses		43.85		54.94		43.07
Net return		1.19		-11.46		11.16
Labor & management charge		1.34		1.79		1.77
Net return over lbr & mgt		-0.15		-13.25		9.39
Cost of Production/Cwt. Carcass Sold						
Total direct expense per unit		67.77		74.88		61.27
Total dir& ovhd expense per unit		73.27		83.16		67.15
With other revenue adjustments		69.45		77.39		64.06
With labor and management		70.79		79.17		65.83
Est. labor hours per unit		0.09		0.15		0.12
Other Information						
No. purchased or trans in		10,988		4,389		10,579
Number sold or trans out		10,082		4,071		8,869
Percentage death loss		4.2		2.9		4.0
Percent substandard hogs		2		1		6
Avg. daily gain (lb.)		1.58		1.70		1.62
Lb. of feed / lb. of gain		2.96		3.65		2.82
Feed cost per cwt. of gain		27.11		40.59		24.63
Feed cost per head		64.28		93.54		57.19
Hired labor per head		1.62		3.23		1.17
Average purchase weight		41		50		38
Avg wgt / Finish Hogs sold		278		289		277
Avg purch price / head		56.07		55.54		53.10
Avg sales price / cwt.		52.00		49.01		55.64
Average carcass weight		210		217		217
Average price / cwt. carcass		69.86		65.54		74.92

Livestock Enterprise Analysis
Farm Business Management Statewide Data
(Farms Sorted By Net Return)

Hogs, Weaning to Finish -- Average Per Head

	Avg. Of All Farms		*Low 20%*		*High 20%*	
Number of farms	29		5		6	
	Quantity	Value	Quantity	Value	Quantity	Value
Wean-Fin Pig sold (lb)	267.5	134.36	274.1	132.71	286.6	151.04
Transferred out (lb)	1.2	0.77	-	-	-	-
Cull sales (lb)	1.0	0.08	-	-	-	-
Insurance income		0.08		-		-
Government payments		2.83		2.60		3.22
Other income		6.50		2.17		6.35
Purchased (lb)	-12.6	-40.38	-8.3	-27.33	-14.0	-49.69
Transferred in (lb)	-2.7	-8.40	-8.0	-23.64	-	-
Inventory change (lb)	12.1	8.08	5.4	5.11	-1.0	10.14
Gross margin		103.93		91.61		121.05
Direct Expenses						
Corn Distillers Grn (dry) (lb.)	2.3	0.16	29.8	2.02	-	-
Protein Vit Minerals (lb.)	144.8	26.58	108.9	23.21	181.2	33.97
Complete Ration (lb.)	85.0	9.25	100.9	8.03	-	-
Corn (bu.)	6.8	23.29	9.2	32.64	7.8	29.28
DDGS, dry (lb.)	64.9	4.51	12.5	0.85	73.4	5.35
Other feed stuffs (lb)	3.4	0.60	-	-	2.6	0.39
Veterinary		3.09		2.68		3.29
Supplies		3.26		2.62		1.66
Contract production exp.		9.03		10.03		10.55
Fuel & oil		1.06		1.72		0.43
Repairs		1.67		2.97		0.90
Custom hire		2.27		3.04		4.13
Hired labor		2.02		1.45		2.01
Hauling and trucking		1.43		3.00		0.96
Total direct expenses		88.22		94.28		92.92
Return over direct expense		15.71		-2.67		28.14
Overhead Expenses						
Hired labor		1.13		1.75		0.03
Building leases		3.46		1.71		2.90
Farm insurance		0.96		2.40		0.35
Mach & bldg depreciation		2.67		3.38		1.59
Miscellaneous		2.48		4.08		2.51
Total overhead expenses		10.70		13.33		7.39
Total dir & ovhd expenses		98.93		107.60		100.30
Net return		5.00		-16.00		20.75
Labor & management charge		3.64		2.57		2.45
Net return over lbr & mgt		1.37		-18.57		18.30
Cost of Production/Cwt. Carcass Sold						
Total direct expense per unit		65.17		68.90		62.74
Total dir& ovhd expense per unit		70.59		75.46		66.24
With other revenue adjustments		65.84		73.13		61.73
With labor and management		67.68		74.40		62.89
Est. labor hours per unit		0.28		0.63		0.16
Other Information						
No. purchased or trans in		20,620		9,269		16,150
Number sold or trans out		17,624		7,842		15,001
Percentage death loss		5.4		5.1		2.4
Percent substandard hogs		2		2		1
Avg. daily gain (lb.)		1.50		1.63		1.33
Lb. of feed / lb. of gain		2.55		2.91		2.56
Feed cost per cwt. of gain		24.16		25.36		25.40
Feed cost per head		64.39		66.76		68.99
Hired labor per head		3.15		3.20		2.04
Average purchase weight		13		15		12
Avg wgt / Wean-Fin Pig sold		271		281		265
Avg purch price / head		42.49		49.90		42.62
Avg sales price / cwt.		50.22		48.42		52.69
Average carcass weight		204		213		197
Average price / cwt. carcass		67.52		64.82		71.16

Livestock Enterprise Analysis
Farm Business Management Statewide Data
(Farms Sorted By Net Return)

Hogs, Weaning to Finish -- Average Per Cwt. Carcass Sold

	Avg. Of All Farms		*Low 20%*		*High 20%*	
Number of farms	29		5		6	
	Quantity	Value	Quantity	Value	Quantity	Value
Wean-Fin Pig sold (lb)	135.37	67.99	134.79	65.27	135.81	71.56
Transferred out (lb)	0.62	0.39	-	-	-	-
Cull sales (lb)	0.49	0.04	-	-	-	-
Insurance income		0.04		-		-
Government payments		1.43		1.28		1.53
Other income		3.29		1.07		3.01
Purchased (lb)	-6.39	-20.43	-4.09	-13.44	-6.64	-23.54
Transferred in (lb)	-1.38	-4.25	-3.95	-11.63	-	-
Inventory change (lb)	6.13	4.09	2.67	2.51	-0.48	4.81
Gross margin		52.59		45.05		57.36
Direct Expenses						
Corn Distillers Grn (dry) (lb.)	1.18	0.08	14.65	0.99	-	-
Protein Vit Minerals (lb.)	73.27	13.45	53.55	11.41	85.86	16.09
Complete Ration (lb.)	43.00	4.68	49.65	3.95	-	-
Corn (bu.)	3.45	11.78	4.52	16.05	3.70	13.87
DDGS, dry (lb.)	32.83	2.28	6.13	0.42	34.77	2.54
Other feed stuffs (lb)	1.72	0.31	-	-	1.22	0.18
Veterinary		1.56		1.32		1.56
Supplies		1.65		1.29		0.79
Contract production exp.		4.57		4.93		5.00
Fuel & oil		0.54		0.84		0.20
Repairs		0.85		1.46		0.43
Custom hire		1.15		1.50		1.96
Hired labor		1.02		0.72		0.95
Hauling and trucking		0.73		1.48		0.46
Total direct expenses		44.64		46.37		44.03
Return over direct expense		7.95		-1.31		13.33
Overhead Expenses						
Hired labor		0.57		0.86		0.02
Building leases		1.75		0.84		1.37
Farm insurance		0.49		1.18		0.16
Mach & bldg depreciation		1.35		1.66		0.76
Miscellaneous		1.26		2.01		1.19
Total overhead expenses		5.42		6.55		3.50
Total dir & ovhd expenses		50.06		52.92		47.53
Net return		2.53		-7.87		9.83
Labor & management charge		1.84		1.26		1.16
Net return over lbr & mgt		0.69		-9.13		8.67
Cost of Production/Cwt. Carcass Sold						
Total direct expense per unit		65.17		68.90		62.74
Total dir& ovhd expense per unit		70.59		75.46		66.24
With other revenue adjustments		65.84		73.13		61.73
With labor and management		67.68		74.40		62.89
Est. labor hours per unit		0.14		0.31		0.07
Other Information						
No. purchased or trans in		20,620		9,269		16,150
Number sold or trans out		17,624		7,842		15,001
Percentage death loss		5.4		5.1		2.4
Percent substandard hogs		2		2		1
Avg. daily gain (lb.)		1.50		1.63		1.33
Lb. of feed / lb. of gain		2.55		2.91		2.56
Feed cost per cwt. of gain		24.16		25.36		25.40
Feed cost per head		64.39		66.76		68.99
Hired labor per head		3.15		3.20		2.04
Average purchase weight		13		15		12
Avg wgt / Wean-Fin Pig sold		271		281		265
Avg purch price / head		42.49		49.90		42.62
Avg sales price / cwt.		50.22		48.42		52.69
Average carcass weight		204		213		197
Average price / cwt. carcass		67.52		64.82		71.16

Livestock Enterprise Analysis
Farm Business Management Statewide Data
(Farms Sorted By Net Return)

Hogs, Finish Feeder Pigs (Contract Grower) -- Average Per Pig Space

	Avg. Of All Farms		*Low 20%*		*High 20%*	
Number of farms	41		8		9	
	Quantity	Value	Quantity	Value	Quantity	Value
Transferred out (lb)	-	23.19	-	7.86	-	38.26
Other income		14.75		31.07		4.28
Gross margin		37.94		38.93		42.54
Direct Expenses						
Supplies		1.12		0.33		1.21
Contract production exp.		0.67		3.49		0.35
Fuel & oil		1.27		1.61		1.89
Repairs		3.86		5.17		2.30
Repair, machinery		0.06		-		0.25
Custom hire		0.90		2.82		0.75
Hired labor		1.67		3.43		2.50
Utilities		1.42		0.91		1.34
Operating interest		0.54		0.97		0.31
Total direct expenses		11.51		18.72		10.91
Return over direct expense		26.43		20.21		31.64
Overhead Expenses						
Hired labor		0.69		0.69		0.58
Machinery leases		0.05		0.22		-
Building leases		0.57		1.10		0.06
RE & pers. property taxes		0.57		1.17		0.34
Farm insurance		1.98		2.63		1.68
Utilities		1.46		2.87		1.16
Dues & professional fees		0.21		0.26		0.15
Interest		4.13		6.55		1.67
Mach & bldg depreciation		7.48		9.56		6.50
Miscellaneous		0.92		0.67		0.74
Total overhead expenses		18.06		25.74		12.88
Total dir & ovhd expenses		29.57		44.46		23.78
Net return		8.37		-5.53		18.76
Labor & management charge		5.51		6.18		6.36
Net return over lbr & mgt		2.85		-11.71		12.40
Cost of Production Per Pig Space						
Total direct expense per unit		11.51		18.72		10.91
Total dir& ovhd expense per unit		29.57		44.46		23.78
Est. labor hours per unit		0.42		0.60		0.35
Other Information						
Number of pigs		7,754		6,448		8,988
Pigs per pig space (per year)		2.35		2.25		2.56
Pigs per 100 sq. ft. (per yr)		31.20		28.80		34.18
Net return per 100 sq. ft.		110.97		-70.71		250.29
Net return per labor hour		19.71		-9.16		54.26
Square feet per pig space		7.54		7.82		7.49

Livestock Enterprise Analysis
Farm Business Management Statewide Data
(Farms Sorted By Net Return)

Hogs, Weaning to Finish (Contract Grower) -- Average Per Pig Space

	Avg. Of All Farms		*Low 20%*		*High 20%*	
Number of farms	69		13		14	
	Quantity	Value	Quantity	Value	Quantity	Value
Transferred out (lb)	-	20.38	-	16.75	-	30.02
Other income		20.06		19.27		13.70
Gross margin		40.44		36.02		43.72
Direct Expenses						
Supplies		1.02		1.46		0.79
Contract production exp.		1.73		0.13		1.23
Fuel & oil		1.94		2.27		1.80
Repairs		4.43		6.89		3.45
Repair, machinery		0.07		-		0.34
Custom hire		0.73		0.98		0.46
Repair, buildings		0.08		-		0.36
Hired labor		2.03		3.78		2.36
Livestock leases		0.21		-		-
Utilities		1.65		2.61		1.44
Operating interest		0.42		1.30		0.15
Total direct expenses		14.32		19.42		12.38
Return over direct expense		26.12		16.60		31.34
Overhead Expenses						
Hired labor		0.71		2.21		0.15
Building leases		0.88		3.01		-
RE & pers. property taxes		0.88		1.41		0.58
Farm insurance		2.00		2.51		1.94
Utilities		1.47		1.83		1.29
Dues & professional fees		0.29		0.32		0.08
Interest		5.25		6.39		3.25
Mach & bldg depreciation		8.83		11.06		5.63
Miscellaneous		1.21		2.34		0.46
Total overhead expenses		21.52		31.08		13.37
Total dir & ovhd expenses		35.84		50.50		25.75
Net return		4.60		-14.48		17.97
Labor & management charge		6.70		7.41		7.53
Net return over lbr & mgt		-2.10		-21.88		10.44
Cost of Production Per Pig Space						
Total direct expense per unit		14.32		19.42		12.38
Total dir& ovhd expense per unit		35.84		50.50		25.75
Est. labor hours per unit		0.37		0.45		0.27
Other Information						
Number of pigs		8,141		8,348		7,617
Pigs per pig space (per year)		2.38		2.53		2.34
Pigs per 100 sq. ft. (per yr)		31.91		32.31		31.27
Net return per 100 sq. ft.		61.50		-185.15		240.55
Net return per labor hour		12.41		-31.91		65.44
Square feet per pig space		7.47		7.82		7.47

Livestock Enterprise Analysis
Farm Business Management Statewide Data
(Farms Sorted By Net Return)

Beef Cow-Calf -- Average Per Cow

	Avg. Of All Farms		*Low 20%*		*High 20%*	
Number of farms	132		26		27	
	Quantity	Value	Quantity	Value	Quantity	Value
Beef Calves sold (lb)	246.0	349.56	164.7	224.58	342.9	464.22
Transferred out (lb)	202.5	294.92	194.4	241.29	166.9	234.81
Cull sales (lb)	81.8	101.38	84.3	103.03	51.3	73.82
Insurance income		0.09		-		0.38
Other income		7.03		10.77		9.00
Purchased (lb)	-24.7	-83.87	-76.0	-124.14	-45.1	-135.46
Transferred in (lb)	-22.3	-43.21	-29.6	-38.31	-27.8	-34.43
Inventory change (lb)	37.0	42.29	41.0	-52.36	101.3	251.95
Gross margin		668.20		364.86		864.29
Direct Expenses						
Protein Vit Minerals (lb.)	208.4	47.88	200.6	49.25	137.2	42.60
Corn Silage (lb.)	4,485.6	71.87	5,199.0	82.55	3,802.7	58.69
Hay, Alfalfa (lb.)	1,003.5	50.89	2,149.0	105.72	848.4	37.37
Hay, Grass (lb.)	2,462.5	105.63	2,844.8	102.24	2,330.2	94.39
Pasture (aum)	4.1	57.34	0.8	12.62	4.0	57.82
Hay (lb.)	2,481.7	94.75	1,873.2	131.15	2,585.5	88.15
Other feed stuffs (lb)	1,749.0	45.22	1,431.2	62.84	988.6	36.56
Veterinary		34.29		40.74		36.80
Supplies		45.35		67.71		29.41
Fuel & oil		25.70		42.51		22.09
Repairs		46.46		72.50		40.03
Operating interest		20.77		35.73		10.55
Total direct expenses		646.16		805.56		554.46
Return over direct expense		22.05		-440.71		309.83
Overhead Expenses						
Hired labor		12.45		22.11		7.35
Farm insurance		14.22		31.78		10.14
Utilities		14.80		37.11		12.99
Interest		40.10		75.86		32.97
Mach & bldg depreciation		55.12		131.34		37.53
Miscellaneous		27.91		56.71		18.24
Total overhead expenses		164.60		354.91		119.21
Total dir & ovhd expenses		810.76		1,160.47		673.67
Net return		-142.55		-795.62		190.62
Labor & management charge		90.52		118.30		85.23
Net return over lbr & mgt		-233.07		-913.92		105.38
Cost of Production Per Cwt. Produced						
Total direct expense per unit		123.81		210.26		93.76
Total dir& ovhd expense per unit		155.34		302.90		113.92
With other revenue adjustments		166.37		346.71		115.98
With labor and management		183.72		377.59		130.40
Est. labor hours per unit		8.95		15.70		8.09
Other Information						
Number of cows		89.1		53.1		102.0
Pregnancy percentage		95.5		91.1		96.2
Pregnancy loss percentage		3.3		4.7		1.2
Culling percentage		14.8		13.0		9.3
Calving percentage		92.3		86.9		95.0
Weaning percentage		85.4		75.3		89.9
Calves sold per cow		0.75		0.67		0.75
Calf death loss percent		8.1		17.0		4.1
Cow death loss percent		3.4		4.6		4.1
Cows per FTE		313.0		178.3		346.3
Average weaning weight		535		507		549
Lb. weaned/exposed female		457		382		494
Feed cost per cow		473.59		546.37		415.57
Avg wgt/ Beef Calves sold		663		552		760
Avg price / cwt.		142.09		136.35		135.39

Livestock Enterprise Analysis
Farm Business Management Statewide Data
(Farms Sorted By Net Return)

Beef Cow-Calf -- Average Per Cwt. Produced

	Avg. Of All Farms		*Low 20%*		*High 20%*	
Number of farms	132		26		27	
	Quantity	Value	Quantity	Value	Quantity	Value
Beef Calves sold (lb)	47.14	66.98	42.99	58.62	57.98	78.50
Transferred out (lb)	38.80	56.51	50.74	62.98	28.23	39.71
Cull sales (lb)	15.67	19.42	22.01	26.89	8.67	12.48
Insurance income		0.02		-		0.06
Other income		1.35		2.81		1.52
Purchased (lb)	-4.73	-16.07	-19.84	-32.40	-7.63	-22.91
Transferred in (lb)	-4.28	-8.28	-7.72	-10.00	-4.70	-5.82
Inventory change (lb)	7.09	8.10	10.69	-13.67	17.13	42.61
Gross margin		128.03		95.23		146.16
Direct Expenses						
Protein Vit Minerals (lb.)	39.94	9.17	52.36	12.85	23.21	7.20
Corn (bu.)	0.48	1.77	1.81	6.43	0.24	1.45
Corn Silage (lb.)	859.47	13.77	1,357.02	21.55	643.06	9.93
Hay, Alfalfa (lb.)	192.28	9.75	560.91	27.59	143.46	6.32
Hay, Grass (lb.)	471.82	20.24	742.53	26.69	394.06	15.96
Pasture (aum)	0.79	10.99	0.20	3.29	0.67	9.78
Hay (lb.)	475.51	18.16	488.92	34.23	437.22	14.91
Other feed stuffs (lb)	334.63	6.90	371.76	9.98	166.93	4.73
Veterinary		6.57		10.63		6.22
Supplies		8.69		17.67		4.97
Fuel & oil		4.92		11.10		3.74
Repairs		8.90		18.92		6.77
Operating interest		3.98		9.33		1.78
Total direct expenses		123.81		210.26		93.76
Return over direct expense		4.22		-115.03		52.39
Overhead Expenses						
Hired labor		2.39		5.77		1.24
Farm insurance		2.73		8.29		1.71
Utilities		2.84		9.69		2.20
Interest		7.68		19.80		5.58
Mach & bldg depreciation		10.56		34.28		6.35
Miscellaneous		5.35		14.80		3.09
Total overhead expenses		31.54		92.64		20.16
Total dir & ovhd expenses		155.34		302.90		113.92
Net return		-27.31		-207.67		32.23
Labor & management charge		17.34		30.88		14.41
Net return over lbr & mgt		-44.66		-238.55		17.82
Cost of Production Per Cwt. Produced						
Total direct expense per unit		123.81		210.26		93.76
Total dir& ovhd expense per unit		155.34		302.90		113.92
With other revenue adjustments		166.37		346.71		115.98
With labor and management		183.72		377.59		130.40
Est. labor hours per unit		1.71		4.10		1.37
Other Information						
Number of cows		89.1		53.1		102.0
Pregnancy percentage		95.5		91.1		96.2
Pregnancy loss percentage		3.3		4.7		1.2
Culling percentage		14.8		13.0		9.3
Calving percentage		92.3		86.9		95.0
Weaning percentage		85.4		75.3		89.9
Calves sold per cow		0.75		0.67		0.75
Calf death loss percent		8.1		17.0		4.1
Cow death loss percent		3.4		4.6		4.1
Cows per FTE		313.0		178.3		346.3
Average weaning weight		535		507		549
Lb. weaned/exposed female		457		382		494
Feed cost per cow		473.59		546.37		415.57
Avg wgt/ Beef Calves sold		663		552		760
Avg price / cwt.		142.09		136.35		135.39

Livestock Enterprise Analysis
Farm Business Management Statewide Data
(Farms Sorted By Net Return)

Beef Finishing -- Average Per Head

	Avg. Of All Farms		*Low 20%*		*High 20%*	
Number of farms	71		14		15	
	Quantity	Value	Quantity	Value	Quantity	Value
Finish Beef sold (lb)	1,403.6	1,648.21	1,459.9	1,581.78	1,179.3	1,344.62
Transferred out (lb)	8.9	11.26	23.3	26.49	31.1	40.23
Other income		15.14		18.74		56.73
Purchased (lb)	-666.6	-994.20	-571.7	-805.42	-306.6	-368.53
Transferred in (lb)	-60.7	-89.03	-79.5	-130.26	-265.4	-338.56
Inventory change (lb)	9.7	17.68	-43.2	-50.82	135.8	198.01
Gross margin		609.06		640.52		932.52
Direct Expenses						
Protein Vit Minerals (lb.)	507.8	54.54	899.8	109.62	263.2	62.64
Corn (bu.)	51.2	170.57	52.8	166.52	66.6	212.64
Corn Silage (lb.)	2,074.8	33.72	4,473.5	67.72	3,991.7	64.48
Corn, Ear (lb.)	459.2	13.94	1,911.8	33.46	176.0	6.16
Hay, Alfalfa (lb.)	298.6	17.55	944.3	57.86	591.1	24.00
Haylage, Alfalfa (lb.)	172.6	6.24	1,237.2	41.49	-	-
DDGS, dry (lb.)	670.1	25.76	-	-	111.0	9.36
DDGS, wet (lb.)	821.7	30.68	819.3	27.86	549.6	17.97
Other feed stuffs (lb)	863.4	39.14	359.7	19.07	964.7	46.17
Supplies		60.86		55.55		49.61
Fuel & oil		12.83		30.10		9.94
Repairs		24.88		56.82		12.45
Operating interest		22.84		38.24		19.44
Total direct expenses		513.55		704.32		534.85
Return over direct expense		95.51		-63.80		397.67
Overhead Expenses						
Hired labor		9.34		27.56		3.73
Farm insurance		10.36		17.94		3.90
Utilities		6.78		25.98		4.19
Interest		11.48		18.14		3.61
Mach & bldg depreciation		34.79		124.03		16.65
Miscellaneous		12.39		34.80		4.92
Total overhead expenses		85.14		248.44		37.01
Total dir & ovhd expenses		598.69		952.76		571.86
Net return		10.37		-312.24		360.66
Labor & management charge		37.55		56.44		21.56
Net return over lbr & mgt		-27.18		-368.68		339.10
Cost of Production Per Cwt. Produced						
Total direct expense per unit		110.85		112.74		81.72
Total dir& ovhd expense per unit		116.88		129.49		84.78
With other revenue adjustments		116.75		129.49		84.62
With labor and management		119.41		133.29		86.40
Est. labor hours per unit		2.34		5.63		1.96
Other Information						
No. purchased or trans in		305		110		102
Number sold or trans out		295		115		92
Percentage death loss		1.3		1.0		1.9
Avg. daily gain (lb.)		2.71		2.49		2.64
Lb. of conc / lb. of gain		8.01		8.21		6.11
Lb. of feed / lb. of gain		9.96		12.37		9.16
Feed cost per cwt. of gain		55.59		65.02		54.88
Feed cost per head		392.13		523.60		443.42
Hired labor per head		15.24		42.61		4.40
Average purchase weight		711		638		733
Avg wgt / Finish Beef sold		1,384		1,360		1,332
Avg purch price / cwt.		149.14		140.87		120.18
Avg sales price / cwt.		117.42		108.35		114.02

Livestock Enterprise Analysis
Farm Business Management Statewide Data
(Farms Sorted By Net Return)

Beef Finishing -- Average Per Cwt. Produced

	Avg. Of All Farms		*Low 20%*		*High 20%*	
Number of farms	71		14		15	
	Quantity	Value	Quantity	Value	Quantity	Value
Finish Beef sold (lb)	198.98	233.66	181.28	196.42	145.97	166.43
Transferred out (lb)	1.26	1.60	2.89	3.29	3.85	4.98
Other income		2.15		2.33		7.02
Purchased (lb)	-94.50	-140.94	-71.00	-100.01	-37.95	-45.61
Transferred in (lb)	-8.60	-12.62	-9.87	-16.17	-32.85	-41.90
Inventory change (lb)	1.38	2.51	-5.36	-6.31	16.81	24.51
Gross margin		86.34		79.54		115.42
Direct Expenses						
Protein Vit Minerals (lb.)	71.98	7.73	111.73	13.61	32.58	7.75
Corn (bu.)	7.25	24.18	6.56	20.68	8.24	26.32
Corn Silage (lb.)	294.13	4.78	555.50	8.41	494.08	7.98
Corn, Ear (lb.)	65.10	1.98	237.39	4.15	21.79	0.76
Hay, Alfalfa (lb.)	42.33	2.49	117.26	7.19	73.16	2.97
Haylage, Alfalfa (lb.)	24.47	0.88	153.63	5.15	-	-
DDGS, dry (lb.)	94.99	3.65	-	-	13.73	1.16
DDGS, wet (lb.)	116.49	4.35	101.74	3.46	68.03	2.22
Other feed stuffs (lb)	122.40	5.55	44.67	2.37	119.41	5.71
Veterinary		2.30		1.90		1.22
Supplies		6.33		5.00		4.93
Fuel & oil		1.82		3.74		1.23
Repairs		3.53		7.06		1.54
Operating interest		3.24		4.75		2.41
Total direct expenses		72.80		87.46		66.20
Return over direct expense		13.54		-7.92		49.22
Overhead Expenses						
Hired labor		1.32		3.42		0.46
Utilities		0.96		3.23		0.52
Interest		1.63		2.25		0.45
Mach & bldg depreciation		4.93		15.40		2.06
Miscellaneous		3.22		6.55		1.09
Total overhead expenses		12.07		30.85		4.58
Total dir & ovhd expenses		84.87		118.31		70.78
Net return		1.47		-38.77		44.64
Labor & management charge		5.32		7.01		2.67
Net return over lbr & mgt		-3.85		-45.78		41.97
Cost of Production Per Cwt. Produced						
Total direct expense per unit		110.85		112.74		81.72
Total dir& ovhd expense per unit		116.88		129.49		84.78
With other revenue adjustments		116.75		129.49		84.62
With labor and management		119.41		133.29		86.40
Est. labor hours per unit		0.33		0.70		0.24
Other Information						
No. purchased or trans in		305		110		102
Number sold or trans out		295		115		92
Percentage death loss		1.3		1.0		1.9
Avg. daily gain (lb.)		2.71		2.49		2.64
Lb. of conc / lb. of gain		8.01		8.21		6.11
Lb. of feed / lb. of gain		9.96		12.37		9.16
Feed cost per cwt. of gain		55.59		65.02		54.88
Feed cost per head		392.13		523.60		443.42
Hired labor per head		15.24		42.61		4.40
Average purchase weight		711		638		733
Avg wgt / Finish Beef sold		1,384		1,360		1,332
Avg purch price / cwt.		149.14		140.87		120.18
Avg sales price / cwt.		117.42		108.35		114.02

Livestock Enterprise Analysis
Farm Business Management Statewide Data
(Farms Sorted By Net Return)

Dairy -- Average Per Cow

	Avg. Of All Farms		Low 20%		High 20%	
Number of farms	280		56		56	
	Quantity	Value	Quantity	Value	Quantity	Value
Milk sold (hd)	24,267.0	4,523.75	21,000.9	3,776.69	26,640.5	5,075.95
Dairy Calves sold (hd)	0.3	44.24	0.3	85.10	0.4	48.30
Transferred out (hd)	0.7	38.36	0.6	21.56	0.6	38.58
Cull sales (hd)	0.3	200.16	0.3	210.65	0.3	216.34
Insurance income		11.18		9.50		11.16
Government payments		97.79		105.73		100.96
Other income		31.75		30.10		33.63
Purchased (hd)	0.0	-43.73	0.0	-37.94	0.0	-7.59
Transferred in (hd)	0.4	-62.30	0.4	-47.61	0.4	-86.44
Inventory change (hd)	0.0	37.88	-0.1	-130.39	0.0	33.90
Dairy repl net cost		-637.10		-690.65		-559.09
Gross margin		4,241.96		3,332.74		4,905.71
Direct Expenses						
Protein Vit Minerals (lb.)	3,569.7	723.43	2,005.4	440.12	3,130.5	695.60
Complete Ration (lb.)	1,538.4	338.04	1,882.3	433.34	1,959.8	445.08
Corn (bu.)	69.9	244.62	69.1	234.66	62.3	214.99
Corn Silage (lb.)	18,921.8	312.78	17,837.1	314.32	19,952.8	326.62
Hay, Alfalfa (lb.)	2,766.8	186.41	3,343.5	246.79	2,411.4	152.65
Haylage, Alfalfa (lb.)	3,252.8	117.56	2,925.8	108.49	3,222.5	111.58
Other feed stuffs (lb)	2,053.8	87.91	1,521.4	98.29	2,334.9	91.94
Breeding fees		46.80		40.43		50.10
Veterinary		106.41		95.13		120.26
Supplies		122.94		127.78		115.65
Fuel & oil		81.19		80.13		87.79
Repairs		147.52		164.85		158.59
Custom hire		64.43		48.42		85.85
Hired labor		324.37		278.06		396.70
Hauling and trucking		96.02		97.58		114.27
Bedding		78.21		78.11		74.87
Miscellaneous		146.94		190.68		144.95
Total direct expenses		3,225.59		3,077.18		3,387.48
Return over direct expense		1,016.37		255.56		1,518.23
Overhead Expenses						
Hired labor		115.64		124.89		87.25
Utilities		64.28		53.19		64.94
Interest		100.21		116.82		54.96
Mach & bldg depreciation		186.98		195.39		207.78
Miscellaneous		145.58		160.38		141.98
Total overhead expenses		612.69		650.67		556.90
Total dir & ovhd expenses		3,838.28		3,727.84		3,944.38
Net return		403.68		-395.11		961.33
Labor & management charge		170.17		194.88		180.76
Net return over lbr & mgt		233.51		-589.99		780.57
Cost of Production Per Cwt. Of Milk						
Total direct expense per unit		13.21		14.58		12.66
Total dir& ovhd expense per unit		15.72		17.66		14.74
With other revenue adjustments		16.95		19.82		15.43
With labor and management		17.65		20.74		16.11
Est. labor hours per unit		37.64		38.65		40.11
Other Information						
Number of cows		236.3		151.5		280.4
Milk produced per cow		24,414		21,110		26,760
Lb. of milk sold per FTE		1,805,389		1,521,442		1,859,694
Culling percentage		30.6		31.7		31.3
Turnover rate		37.2		40.2		36.4
Cow death loss percent		6.3		8.0		4.9
Cows per milking unit		24		18		27
Feed cost per cwt. of milk		8.24		8.89		7.62
Feed cost per cow		2,010.76		1,876.01		2,038.46
Hired labor per cow		440.00		402.95		483.94
Avg. milk price per cwt.		18.64		17.98		19.05
Milk price / feed margin		10.41		9.10		11.44

Livestock Enterprise Analysis
Farm Business Management Statewide Data
(Farms Sorted By Net Return)

Dairy -- Average Per Cwt. Of Milk

	Avg. Of All Farms		*Low 20%*		*High 20%*	
Number of farms	280		56		56	
	Quantity	Value	Quantity	Value	Quantity	Value
Milk sold (hd)	99.40	18.53	99.48	17.89	99.55	18.97
Dairy Calves sold (hd)	0.00	0.18	0.00	0.40	0.00	0.18
Transferred out (hd)	0.00	0.16	0.00	0.10	0.00	0.14
Cull sales (hd)	0.00	0.82	0.00	1.00	0.00	0.81
Insurance income		0.05		0.04		0.04
Government payments		0.40		0.50		0.38
Other income		0.13		0.14		0.13
Purchased (hd)	0.00	-0.18	0.00	-0.18	0.00	-0.03
Transferred in (hd)	0.00	-0.26	0.00	-0.23	0.00	-0.32
Inventory change (hd)	0.00	0.16	0.00	-0.62	0.00	0.13
Dairy repl net cost		-2.61		-3.27		-2.09
Gross margin		17.38		15.79		18.33
Direct Expenses						
Protein Vit Minerals (lb.)	14.62	2.96	9.50	2.08	11.70	2.60
Complete Ration (lb.)	6.30	1.38	8.92	2.05	7.32	1.66
Corn (bu.)	0.29	1.00	0.33	1.11	0.23	0.80
Corn Silage (lb.)	77.51	1.28	84.49	1.49	74.56	1.22
Hay, Alfalfa (lb.)	11.33	0.76	15.84	1.17	9.01	0.57
Haylage, Alfalfa (lb.)	13.32	0.48	13.86	0.51	12.04	0.42
Other feed stuffs (lb)	8.41	0.36	7.21	0.47	8.73	0.34
Breeding fees		0.19		0.19		0.19
Veterinary		0.44		0.45		0.45
Supplies		0.50		0.61		0.43
Fuel & oil		0.33		0.38		0.33
Repairs		0.60		0.78		0.59
Custom hire		0.26		0.23		0.32
Hired labor		1.33		1.32		1.48
Hauling and trucking		0.39		0.46		0.43
Bedding		0.32		0.37		0.28
Miscellaneous		0.60		0.90		0.54
Total direct expenses		13.21		14.58		12.66
Return over direct expense		4.16		1.21		5.67
Overhead Expenses						
Hired labor		0.47		0.59		0.33
Interest		0.41		0.55		0.21
Mach & bldg depreciation		0.77		0.93		0.78
Miscellaneous		0.86		1.01		0.77
Total overhead expenses		2.51		3.08		2.08
Total dir & ovhd expenses		15.72		17.66		14.74
Net return		1.65		-1.87		3.59
Labor & management charge		0.70		0.92		0.68
Net return over lbr & mgt		0.96		-2.79		2.92
Cost of Production Per Cwt. Of Milk						
Total direct expense per unit		13.21		14.58		12.66
Total dir& ovhd expense per unit		15.72		17.66		14.74
With other revenue adjustments		16.95		19.82		15.43
With labor and management		17.65		20.74		16.11
Est. labor hours per unit		0.15		0.18		0.15
Other Information						
Number of cows		236.3		151.5		280.4
Milk produced per cow		24,414		21,110		26,760
Lb. of milk sold per FTE		1,805,389		1,521,442		1,859,694
Culling percentage		30.6		31.7		31.3
Turnover rate		37.2		40.2		36.4
Cow death loss percent		6.3		8.0		4.9
Cows per milking unit		24		18		27
Feed cost per cwt. of milk		8.24		8.89		7.62
Feed cost per cow		2,010.76		1,876.01		2,038.46
Hired labor per cow		440.00		402.95		483.94
Avg. milk price per cwt.		18.64		17.98		19.05
Milk price / feed margin		10.41		9.10		11.44

Livestock Enterprise Analysis
Farm Business Management Statewide Data
(Farms Sorted By Net Return)

Dairy Replacement Heifers -- Average Per Head

	Avg. Of All Farms		Low 20%		High 20%	
Number of farms	273		54		55	
	Quantity	Value	Quantity	Value	Quantity	Value
Replacements sold (hd)	0.1	32.99	0.3	30.12	0.1	56.05
Transferred out (hd)	0.4	539.56	0.4	335.64	0.4	708.01
Cull sales (hd)	0.0	5.03	0.0	10.38	0.0	0.96
Other income		0.69		0.84		0.07
Purchased (hd)	0.0	-6.62	0.0	-5.17	0.0	-12.61
Transferred in (hd)	0.6	-104.02	0.7	-103.00	0.5	-95.84
Inventory change (hd)	0.0	2.34	-0.1	-78.70	0.0	42.20
Gross margin		469.96		190.11		698.83
Direct Expenses						
Protein Vit Minerals (lb.)	399.7	83.09	791.7	151.84	184.0	45.21
Milk Replacer (lb.)	16.9	21.58	7.6	12.48	23.6	30.00
Complete Ration (lb.)	328.3	62.89	323.1	54.92	238.9	55.80
Corn (bu.)	5.8	19.37	6.2	21.02	3.6	12.75
Corn Silage (lb.)	4,812.2	77.27	4,941.0	78.32	4,425.5	71.73
Hay, Alfalfa (lb.)	1,046.4	68.51	1,253.4	79.76	709.7	43.14
Hay, Grass (lb.)	606.4	27.06	701.1	34.18	567.2	26.45
Haylage, Alfalfa (lb.)	719.6	24.94	623.9	23.77	316.2	7.62
Hay, Mixed, Organic (lb.)	48.9	3.03	331.3	21.14	21.2	1.02
Other feed stuffs (lb)	1,249.4	52.84	2,744.6	128.71	922.7	30.90
Breeding fees		16.88		20.01		18.16
Veterinary		19.22		15.53		18.28
Supplies		36.52		41.50		34.10
Contract production exp.		98.73		104.70		167.80
Repairs		24.73		27.97		25.56
Hired labor		37.61		31.08		29.65
Bedding		18.88		19.55		15.66
Total direct expenses		693.17		866.48		633.85
Return over direct expense		-223.21		-676.37		64.98
Overhead Expenses						
Hired labor		21.98		30.77		18.28
Interest		17.17		18.04		17.04
Mach & bldg depreciation		32.32		33.41		26.08
Miscellaneous		34.89		37.34		32.21
Total overhead expenses		106.36		119.56		93.60
Total dir & ovhd expenses		799.53		986.04		727.45
Net return		-329.57		-795.93		-28.62
Labor & management charge		31.36		38.09		26.87
Net return over lbr & mgt		-360.93		-834.02		-55.50
Cost of Production Per Head Per Day						
Total direct expense per unit		2.18		2.86		1.92
Total dir& ovhd expense per unit		2.47		3.18		2.17
With other revenue adjustments		2.47		3.18		2.17
With labor and management		2.56		3.29		2.25
Est. labor hours per unit		6.02		5.52		6.19
Other Information						
No. purchased or trans in		121		91		148
Number sold or trans out		110		94		132
Average number of head		205		136		262
Percentage death loss		3.8		4.9		3.4
Feed cost per average head		440.60		606.14		324.63
Hired labor per average head		59.59		61.85		47.93
Feed cost/head sold/trans		823.50		877.78		645.67
Total cost/head sold/trans		1,744.73		1,737.45		1,630.06
Feed cost per head per day		1.21		1.66		0.89
Avg. purchase weight		29		-		39
Avg. purch price / head		505.77		1,310.34		333.36
Avg. wgt / Replacements sold		23		-		128
Avg. sales price / head		346.30		109.84		877.40

Livestock Enterprise Analysis
Farm Business Management Statewide Data
(Farms Sorted By Net Return)

Dairy and Repl Heifers -- Average Per Cow

	Avg. Of All Farms		*Low 20%*		*High 20%*	
Number of farms	230		46		46	
	Quantity	Value	Quantity	Value	Quantity	Value
Milk sold (hd)	24,598.1	4,580.61	21,003.1	3,804.79	27,076.4	5,125.44
Dairy Calves sold (hd)	-	52.86	-	41.73	-	60.13
Transferred out (hd)	-	22.20	-	18.81	-	11.24
Cull sales (hd)	-	206.04	-	235.08	-	221.21
Insurance income		10.45		8.71		9.60
Government payments		95.91		106.39		96.55
Other income		34.76		35.68		37.70
Purchased (hd)	-	-48.85	-	-21.07	-	-8.73
Transferred in (hd)	-	-5.13	-	-8.27	-	-1.55
Inventory change (hd)	-	63.64	-	-96.33	-	47.88
Gross margin		5,012.50		4,125.53		5,599.47
Direct Expenses						
Protein Vit Minerals (lb.)	4,535.7	781.91	5,214.0	480.00	3,616.4	710.09
Complete Ration (lb.)	1,962.0	430.40	2,144.5	507.37	2,620.1	603.51
Corn (bu.)	75.7	265.77	78.0	266.31	61.2	213.81
Corn Silage (lb.)	23,331.3	385.95	22,689.2	398.64	22,820.1	374.62
Hay, Alfalfa (lb.)	3,770.9	252.05	5,047.4	347.95	3,342.2	222.96
Haylage, Alfalfa (lb.)	3,497.6	125.11	3,481.1	128.18	3,521.6	119.54
Other feed stuffs (lb)	3,340.3	156.16	2,474.1	139.97	3,311.3	139.77
Breeding fees		63.56		53.19		66.55
Veterinary		123.74		110.50		136.00
Supplies		133.01		138.37		124.09
Contract production exp.		124.60		96.50		132.86
Fuel & oil		92.37		95.17		101.27
Repairs		166.47		194.85		177.41
Hired labor		382.34		283.47		455.96
Hauling and trucking		98.94		93.83		118.24
Bedding		98.15		105.14		89.87
Miscellaneous		223.74		257.17		245.81
Total direct expenses		3,904.26		3,696.61		4,032.37
Return over direct expense		1,108.24		428.91		1,567.11
Overhead Expenses						
Hired labor		115.75		161.15		71.22
Interest		115.21		138.93		53.60
Mach & bldg depreciation		214.77		209.61		235.97
Miscellaneous		235.14		241.74		219.79
Total overhead expenses		680.87		751.43		580.58
Total dir & ovhd expenses		4,585.13		4,448.04		4,612.94
Net return		427.37		-322.51		986.53
Labor & management charge		186.75		215.42		197.86
Net return over lbr & mgt		240.62		-537.93		788.66
Cost of Production Per Cwt. Of Milk						
Total direct expense per unit		15.77		17.49		14.82
Total dir& ovhd expense per unit		18.52		21.05		16.95
With other revenue adjustments		16.85		19.60		15.27
With labor and management		17.61		20.62		16.00
Est. labor hours per unit		43.91		45.40		44.93
Other Information						
Number of cows		251.2		158.3		278.8
Milk produced per cow		24,755		21,134		27,212
Lb. of milk sold per FTE		1,568,712		1,295,440		1,687,262
Culling percentage		30.5		32.7		31.2
Turnover rate		37.1		41.3		35.9
Cow death loss percent		6.3		8.0		4.5
Cows per milking unit		25		17		27
Feed cost per cwt. of milk		9.68		10.73		8.76
Feed cost per cow		2,397.34		2,268.42		2,384.31
Hired labor per cow		498.09		444.62		527.18
Avg. milk price per cwt.		18.62		18.12		18.93
Milk price / feed margin		8.94		7.38		10.17

Livestock Enterprise Analysis
Farm Business Management Statewide Data
(Farms Sorted By Net Return)

Dairy Finishing -- Average Per Head

	Avg. Of All Farms		Low 20%		High 20%	
Number of farms	93		18		19	
	Quantity	Value	Quantity	Value	Quantity	Value
Dairy Finish sold (lb)	1,401.1	1,341.53	1,682.5	1,609.62	1,553.4	1,500.04
Transferred out (lb)	-	1.00	-	8.07	-	-
Other income		13.78		25.99		8.81
Purchased (lb)	-393.4	-419.96	-402.7	-354.83	-282.3	-272.50
Transferred in (lb)	-26.5	-32.34	-24.3	-30.41	-65.8	-74.86
Inventory change (lb)	-0.5	28.94	-253.3	-306.20	-169.6	-81.65
Gross margin		932.94		952.24		1,079.84
Direct Expenses						
Protein Vit Minerals (lb.)	814.8	146.68	1,726.7	224.48	468.3	95.01
Milk Replacer (lb.)	5.5	7.20	26.7	38.32	0.3	0.50
Complete Ration (lb.)	191.2	23.94	395.1	36.58	17.1	3.90
Corn (bu.)	104.9	354.07	127.4	428.75	82.7	275.91
Corn Silage (lb.)	1,883.8	37.16	1,995.3	29.93	2,335.5	73.00
DDGS, wet (lb.)	717.9	21.02	407.9	23.25	665.3	24.17
Other feed stuffs (lb)	1,036.9	55.04	1,331.2	65.14	568.5	38.75
Veterinary		20.22		29.15		8.21
Supplies		56.75		55.05		48.93
Fuel & oil		15.11		22.73		8.25
Repairs		23.74		46.04		19.22
Bedding		13.59		29.81		10.14
Operating interest		30.58		45.12		12.01
Total direct expenses		805.12		1,074.35		618.00
Return over direct expense		127.82		-122.10		461.84
Overhead Expenses						
Hired labor		13.19		26.68		22.49
Farm insurance		10.71		16.76		8.41
Utilities		10.03		16.10		11.85
Interest		15.07		17.80		10.28
Mach & bldg depreciation		39.71		73.72		16.34
Miscellaneous		12.54		35.04		10.09
Total overhead expenses		101.26		186.10		79.47
Total dir & ovhd expenses		906.38		1,260.45		697.47
Net return		26.56		-308.20		382.37
Labor & management charge		49.96		57.45		31.01
Net return over lbr & mgt		-23.40		-365.65		351.35
Cost of Production Per Cwt. Produced						
Total direct expense per unit		87.06		103.40		66.84
Total dir& ovhd expense per unit		94.28		114.47		71.95
With other revenue adjustments		93.92		114.47		71.95
With labor and management		97.49		117.88		73.95
Est. labor hours per unit		4.36		6.14		3.38
Other Information						
No. purchased or trans in		222		150		159
Number sold or trans out		197		147		156
Percentage death loss		3.2		5.7		2.5
Avg. daily gain (lb.)		2.35		1.97		2.54
Lb. of conc / lb. of gain		7.91		9.83		5.62
Lb. of feed / lb. of gain		9.26		11.18		6.83
Feed cost per cwt. of gain		65.17		82.04		49.00
Feed cost per head		645.11		846.46		511.23
Hired labor per head		22.35		36.52		23.03
Average purchase weight		448		401		488
Avg wgt / Dairy Finish sold		1,415		1,473		1,427
Avg purch price / head		477.85		353.50		470.72
Avg sales price / cwt.		95.75		95.67		96.57

Livestock Enterprise Analysis
Farm Business Management Statewide Data
(Farms Sorted By Net Return)

Dairy Finishing -- Average Per Cwt. Produced

	Avg. Of All Farms		*Low 20%*		*High 20%*	
Number of farms	93		18		19	
	Quantity	Value	Quantity	Value	Quantity	Value
Dairy Finish sold (lb)	141.53	135.52	163.08	156.01	148.87	143.76
Transferred out (lb)	-	0.10	-	0.78	-	-
Other income		1.39		2.52		0.84
Purchased (lb)	-39.74	-42.42	-39.03	-34.39	-27.06	-26.12
Transferred in (lb)	-2.68	-3.27	-2.36	-2.95	-6.30	-7.17
Inventory change (lb)	-0.05	2.92	-24.55	-29.68	-16.26	-7.82
Gross margin		94.24		92.30		103.49
Direct Expenses						
Protein Vit Minerals (lb.)	82.31	14.82	167.35	21.76	44.88	9.11
Milk Replacer (lb.)	0.56	0.73	2.58	3.71	0.03	0.05
Complete Ration (lb.)	19.32	2.42	38.29	3.55	1.63	0.37
Corn (bu.)	10.60	35.77	12.35	41.56	7.93	26.44
Corn Silage (lb.)	190.30	3.75	193.40	2.90	223.84	7.00
DDGS, wet (lb.)	72.52	2.12	39.54	2.25	63.76	2.32
Other feed stuffs (lb)	104.74	5.56	129.03	6.31	54.48	3.71
Veterinary		2.04		2.83		0.79
Supplies		5.73		5.34		4.69
Fuel & oil		1.53		2.20		0.79
Repairs		2.40		4.46		1.84
Bedding		1.37		2.89		0.97
Operating interest		3.09		4.37		1.15
Total direct expenses		81.33		104.13		59.23
Return over direct expense		12.91		-11.83		44.26
Overhead Expenses						
Hired labor		1.33		2.59		2.16
Farm insurance		1.08		1.62		0.81
Interest		1.52		1.73		0.99
Mach & bldg depreciation		4.01		7.15		1.57
Miscellaneous		2.28		4.96		2.10
Total overhead expenses		10.23		18.04		7.62
Total dir & ovhd expenses		91.56		122.17		66.85
Net return		2.68		-29.87		36.65
Labor & management charge		5.05		5.57		2.97
Net return over lbr & mgt		-2.36		-35.44		33.67
Cost of Production Per Cwt. Produced						
Total direct expense per unit		87.06		103.40		66.84
Total dir& ovhd expense per unit		94.28		114.47		71.95
With other revenue adjustments		93.92		114.47		71.95
With labor and management		97.49		117.88		73.95
Est. labor hours per unit		0.44		0.59		0.32
Other Information						
No. purchased or trans in		222		150		159
Number sold or trans out		197		147		156
Percentage death loss		3.2		5.7		2.5
Avg. daily gain (lb.)		2.35		1.97		2.54
Lb. of conc / lb. of gain		7.91		9.83		5.62
Lb. of feed / lb. of gain		9.26		11.18		6.83
Feed cost per cwt. of gain		65.17		82.04		49.00
Feed cost per head		645.11		846.46		511.23
Hired labor per head		22.35		36.52		23.03
Average purchase weight		448		401		488
Avg wgt / Dairy Finish sold		1,415		1,473		1,427
Avg purch price / head		477.85		353.50		470.72
Avg sales price / cwt.		95.75		95.67		96.57

Livestock Enterprise Analysis
Farm Business Management Statewide Data
(Farms Sorted By Net Return)

Sheep, Market Lamb Prod -- Average Per Ewe

	Avg. Of All Farms	
Number of farms	5	
	Quantity	Value
Lambs sold (lb)	14.3	10.26
Mkt Lambs sold (lb)	196.5	305.89
Transferred out (lb)	1.1	2.76
Cull sales (lb)	11.9	12.99
Purchased (lb)	-6.0	-21.61
Inventory change (lb)	-8.9	-5.80
Gross margin		304.49
Direct Expenses		
Protein Vit Minerals (lb.)	376.0	46.92
Complete Ration (lb.)	99.9	12.45
Corn (bu.)	10.8	38.56
Corn Silage (lb.)	453.7	6.64
Hay, Alfalfa (lb.)	420.6	30.56
Hay, Grass (lb.)	424.6	24.13
Hay (lb.)	44.6	2.34
Other feed stuffs (lb)	7.7	5.79
Veterinary		11.36
Supplies		14.77
Fuel & oil		8.55
Repairs		11.61
Hired labor		23.08
Operating interest		2.75
Miscellaneous		24.84
Total direct expenses		264.34
Return over direct expense		40.15
Overhead Expenses		
Utilities		5.95
Dues & professional fees		5.60
Mach & bldg depreciation		18.66
Miscellaneous		15.87
Total overhead expenses		46.08
Total dir & ovhd expenses		310.42
Net return		-5.93
Labor & management charge		66.90
Net return over lbr & mgt		-72.83
Cost of Production Per Cwt. Produced		
Total direct expense per unit		135.79
Total dir& ovhd expense per unit		159.46
With other revenue adjustments		166.97
With labor and management		201.34
Est. labor hours per unit		5.77
Other Information		
Number of ewes		295.8
Pregnancy percentage		97.6
Pregnancy loss percentage		1.2
Female turnover rate		18.66
Lambs born / ewe exposed		1.74
Lambs born / ewe lambing		1.81
Lambs weaned/ewe exposed		1.61
Lambs sold per ewe		1.46
Lamb dth loss (died/born)		11.8
Ewe death loss percentage		6.5
Ewes per FTE		485.3
Average weaning weight		47
Lb. weaned/exposed female		76
Feed cost per ewe		167.39
Avg wgt/Mkt Lambs sold		137
Avg price / cwt.		155.63

Livestock Enterprise Analysis
Farm Business Management Statewide Data
(Farms Sorted By Net Return)

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

	Avg. Of All Farms	
Number of farms	5	
	Quantity	Value
Lambs sold (lb)	7.34	5.27
Mkt Lambs sold (lb)	100.96	157.13
Transferred out (lb)	0.56	1.42
Cull sales (lb)	6.12	6.67
Purchased (lb)	-3.08	-11.10
Inventory change (lb)	-4.56	-2.98
Gross margin		156.42
Direct Expenses		
Protein Vit Minerals (lb.)	193.15	24.10
Complete Ration (lb.)	51.30	6.39
Corn (bu.)	5.56	19.81
Corn Silage (lb.)	233.05	3.41
Hay, Alfalfa (lb.)	216.03	15.70
Hay, Grass (lb.)	218.12	12.39
Hay (lb.)	22.92	1.20
Other feed stuffs (lb)	3.96	2.98
Veterinary		5.84
Supplies		7.59
Repairs		5.96
Hired labor		11.86
Operating interest		1.41
Miscellaneous		17.15
Total direct expenses		135.79
Return over direct expense		20.63
Overhead Expenses		
Utilities		3.06
Dues & professional fees		2.88
Mach & bldg depreciation		9.58
Miscellaneous		8.15
Total overhead expenses		23.67
Total dir & ovhd expenses		159.46
Net return		-3.05
Labor & management charge		34.37
Net return over lbr & mgt		-37.41
Cost of Production Per Cwt. Produced		
Total direct expense per unit		135.79
Total dir& ovhd expense per unit		159.46
With other revenue adjustments		166.97
With labor and management		201.34
Est. labor hours per unit		2.96
Other Information		
Number of ewes		295.8
Pregnancy percentage		97.6
Pregnancy loss percentage		1.2
Female turnover rate		18.66
Lambs born / ewe exposed		1.74
Lambs born / ewe lambing		1.81
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Avg wgt/Mkt Lambs sold		137
Avg price / cwt.		155.63

Summary Tables

Financial Summary by Years

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

Year	CPI-U 1982-84=100	Year	CPI-U 1982-84=100
1999	166.6	2010	218.1
2000	172.2	2011	224.9
2001	177.1	2012	229.6
2002	179.9	2013	233.0
2003	184.0	2014	236.7
2004	188.9	2015	237.0
2005	195.3	2016	240.0
2006	201.6	2017	245.1
2007	207.3	2018	251.1
2008	215.3	2019	255.7
2009	214.5		

Financial Summary by Farm Size (Gross Farm Income)
This table summarizes whole-farm financial performance by size of farm. Farms are categorized based on gross farm income.

Financial Summary by Farm Type

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

Financial Summary by Debt To Asset Ratio

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

Financial Summary by Age of Operator

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

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

Row	Items	2000	2001	2002	2003	2004	2005	2006	2007	2008
1	Number of Farms	212	207	188	175	125	107	110	107	99
	Farm Income Statement									
2	Gross Cash Farm Income	422,897	433,698	428,084	504,022	496,771	579,201	609,886	731,897	876,375
3	Total Cash Farm Expense	348,711	358,506	352,995	400,605	404,743	477,476	494,409	592,841	720,364
4	Inventory Change	25,296	-17,297	19,571	18,977	31,076	74,307	66,397	135,843	70,051
5	Depr. & Cap. Adj.	-17,731	-21,280	-24,654	-25,990	-24,741	-28,170	-27,176	-32,631	-39,437
6	Net Farm Income from Operations	81,750	36,614	70,007	96,404	98,362	147,862	154,698	242,267	186,625
7	Gain or Loss on Capital Sales	0	0	0	0	0	0	0	0	4,276
8	Net Farm Income	81,750	36,614	70,007	96,404	98,362	147,862	154,698	242,267	190,901
9	Net Farm Income (Constant $)	125,471	54,368	101,077	137,023	136,691	200,150	202,541	307,280	235,472
	Profitability*									
10	Rate of Return on Assets (%)	12	6	9	11	11	14	13	17	11
11	Rate of Return on Equity (%)	19	4	11	16	16	21	19	25	15
12	Operating Profit Margin (%)	27	14	20	24	23	28	28	35	26
13	Asset Turnover Rate (%)	45	39	44	44	46	51	48	50	43
14	Value of Farm Production	313,232	282,583	345,743	379,505	378,450	478,073	512,081	648,768	658,576
15	Farm Interest Paid	27,002	27,203	26,739	25,262	21,824	22,210	27,677	30,714	30,232
	Liquidity, Repayment and Efficiency									
16	Current Ratio	1.7	1.5	1.6	1.7	1.9	2.1	2.2	2.5	2.6
17	Working Capital	112,896	83,500	117,135	143,632	155,804	218,745	268,567	393,911	446,350
18	Working Capital to Gross Revenue (%)	25	20	25	28	30	34	40	46	49
19	Term Debt Coverage Ratio	2.3	1.0	1.6	2.2	2.1	3.0	3.1	4.1	2.9
20	Operating Expense Ratio (%)	71.4	79.5	73.6	71.5	72.1	69.2	68.7	64.1	71.6
21	Interest Expense Ratio (%)	6.2	6.6	5.8	4.8	4.2	3.5	4.3	3.7	3.3
	Solvency (Year-end, Sole Proprietors Only)*									
22	No. of Sole Proprietors	181	178	161	149	109	91	93	91	85
23	Total Assets	1,150,838	1,158,071	1,277,823	1,407,919	1,286,775	1,487,232	1,694,428	2,034,365	2,208,883
24	Total Liabilities	545,689	539,918	578,253	619,279	554,962	618,105	698,239	810,184	837,830
25	Net Worth	605,149	618,197	699,570	788,640	731,813	869,127	996,189	1,224,181	1,371,053
26	Debt to Asset Ratio (%)	47	47	45	44	43	42	41	40	38
	Acreage Information									
27	Total Acres Owned	250	252	265	263	236	241	243	241	249
28	Total Crop Acres Farmed	730	759	784	794	766	792	797	825	822
29	Crop Acres Owned	214	214	226	239	193	199	197	208	222
30	Crop Acres Cash Rented	445	468	490	489	494	532	526	546	536
31	Crop Acres Share Rented	70	77	68	67	79	61	74	71	64
	Crop Yields									
32	Corn per acre (bu.)	150	128	151	157	171	192	169	162	172
33	Soybeans per acre (bu.)	46	42	49	39	41	55	51	49	44
	Crop Prices Received (cash sales)									
34	Corn per Bushel	1.68	1.72	1.95	2.07	2.28	1.89	2.04	3.00	4.51
35	Soybeans per Bushel	4.57	4.32	4.57	5.73	7.17	5.88	5.57	7.14	10.83
	Household Information									
36	No. Farms Reporting HseHld Info	120	124	108	102	73	67	66	60	62
37	Average Family Size	3.5	3.5	3.6	3.4	3.4	3.4	3.3	3.1	3.0
38	Family living expense	38,932	39,793	41,882	43,383	48,371	50,608	51,569	56,229	59,939
39	Total Family Use of Cash	62,349	63,980	51,826	68,470	68,029	74,513	82,670	98,388	100,933
40	Net Nonfarm Income	21,436	20,082	20,846	22,480	23,733	24,774	31,059	25,164	28,456

* Beginning in 1993, profitability is analyzed using assets valued at adjusted cost basis while solvency is at estimated fair market value. Prior to 1993, profitability and solvency were analyzed using land valued with a conservative market value and all other assets valued at cost basis.

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

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Row
---	---	---	---	---	---	---	---	---	---	---	---
95	97	107	110	117	109	103	103	104	101	106	1
878,404	970,471	1,150,686	1,332,519	1,285,081	1,086,085	997,581	918,546	941,931	865,101	946,154	2
743,487	781,053	898,752	1,057,018	1,029,631	856,705	798,226	748,909	783,231	703,195	783,687	3
-21,159	178,977	136,582	157,209	-53,364	-49,479	-68,430	-8,515	-7,784	-25,846	52,089	4
-43,972	-48,085	-55,244	-66,085	-69,322	-70,801	-73,028	-71,987	-74,624	-68,737	-71,520	5
69,787	320,310	333,272	366,624	132,764	109,100	57,897	89,135	76,292	67,324	143,035	6
0	1,855	3,015	10,447	4,404	9,296	1,944	-418	8,475	4,732	1,969	7
69,787	322,165	336,287	377,071	137,168	118,396	59,841	88,717	84,767	72,056	145,004	8
82,882	384,045	394,262	428,711	152,761	129,931	64,644	95,717	88,433	73,376	145,004	9
3	17	16	14	4	3	1	3	2	2	5	10
2	24	21	19	4	3	0	2	1	0	5	11
9	36	35	30	11	10	4	8	7	6	16	12
37	47	46	46	34	34	31	31	30	29	31	13
608,181	819,691	871,265	1,052,663	819,449	790,270	729,443	738,186	735,601	716,296	772,867	14
29,727	34,124	28,447	27,141	27,405	26,239	27,225	30,723	35,049	37,490	43,563	15
2.3	2.9	3.3	3.1	2.7	2.6	2.2	1.9	1.8	1.9	2.1	16
404,104	568,438	659,446	771,719	646,719	562,147	455,840	395,033	367,795	364,975	419,247	17
45	50	52	52	52	54	49	42	39	42	42	18
1.1	5.2	5.6	4.6	1.8	1.4	0.9	1.4	1.3	1.3	2.3	19
83.6	64.8	66.9	69.1	81.4	80.0	83.0	79.0	80.1	80.1	74.0	20
3.3	3.0	2.3	1,8	2.2	2.6	3.0	3.0	3.8	4.3	4.4	21
80	80	87	85	89	84	81	81	83	80	85	22
2,376,886	2,719,826	2,922,324	3,515,081	3,667,344	3,670,892	3,953,187	3,994,222	4,126,516	4,140,478	4,275,004	23
892,734	987,753	1,068,183	1,057,882	1,271,925	1,241,969	1,283,940	1,297,771	1,329,095	1,313,213	1,306,029	24
1,484,151	1,732,074	1,854,181	2,288,721	2,395,419	2,428,924	2,669,246	2,696,451	2,797,420	2,827,265	2,968,975	25
38	36	37	35	35	34	32	32	32	32	31	26
250	240	232	216	211	208	210	210	226	240	235	27
831	831	791	886	845	902	940	939	940	947	940	28
224	221	202	205	203	208	226	236	233	233	233	29
555	550	532	617	592	626	661	651	661	665	659	30
52	61	57	63	50	67	53	53	46	48	48	31
185	184	173	162	175	167	204	207	204	175	164	32
49	51	46	47	52	48	58	62	55	53	49	33
3.83	3.67	5.29	6.27	6.48	4.35	3.63	3.38	3.17	3.27	3.58	34
10.15	9.72	11.58	13.07	13.97	12.73	10.12	8.92	9.23	9.20	8.46	35
52	46	43	42	32	41	32	44	45	34	39	36
3.3	3.0	3.0	2.9	3.0	2.8	3.1	3.0	2.6	2.6	2.9	37
62,182	63,848	73,704	73,904	72,592	73,073	64,621	73,384	69,964	72,096	66,585	38
123,590	108,468	119,913	135,406	159,539	140,853	158,913	125,223	116,348	110,123	99,802	39
29,369	29,543	35,042	30,841	35,723	42,073	36,083	39,590	38,552	41,141	47,034	40

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

	Avg. Of All Farms	*Less than 100,000*	*100,001 - 250,000*	*250,001 - 500,000*	*500,001 - 1,000,000*	*1,000,001- 2,000,000*	*Over 2,000,000*
Number of farms	106	9	11	23	42	14	7
Income Statement							
Gross cash farm income	946,154	76,625	193,976	381,956	706,796	1,321,914	5,784,525
Total cash farm expense	783,687	70,121	130,135	252,394	505,467	1,089,597	5,531,320
Net cash farm income	162,466	6,504	63,841	129,562	201,329	232,317	253,205
Inventory change	52,089	13,264	10,539	-397	-16,670	164,217	528,046
Depreciation	-71,520	-6,341	-16,646	-47,273	-66,130	-145,977	-204,648
Net farm income from operations	143,035	13,427	57,734	81,892	118,530	250,558	576,602
Gain or loss on capital sales	1,969	547	211	-1	2,073	8,170	-
Average net farm income	145,004	13,974	57,945	81,890	120,603	258,728	576,602
Median net farm income	91,895	20,271	64,345	80,999	124,784	179,339	280,514
Profitability (cost)							
Rate of return on assets	4.8 %	4.0 %	4.5 %	3.8 %	3.7 %	5.1 %	7.4 %
Rate of return on equity	4.9 %	2.3 %	4.6 %	3.6 %	3.2 %	5.6 %	10.2 %
Operating profit margin	15.7 %	9.7 %	17.4 %	15.0 %	14.0 %	17.4 %	16.8 %
Asset turnover rate	30.7 %	41.2 %	26.0 %	25.3 %	26.3 %	29.5 %	44.1 %
Liquidity & Repayment (end of year)							
Current assets	808,635	63,221	260,967	363,982	793,219	1,314,181	3,170,045
Current liabilities	389,388	28,126	50,351	162,494	245,567	867,778	2,038,287
Current ratio	2.08	2.25	5.18	2.24	3.23	1.51	1.56
Working capital	419,247	35,095	210,616	201,487	547,652	446,403	1,131,758
Change in working capital	78,098	22,640	32,349	24,557	55,900	90,755	505,084
Working capital to gross inc	42.3 %	39.4 %	100.6 %	51.6 %	78.6 %	30.6 %	18.3 %
Term debt coverage ratio	2.31	2.49	6.97	2.26	2.20	2.12	2.46
Replacement coverage ratio	1.49	2.19	2.54	1.39	1.14	1.62	1.99
Term debt to EBITDA	1.94	1.56	0.43	1.76	2.07	1.84	2.13
Solvency (end of year at market)							
Number of farms	106	9	11	23	42	14	7
Total assets	4,344,977	571,577	2,079,090	3,314,187	4,675,755	6,210,025	10,429,282
Total liabilities	1,488,321	257,830	402,798	842,397	1,412,424	2,554,730	5,221,083
Net worth	2,856,656	313,747	1,676,292	2,471,791	3,263,330	3,655,295	5,208,199
Total net worth change	206,481	64,600	38,257	141,275	199,803	314,634	691,258
Farm debt to asset ratio	38 %	49 %	21 %	31 %	33 %	44 %	51 %
Total debt to asset ratio	34 %	45 %	19 %	25 %	30 %	41 %	50 %
Change in total net worth %	8 %	26 %	2 %	6 %	7 %	9 %	15 %
Nonfarm Information							
Net nonfarm income	47,034	66,662	56,765	61,029	43,386	31,944	12,593
Farms reporting living expenses	39	3	7	10	15	4	-
Total family living expense	66,585	-	65,630	64,179	71,217	-	-
Total living, invest, cap. purch	99,802	-	80,847	77,440	128,497	-	-
Crop Acres							
Total crop acres	940	131	271	524	893	1,589	3,387
Total crop acres owned	233	8	82	150	319	340	307
Total crop acres cash rented	659	113	133	298	543	1,157	3,080
Total crop acres share rented	48	10	57	76	31	91	-
Machinery value per crop acre	487	243	365	468	527	692	269

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

	Avg. Of All Farms	*Crop*	*Crop and Beef*	*Other*
Number of farms	106	67	6	18
Income Statement				
Gross cash farm income	946,154	667,771	666,283	699,682
Total cash farm expense	783,687	505,169	511,780	520,639
Net cash farm income	162,466	162,602	154,503	179,042
Inventory change	52,089	-29,151	7,987	119,517
Depreciation	-71,520	-57,587	-56,143	-76,635
Net farm income from operations	143,035	75,864	106,346	221,924
Gain or loss on capital sales	1,969	2,890	3,531	-341
Average net farm income	145,004	78,754	109,877	221,583
Median net farm income	91,895	80,999	122,360	89,704
Profitability (cost)				
Rate of return on assets	4.8 %	2.5 %	3.5 %	7.1 %
Rate of return on equity	4.9 %	1.3 %	3.2 %	8.3 %
Operating profit margin	15.7 %	7.7 %	17.2 %	29.5 %
Asset turnover rate	30.7 %	32.1 %	20.1 %	23.9 %
Liquidity & Repayment (end of year)				
Current assets	808,635	671,399	790,004	646,071
Current liabilities	389,388	282,962	265,194	378,875
Current ratio	2.08	2.37	2.98	1.71
Working capital	419,247	388,437	524,810	267,196
Change in working capital	78,098	21,125	75,493	94,472
Working capital to gross inc	42.3 %	61.2 %	77.9 %	32.8 %
Term debt coverage ratio	2.31	1.89	2.96	2.37
Replacement coverage ratio	1.49	1.05	1.81	1.83
Term debt to EBITDA	1.94	2.11	1.44	1.99
Solvency (end of year at market)				
Number of farms	106	67	6	18
Total assets	4,344,977	3,478,304	3,729,200	5,256,766
Total liabilities	1,488,321	1,202,377	1,016,925	1,651,652
Net worth	2,856,656	2,275,927	2,712,275	3,605,114
Total net worth change	206,481	96,485	156,258	374,145
Farm debt to asset ratio	38 %	37 %	28 %	36 %
Total debt to asset ratio	34 %	35 %	27 %	31 %
Change in total net worth %	8 %	4 %	6 %	12 %
Nonfarm Information				
Net nonfarm income	47,034	53,282	48,677	27,767
Farms reporting living expenses	39	24	3	7
Total family living expense	66,585	65,365	-	71,891
Total living, invest, cap. purch	99,802	90,659	-	135,477
Crop Acres				
Total crop acres	940	997	717	683
Total crop acres owned	233	205	351	272
Total crop acres cash rented	659	737	292	371
Total crop acres share rented	48	56	73	40
Machinery value per crop acre	487	442	580	552

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Financial Summary
Southwest Minnesota Farm Business Management Association
(Farms Sorted By Debt to Asset Ratio)

	Avg. Of All Farms	*Less than 20%*	*20% - 40%*	*40% - 60%*	*60% - 80%*	*Over 80%*
Number of farms	106	23	44	23	9	7
Income Statement						
Gross cash farm income	946,154	467,922	957,594	1,306,033	1,364,929	724,684
Total cash farm expense	783,687	280,393	781,626	1,074,907	1,435,534	655,371
Net cash farm income	162,466	187,529	175,968	231,126	-70,606	69,313
Inventory change	52,089	-25,183	102,751	-29,408	218,836	40,913
Depreciation	-71,520	-55,314	-75,345	-76,649	-84,597	-67,062
Net farm income from operations	143,035	107,033	203,374	125,070	63,634	43,164
Gain or loss on capital sales	1,969	-361	2,028	612	11,123	1,933
Average net farm income	145,004	106,672	205,403	125,682	74,757	45,097
Median net farm income	91,895	100,668	87,233	130,430	15,826	21,243
Profitability (cost)						
Rate of return on assets	4.8 %	3.5 %	6.1 %	4.3 %	3.4 %	1.9 %
Rate of return on equity	4.9 %	3.5 %	6.8 %	3.2 %	-1.0 %	-31.3 %
Operating profit margin	15.7 %	16.7 %	21.4 %	11.5 %	10.2 %	3.4 %
Asset turnover rate	30.7 %	21.1 %	28.5 %	37.0 %	33.2 %	57.9 %
Liquidity & Repayment (end of year)						
Current assets	808,635	697,622	786,195	943,610	1,103,991	491,202
Current liabilities	389,388	31,081	309,498	562,883	1,054,515	643,619
Current ratio	2.08	22.44	2.54	1.68	1.05	0.76
Working capital	419,247	666,541	476,697	380,727	49,476	-152,418
Change in working capital	78,098	60,966	85,417	81,933	101,282	45,973
Working capital to gross inc	42.3 %	152.5 %	45.3 %	29.5 %	3.3 %	-19.7 %
Term debt coverage ratio	2.31	6.31	3.08	1.68	1.17	0.63
Replacement coverage ratio	1.49	1.78	1.84	1.25	0.93	0.62
Term debt to EBITDA	1.94	0.40	1.50	2.98	3.76	2.77
Solvency (end of year at market)						
Number of farms	106	23	44	23	9	7
Total assets	4,344,977	4,771,823	4,781,741	3,973,565	4,122,269	1,703,795
Total liabilities	1,488,321	708,917	1,386,535	2,014,897	2,674,719	1,433,469
Net worth	2,856,656	4,062,906	3,395,207	1,958,668	1,447,550	270,327
Total net worth change	206,481	273,168	254,724	132,856	142,652	8,098
Farm debt to asset ratio	38 %	17 %	31 %	53 %	67 %	85 %
Total debt to asset ratio	34 %	15 %	29 %	51 %	65 %	84 %
Change in total net worth %	8 %	7 %	8 %	7 %	11 %	3 %
Nonfarm Information						
Net nonfarm income	47,034	47,494	53,114	38,562	57,440	21,764
Farms reporting living expenses	39	12	19	7	1	-
Total family living expense	66,585	59,190	75,957	53,712	-	-
Total living, invest, cap. purch	99,802	109,480	107,083	68,154	-	-
Crop Acres						
Total crop acres	940	528	876	1,440	1,154	783
Total crop acres owned	233	211	307	184	228	10
Total crop acres cash rented	659	296	497	1,208	918	737
Total crop acres share rented	48	21	72	48	8	36
Machinery value per crop acre	487	595	531	332	638	596

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

	Avg. Of All Farms	*Less Than 31*	*31 - 40*	*41 - 50*	*51 - 60*	*Over 60*
Number of farms	106	7	20	12	17	50
Income Statement						
Gross cash farm income	946,154	1,217,059	631,442	1,365,434	700,376	1,017,049
Total cash farm expense	783,687	1,032,006	497,833	1,214,976	558,826	836,208
Net cash farm income	162,466	185,053	133,609	150,458	141,549	180,841
Inventory change	52,089	-128,642	54,380	76,734	25,956	79,445
Depreciation	-71,520	-18,371	-60,808	-72,523	-74,666	-81,935
Net farm income from operations	143,035	38,040	127,181	154,669	92,839	178,350
Gain or loss on capital sales	1,969	153	279	12,129	2,364	326
Average net farm income	145,004	38,193	127,460	166,798	95,203	178,676
Median net farm income	91,895	21,243	106,571	95,923	97,279	96,929
Profitability (cost)						
Rate of return on assets	4.8 %	1.5 %	6.2 %	5.3 %	2.9 %	5.3 %
Rate of return on equity	4.9 %	-3.4 %	8.0 %	5.3 %	2.0 %	5.6 %
Operating profit margin	15.7 %	2.7 %	16.4 %	13.0 %	11.3 %	20.0 %
Asset turnover rate	30.7 %	54.1 %	38.1 %	40.5 %	25.7 %	26.3 %
Liquidity & Repayment (end of year)						
Current assets	808,635	742,878	505,060	1,029,149	776,305	897,339
Current liabilities	389,388	324,479	256,302	566,537	387,208	409,934
Current ratio	2.08	2.29	1.97	1.82	2.00	2.19
Working capital	419,247	418,399	248,758	462,612	389,097	487,405
Change in working capital	78,098	-2,901	102,102	105,713	37,953	86,858
Working capital to gross inc	42.3 %	42.0 %	36.5 %	31.9 %	55.0 %	44.2 %
Term debt coverage ratio	2.31	1.56	2.19	1.68	1.77	2.78
Replacement coverage ratio	1.49	1.36	1.73	1.32	0.97	1.64
Term debt to EBITDA	1.94	4.52	2.40	1.85	1.96	1.68
Solvency (end of year at market)						
Number of farms	106	7	20	12	17	50
Total assets	4,344,977	2,271,194	2,505,972	3,786,525	4,691,171	5,387,230
Total liabilities	1,488,321	1,265,704	1,117,987	1,718,503	1,479,286	1,615,449
Net worth	2,856,656	1,005,490	1,387,985	2,068,022	3,211,885	3,771,781
Total net worth change	206,481	108,376	196,655	182,334	192,807	234,591
Farm debt to asset ratio	38 %	56 %	52 %	48 %	35 %	33 %
Total debt to asset ratio	34 %	56 %	45 %	45 %	32 %	30 %
Change in total net worth %	8 %	12 %	17 %	10 %	6 %	7 %
Nonfarm Information						
Net nonfarm income	47,034	68,779	52,610	33,593	29,730	50,869
Farms reporting living expenses	39	1	10	4	6	18
Total family living expense	66,585	-	63,540	-	67,171	71,708
Total living, invest, cap. purch	99,802	-	91,590	-	104,396	106,996
Crop Acres						
Total crop acres	940	1,973	773	1,085	865	853
Total crop acres owned	233	103	80	188	261	314
Total crop acres cash rented	659	1,870	623	847	573	488
Total crop acres share rented	48	-	70	49	30	51
Machinery value per crop acre	487	53	497	443	704	563

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Appendix I
Whole Farm Analysis Procedures and Measures

The whole-farm reports include summary financial statements and measures for all farms included in this report. Rounding of individual items may have caused minor discrepancies between those items and the printed totals which are calculated before rounding.

Financial Summary

This table summarizes key measures reported in several of the following tables.

Income Statement

This section summarizes key totals from the Income Statement table. *Average Net Farm Income* is the mean or average farm earnings of the group calculated on an accrual adjusted basis. *Median Net Farm Income* is the farm earnings of the median or middle farm in the group. If it is lower than the average, the average earnings are skewed because some farms had much higher earnings than the rest of the group. If it is higher than the average, the average earnings are skewed because some farms had much lower earnings than the rest of the group.

Profitability

See the Profitability Measures section below for an explanation of these measures.

Liquidity and Repayment

See the Financial Standards Measures and Liquidity Measures sections below for an explanation of these measures.

Solvency

This section summarizes key measures from the Balance Sheet reports.

Non-farm Information

This section summarizes non-farm earnings for all farms and family living withdrawals for those sole proprietors who kept accurate family living records. More detail is included on the Household and Personal Expenses and Non-Farm Summary pages.

Crop Acres

This section summarizes acres used for cropping from the Crop Production and Marketing table.

Financial Standards Measures

This table contains the Farm Financial Standards Council’s 21 financial measures for evaluating a farm's financial position and performance.

Liquidity

Current Ratio is calculated by dividing the total current farm assets by the total current farm liabilities.

Working Capital is calculated by subtracting current farm liabilities from current farm assets.

Working Capital to Gross Income is *Working Capital* divided by *Gross Revenues (accrual)*.

Solvency

Farm Debt to Asset Ratio is calculated by dividing the total farm liabilities by the total farm assets. It measures the proportion of farm assets financed by debt capital.

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

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

Profitability

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

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

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

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

EBITDA is Earnings Before Interest, Taxes, Depreciation and Amortization. It is Net Farm Income from Operations from the income statement plus interest expense and depreciation expense. This measure is common in commercial financial analysis but is not commonly used in agriculture.

Repayment Capacity

Capital Debt Repayment Capacity is *Net Farm Income From Operations* plus *Depreciation*, *Personal Income*, and *Interest on Term Debt* minus *Family Living/Owner Withdrawals*, *Payments on Personal Debt* and *Income Taxes Paid*. This represents total earnings available for debt repayment and cash capital replacement.

Capital Debt Repayment Margin is *Capital Debt Repayment Capacity* minus *Scheduled Term Debt Payments*. This is the amount by which earnings available for debt repayment exceeded payments due.

Replacement Margin is *Capital Debt Repayment Margin* minus *Cash Replacement Allowance*. This is the amount by which earnings available for debt repayment and replacement exceed payments due and cash replacement needs.

Term Debt Coverage Ratio measures whether the business generated enough income to cover term debt payments. It is calculated by dividing the funds generated by the business for debt repayment (net cash farm income + non-farm income + interest expense - family living expense - income taxes) by total term debt payments (annual scheduled principal and interest payments on intermediate and long term debt). A ratio less than 1.0 indicates that the business did not generate sufficient cash to meet scheduled payments in the past year. A ratio greater than 1.0 indicates the business generated enough cash to pay all term debt payments.

Replacement Coverage Ratio measures whether the business generated enough income to cover scheduled term debt payments plus estimated cash capital replacement needs. A ratio less than 1.0 indicates that the business did not generate sufficient income to meet replacement needs. A ratio greater than 1.0 indicates the business generated enough income to pay all term debt payments and cover an allowance for capital replacement.

Efficiency

Asset Turnover Rate is a measure of efficiency in using capital. It is calculated as follows: Asset Turnover Rate = Value of Farm Production ÷ Total Farm Assets.

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

Operating Expense Ratio is calculated as (Total Farm Operating Expense - Farm Interest Expense) ÷ Gross Farm Income. This ratio indicates the percent of the gross farm income that

was used to pay operating expenses. Total farm operating expense is the accrual total operating expense.

Depreciation Expense Ratio is calculated as Depreciation ÷ Gross Farm Income. This ratio indicates the percent of the gross farm income that was used to cover depreciation and other capital adjustments.

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

Net Farm Income Ratio is calculated as Net Farm Income ÷ Gross Farm Income. This ratio indicates the percent of the gross farm income that remained after all expenses.

Farm Income Statement

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

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

Profitability Measures

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

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

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

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

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

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

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

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

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

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

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

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

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

Liquidity and Repayment Capacity Measures

Current Ratio is total *Current Assets* divided by total *Current Liabilities*.

Working Capital is total *Current Assets* minus total Current Liabilities.

Working Capital to Gross Income is *Working Capital* divided by *Gross Revenues (accrual)*.

Current Assets are taken from the ending balance sheet and include all assets that will be sold or used up in production within one business year.

Current Liabilities are taken from the ending balance sheet and include all loans and other debt due to be repaid within one business year. Principal due within twelve months on intermediate and long-term loans is included.

Gross Revenues (accrual) is gross cash farm income from the income statement adjusted for inventory changes in crops and feed, market livestock, accounts receivable, hedging accounts, breeding livestock and other income related inventories.

Net Farm Income from Operations is from the Income Statement.

Depreciation is the total depreciation from the Income Statement. It is added as a source of repayment because it is a non-cash expense that was subtracted to arrive at Net *Farm Income From Operations*.

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

Family Living/Owner Withdrawals is the amount of owner withdrawals for family living, partnership withdrawals, and corporate dividends. Reported withdrawals are adjusted to include any discrepancy with actual cash disappearance.

Payments on personal debt is the total principal payments made during the year on all non-farm loans.

Income Taxes Paid are total federal, state, and social security taxes paid during the year on farm and personal earnings.

Interest on Term Debt is the amount of interest paid on intermediate and long-term loans during the year. Interest is added as a source of repayment because it was previously subtracted to arrive at *Net Farm Income from Operations.*

Capital Debt Repayment Capacity is *Net Farm Income From Operations* plus *Depreciation*, *Personal Income*, and *Interest on Term Debt* minus *Family Living/Owner Withdrawals*, *Payments on Personal Debt* and *Income Taxes Paid*. This represents total earnings available for debt repayment and cash capital replacement.

Scheduled Term Debt Payments is the scheduled amount of principal and interest payments due on farm intermediate and long-term loans from the beginning balance sheet.

Capital Debt Repayment Margin is *Capital Debt Repayment Capacity* minus *Scheduled Term Debt Payments*. This is the amount by which earnings available for debt repayment exceeded payments due.

Cash Replacement Allowance is the estimated amount of cash needed to cover the portion of capital replacement needs that normally come from cash flow. It is estimated for each operator based on their financial structure.

Replacement Margin is *Capital Debt Repayment Margin* minus *Cash Replacement Allowance*. This is the amount by which earnings available for debt repayment and replacement exceed payments due and cash replacement needs.

Term Debt Coverage Ratio is *Capital Debt Repayment Capacity* divided by *Scheduled Term Debt Payments*. This is how many times scheduled payments are covered by repayment capacity.

Replacement Coverage Ratio is *Capital Debt Repayment Capacity* divided by the total of *Scheduled Term Debt Payments* and the *Cash Replacement Allowance*. This represents how many times scheduled payments and cash replacement needs are covered by repayment capacity.

Balance Sheets at Cost and Market Values

These tables include all farm and personal assets and liabilities reported by these farms on their beginning and ending balance sheets. Government crop loans are treated consistently as loans on these tables, meaning that the full asset value is included as an asset and total accrued interest and outstanding principal balances are included as liabilities. Capital assets are valued at original purchase price minus economic depreciation on the Cost Value table. Assets are valued at a conservative market value on the Market Value table. Deferred liabilities are included on the

Market Value table. Deferred liabilities are an estimate of the taxes that would be due if the business was liquidated on the date of the balance sheet.

Statement of Cash Flows

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

Crop Production and Marketing Summary

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

Household and Personal Expenses

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

Operator and Labor Information

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

The third section reports the amount of labor used and the returns to that labor. *Total Unpaid Labor Hours* and *Total Hired Labor Hours* are based on farmers' estimates of labor use. No labor records are kept for unpaid labor. *Value of Farm Production/Hour* is the Value of Farm Production divided by Total Labor Hours per Farm. *Net Farm Income/Unpaid Hour* is Net Farm Income divided by Total Unpaid Labor Hours.

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

Non-farm Summary

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

Appendix II
Crop Enterprise Analysis Procedures and Measures

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

Gross Return is the average Yield multiplied by the Value Per Unit plus any other production or income related to the crop. Value Per Unit for cash crops is the average sales price for crops sold before the end of the year and the average ending inventory value for crops remaining unsold. For feed crops, it is the estimated harvest-time value. LDP payments and other commodity-specific income are added to estimate the total value received for crop production.
Direct Expenses include expenses that are directly related to the production of the specific crop. Most direct expenses are directly assigned to production of the crop and simply divided by acres. Some, such as Fuel and Oil and Repairs, which are difficult to assign directly to specific fields or crops, are determined by allocating the total annual expense across all enterprises using allocation factors entered for each crop.

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

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

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

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

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

Machinery Cost Per Acre is the sum of fuel and oil, repairs, custom hire expense, machinery lease payments, machinery depreciation, and interest on intermediate debt divided by acres.

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

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

Appendix III
Livestock Enterprise Analysis Procedures and Measures

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

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

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

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

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

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

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

Cost of Production is calculated by dividing the total expense for each category by Total Production. For grow/finish enterprises, the Purchases and Transfers In are included in direct expense. Cull sales, other offspring sales, and any other miscellaneous income are subtracted and replacement purchases and transfers in are added to arrive at the cost *with other revenue adjustments. With Labor and Management* is the cost with other revenue adjustments plus the producer's charge for operator's labor and management. This is the breakeven price for the primary product to provide a return for operator labor and management.

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

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

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

Appendix IV
Prices Used in the Analysis Report

Item	Beginning Inventory	Feed	Ending Inventory
All Corn/bu.	$3.39	$3.65	$3.80
Oats/bu.	2.64	2.97	2.74
All Wheat/bu.	5.12	5.04	5.14
Soybeans/bu.	8.08	8.15	8.90
Alfalfa hay/t. (avg quality)	$140	$145	$150
Alfalfa haylage/t	60	62	65
Grass/Mixed hay/r	120	125	125
Corn silage/t.	27	29	30
Oats straw/bale/ton	$3.75/125	$3.75/125	$3.75/125
Cornstalks/t.	30	30	30
Oatlage/t.	22	23	24

Enterprise production valued at actual selling price if sold or contracted, inventory price for balance. All feeds are valued on an as fed moisture basis.

Other Prices Used:

Pasture:	$50.00/acre (adjusted for quality and carrying capacity)
Value of milk fed calves	$ 1.50/gallon

Depreciation is calculated by using a 5% rate for buildings, 10% for machinery, 20% for beef cattle and sheep and 33% for breeding hogs and dairy cows. The economic depreciation is calculated by taking the beginning cost (book) value, plus new purchases (boot), less book value of sold items multiplied by the appropriate percentage rate.

Value of unpaid operator's labor is calculated by using this formula: For sole proprietors and partnerships, labor and management is valued at $25,000 per operator plus 5% of the value of farm production, with a minimum of $30,000 for a full-time farm operator. This value is used in calculating ROA, ROE and other whole farm ratios and is also allocated as an opportunity cost to crop and livestock enterprises.

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