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## **2006 Michigan Cash Grain Farm Business Analysis Summary**

Eric Wittenberg  
And  
Stephen Harsh

Staff Paper 2007-11

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Department of Agricultural Economics  
MICHIGAN STATE UNIVERSITY  
East Lansing, Michigan 48824

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2006 Michigan TelFarm and Farm Credit Services Data

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Eric Wittenberg and Stephen Harsh<sup>1</sup>

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<sup>1</sup> Co-workers in the TelFarm project were: R. Betz, L. Borton, B. Battel, W. Schauer, D. Stein, and V. Varner with the assistance of Michigan State University Extension Agents. Farm Credit Services of Michigan co-workers were Kelly Tobin, Steve Eshelman, Janice Raymond, Tiffany Aldrich, Anne Gerke, Kathleen Spranger, Sonya Pentecost, and Lynette Wood. Farm Credit Services of Wisconsin co-worker was Steve Zimmerman.

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## Executive Summary

This report summarizes the 2006 financial and production records of 77 Michigan cash grain farms. To be included, the farms must have produced at least 50 percent of gross cash farm income from one or a combination of these items: corn, soybeans, wheat, navy beans, oats, sugar beets and other small grains. The records came from Michigan State University's TelFarm project and Farm Credit Service of Michigan. The values were pooled into averages for reporting purposes.

Farm records were included if a farm financial analysis had completed 2006 data including beginning and ending balance sheets and a statement of income and expenses. The data was checked to verify that cash discrepancy was less than 10% of gross cash inflow and that debt discrepancy was less than \$1,000. While considerable variation in the data exists, average values are reported in the summary tables below.

### *Summary of Results*

Average size of farms measured in acres is presented in Table 1. However, there is considerable range and variability around this average.

**Table 1. Average Michigan Cash Grain Farm Characteristics, 2002-2006**

	2002	2003	2004	2005	2006
Total acres owned	416	379	401	430	480
Total crop acres	1132	1069	1123	1145	1024
Number of farms	78	92	88	64	77

Net farm income is the profit (loss) remaining after all farm expenses and inventory changes have been recognized. The net farm income value is the return to unpaid operator management, labor and equity capital invested, as illustrated in Table 2. Net farm income in 2006 averaged \$77,025; and the median was \$48,267, with a standard deviation of \$126,770. This average somewhat obscures a very large range of net farm income values. As illustrated in the second page of Table 9, the farms in the top 25 percent of the net farm income distribution averaged \$153,657 while those in the bottom 25 percent averaged \$1,156. The total difference across the averages of the top versus the bottom groups of farms is \$152,501.

Gross cash farm income averaged \$493,631 in 2006 (Table 2). The two largest components of these revenues were corn and soybeans sales, which averaged \$150,155 and \$96,862, respectively. Government payments averaged \$40,051 per farm in 2006.

Average total cash expenses were \$418,824 in 2006 and average net cash farm income was \$74,807. The net inventory changes in 2006 were \$53,116 because of changes in prepaid expenses & supplies and crops & feed inventories, farms were building inventories. Depreciation and capital adjustments averaged \$50,898.

**Table 2. Average Michigan Cash Grain Farm Income Statement, 2002-2006**

	2002	2003	2004	2005	2006
			(\$)		
Gross cash farm income	359,406	365,699	430,857	474,575	493,631
- Total cash expense	<u>326,884</u>	<u>320,235</u>	<u>361,681</u>	<u>401,511</u>	<u>418,824</u>
= Net cash farm income	32,522	45,464	69,176	73,063	74,807
+ Inventory change*	9,624	9,635	11,042	31,182	53,116
+ Depreciation + capital adjustments*	<u>-44,324</u>	<u>-42,311</u>	<u>-50,693</u>	<u>-46,936</u>	<u>-50,898</u>
= Net farm income	-2,178	12,788	29,524	57,310	77,025

\* Changes calculated as ending values minus beginning value

Four key financial performance indicators are presented in Table 3. The rate of return on assets (ROA) is calculated as if the farm has no debt. ROA indicates the farm earnings, after subtracting out an allowance for unpaid operator labor and management. ROA provides the key summary performance indicator for your farm. By multiplying the operating profit margin by the asset turnover rate, the ROA is determined. The average ROA was 6.9 percent; an improvement over the last five years (Table 3).

The rate of return on equity (ROE) represents the farm earnings after interest payments which covers the cost of borrowed funds. In 2006, ROE was higher than the ROA, 7.3 and 6.9 respectively, indicating that profits were being made on borrowed money. Table 3 reveals that for the last two years ROE is greater than ROA.

Operating profit margin (OPM) measures the dollars of profit generated per dollar of revenue. In 2006, Michigan cash grain farms generated 25.9 cents of profit per dollar of revenue. Asset turnover ratio (ATO) measures the efficiency with which farm assets generate revenue. In 2006, this ratio was 26.5 percent. Table 3 indicates that the first three profitability ratios were above the four previous years and the ATO has remained very fairly constant over the last four years.

**Table 3. Average Michigan Cash Grain Farm Profitability Indicators, 2002-2006**

	2002	2003	2004	2005	2006
	(%)				
Rate of return on assets*	3.1	3.1	3.3	5.8	6.9
Rate of return on equity	2.2	2.5	3.1	6.2	7.3
Operating profit margin	12.9	12.4	13.2	21.1	25.9
Asset turnover rate*	24.3	25.2	25.1	27.3	26.5

\* Assets valued at market value (rather than cost value).

### Results by Farm Size

To further facilitate financial comparisons and benchmarking, the financial summaries were categorized by cropped acres, Table 4. The smallest size category, 140 to 799 cropped acres, includes 39 farms. The medium size category, 800 to 1199 cropped acres, includes 20 farms. The largest size category, 1200 plus cropped acres, contains the remaining 19 farms.

**Table 4. Average  
2006 Michigan Cash Grain Farm Characteristics by Farm Size Category**

	140-799	800-1199	1200+
	Acres	Acres	Acres
Total acres owned	327	485	818
Total crop acres	474	981	2,181
Number of farms	39	20	19

Table 5 presents the average farm income statement by farm acreage size. The smallest farms returned \$33,243; the medium farms \$95,032; and the largest farms \$147,672.

**Table 5. Average 2006 Michigan Cash Grain Farm Income Statement by Size**

	140-799	800-1199	1200+
	Acres	Acres	Acres
	(\$)	(\$)	(\$)
Gross cash farm income	239,394	524,277	968,085
- Total cash expense	<u>198,239</u>	<u>417,807</u>	<u>857,376</u>
= Net cash farm income	41,154	106,470	110,709
+ Inventory change*	18,714	37,396	138,043
+ Depreciation and capital adjustments*	<u>-26,625</u>	<u>-48,835</u>	<u>-101,080</u>
= Net farm income	33,243	95,032	147,672

\* Changes calculated as ending values minus beginning value



Table 6 compares profitability measures across farm sizes with assets valued at cost. The larger-sized farms (1200 + acres) had the most positive financial profitability indicators: the highest ROA, ROE, and ATO; at 9.1 percent, 13.6 percent, and 70.4 percent, respectively.

**Table 6. Average 2006  
Michigan Cash Grain Farm Profitability Indicators by Size**

	140-799 Acres	800-1199 Acres	1200+ Acres
	(Percent)		
Rate of return on assets*	4.9	7.2	9.1
Rate of return on equity	3.7	10.2	13.6
Operating profit margin	9.2	13.8	12.9
Asset turnover rate*	52.8	51.9	70.4

\* Assets valued at **cost** value (rather than market).

Table 7 compares profitability measures across farm sizes with assets valued at market. The market value approach includes the impact of price appreciation (inflation) of the asset base (land primarily) as a form of income. Financial performance indicators like ROA can be looked upon in this comparison as the “opportunity cost” of farming versus alternative investments. Market value for assets is more appropriate when comparing across different farms (while cost is more appropriate to compare the same farm across time). The mid-sized farms had the highest ROA, ROE, and OPM in 2006. The larger size farms realized the highest average ATO.

**Table 7. Average  
2006 Michigan Cash Grain Farm Profitability Indicators by Size**

	140-799 Acres	800-1199 Acres	1200+ Acres
	(Percent)		
Rate of return on assets*	5.8	8.2	6.7
Rate of return on equity	5.8	9.4	6.9
Operating profit margin	28.7	32.4	21.3
Asset turnover rate*	20.1	25.4	31.4

\*Assets valued at **market** value (rather than cost).

The details in deriving these profitability measures are provided in the following pages. The data for the smallest sized farms starts in Section B, page 22, Tables 20 to 31. The data for the mid-sized farms starts in section C, page 35, Tables 32 to 43. The data for the largest size category of farms starts in section D, page 48, Tables 44 to 55.

**A) Average of 77 Cash Grain Farms, All Farms**

Table 8                      Crop Production and Marketing Summary			
2006 MI Cash Grain All Sizes			
(Farms Sorted By Rate of Return on Assets - Mkt)			
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	77	19	20
Acreage Summary			
Total acres owned	480	442	253
Total crop acres	1,024	911	1,015
Crop acres owned	512	413	313
Crop acres cash rented	482	472	669
Crop acres share rented	30	27	33
Total pasture acres	0	-	-
Average Price Received (Cash Sales Only)			
Corn per bushel	2.32	2.37	2.33
Soybeans per bushel	5.89	5.72	6.10
Wheat, Winter per bushel	3.10	3.01	2.90
Straw per ton	15.65	-	-
Hay, Mixed per ton	109.61	-	-
Hay, Alfalfa per ton	129.24	-	-
Sugar Beets per ton	20.49	-	-
Oats per bushel	2.39	-	-
Corn, Seed per bushel	2.66	-	-
Beans, Navy per cwt	21.73	-	-

Table 9

Farm Income Statement  
**2006 MI Cash Grain All Sizes**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	77	19	20
Cash Farm Income			
Beans, Green	2,295	-	-
Beans, Navy	5,487	-	9,853
Beans, Pinto	113	-	435
Corn	150,155	147,063	135,194
Corn Silage	210	-	-
Corn, Seed	25,421	17,387	13,742
Cucumbers	14,638	-	16,614
Hay, Alfalfa	1,803	2,132	621
Hay, Mixed	2,726	2,623	2,434
Haylage, Mixed	1,302	-	263
Oats	719	576	103
Potatoes	15,279	5,322	15,867
Rye	114	-	28
Soybeans	96,862	75,948	88,797
Straw	1,213	988	229
Sugar Beets	10,827	-	26,197
Watermelon	1,233	-	4,748
Wheat, Winter	25,214	23,891	32,991
Wheat, Seed	180	-	-
Other crops	689	-	-
Miscellaneous crop income	38	-	95
Beef Bulls	1,117	-	637
Beef Cow-Calf, Beef Calves	1,298	2,002	908
Beef, Background Beef	1,279	-	4,923
Beef, Finish Beef Calves	2,305	1,151	-
Chickens, Egg Product., Eggs	618	7	2,373
Dairy, Dairy Calves	128	163	336
Dairy Heifers (for sale)	732	1,340	656
Dairy Replacement Heifers	65	263	-
Dairy Steer Finishing	6,280	3,523	5,867
Hogs, Finish Feeder Pigs	3,921	-	-
Horses, Boarding	45	184	-
Sheep, Lamb Finishing	180	-	-
Sheep, Market Lambs, Mkt Lambs	2,957	-	2,207
Hogs, Contractee	1,347	5,460	-
Hogs, Weaning to Finish	1,597	-	6,148
Cull breeding livestock	1,787	1,758	1,727
Misc. livestock income	4,471	16,534	98
Direct & CC govt payments	14,101	15,729	10,947
Other government payments	25,950	13,790	41,384
Custom work income	44,714	20,350	69,848
Patronage dividends, cash	1,205	550	1,001
Insurance income	5,154	2,727	2,126
Contract livestock income	183	-	705
Other farm income	15,677	29,379	17,930
Gross Cash Farm Income	493,631	390,841	518,034

Table 9

Farm Income Statement (Continued)  
 2006 MI Cash Grain All Sizes  
 (Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	77	19	20
Cash Farm Expense			
Seed	36,362	32,687	29,906
Fertilizer	61,744	59,634	68,868
Crop chemicals	29,888	26,800	32,837
Crop insurance	4,410	1,778	5,062
Drying fuel	3,857	2,059	1,866
Irrigation energy	560	-	1,189
Crop packaging and supplies	189	764	-
Crop custom hire	584	350	-
Crop hauling and trucking	2,058	3,699	2,172
Crop marketing	1,289	155	425
Crop miscellaneous	4,023	3,682	1,611
Feeder livestock purchase	8,761	4,242	7,955
Purchased feed	7,324	3,779	4,012
Breeding fees	163	248	-
Veterinary	1,465	2,336	800
Livestock supplies	1,429	2,423	176
Livestock marketing	268	166	18
Livestock miscellaneous	482	1,953	-
Interest	27,944	23,268	23,321
Packaging and supplies	490	-	500
Supplies	535	651	141
Fuel & oil	28,820	25,580	35,426
Repairs	32,376	27,054	28,719
Custom hire	15,036	3,733	14,281
Hired labor	28,033	17,175	23,636
Land rent	60,233	61,442	68,392
Machinery leases	8,096	12,902	6,592
Real estate taxes	9,116	8,941	5,555
Personal property taxes	274	442	128
Farm insurance	13,963	15,695	13,121
Utilities	9,276	8,004	6,624
Hauling and trucking	112	-	7
Dues & professional fees	5,160	7,628	3,811
Hedging account deposits	546	-	1,381
Miscellaneous	13,956	5,139	19,546
Total cash expense	418,824	364,409	408,078
Net cash farm income	74,807	26,432	109,955
Inventory Changes			
Crops and feed	51,111	14,792	72,789
Market livestock	-410	-4,238	-586
Accounts receivable	970	545	9,789
Prepaid expenses and supplies	2,147	1,469	10,650
Accounts payable	-702	-585	2,494
Total inventory change	53,116	11,984	95,136
Net operating profit	127,923	38,416	205,091
Depreciation and Other Capital Adjustments			
Breeding livestock	671	-965	151
Machinery and equipment	-44,131	-27,142	-49,919
Buildings and improvements	-7,734	-7,887	-4,098
Other farm capital	295	-1,265	2,432
Total depr. and other capital adj	-50,898	-37,260	-51,434
Net farm income	77,025	1,156	153,657

Table 10

Inventory Changes  
**2006 MI Cash Grain All Sizes**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	77	19	20
Net cash farm income	74,807	26,432	109,955
Crops and Feed			
Ending inventory	253,340	182,188	237,445
Beginning inventory	202,229	167,396	164,656
Inventory change	51,111	14,792	72,789
Market Livestock			
Ending inventory	15,879	10,943	12,337
Beginning inventory	16,290	15,181	12,924
Inventory change	-410	-4,238	-586
Accts Receivable & Other Current Assets			
Ending inventory	34,688	20,205	37,849
Beginning inventory	33,718	19,659	28,060
Inventory change	970	545	9,789
Prepaid Expenses and Supplies			
Ending inventory	35,689	17,240	41,979
Beginning inventory	33,542	15,771	31,329
Inventory change	2,147	1,469	10,650
Accounts Payable & Accrued Expenses			
Beginning inventory	21,170	12,721	17,903
Ending inventory	21,872	13,306	15,409
Inventory change	-702	-585	2,494
Total inventory change	53,116	11,984	95,136
Net operating profit	127,923	38,416	205,091

Table 11

Depreciation and Other Capital Adjustments  
**2006 MI Cash Grain All Sizes**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	77	19	20
Net operating profit	127,923	38,416	205,091
Breeding Livestock			
Ending inventory	14,358	22,652	3,778
Capital sales	57	-	-
Beginning inventory	13,545	23,617	3,428
Capital purchases	199	-	200
Depreciation, capital adjust.	671	-965	151
Machinery and Equipment			
Ending inventory	149,717	126,481	97,154
Capital sales	3,056	4,229	669
Beginning inventory	142,001	88,178	100,205
Capital purchases	54,903	69,674	47,537
Depreciation, capital adjust.	-44,131	-27,142	-49,919
Buildings and Improvements			
Ending inventory	57,430	44,860	16,833
Capital sales	327	-	-
Beginning inventory	56,830	42,418	19,803
Capital purchases	8,661	10,329	1,128
Depreciation, capital adjust.	-7,734	-7,887	-4,098
Other Capital Assets			
Ending inventory	18,557	16,122	21,640
Capital sales	1,923	2,771	976
Beginning inventory	14,983	12,864	18,836
Capital purchases	5,202	7,294	1,348
Depreciation, capital adjust.	295	-1,265	2,432
Total depreciation, capital adj.	-50,898	-37,260	-51,434
Net farm income	77,025	1,156	153,657

Table 12

Profitability Measures  
**2006 MI Cash Grain All Sizes**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	77	19	20
Profitability (assets valued at cost)			
Net farm income	73,194	1,156	153,657
Labor and management earnings	48,378	-18,402	135,525
Rate of return on assets	7.4 %	-1.2 %	21.9 %
Rate of return on equity	9.4 %	-11.5 %	40.4 %
Operating profit margin	12.2 %	-2.1 %	23.5 %
Asset turnover rate	60.6 %	57.7 %	93.1 %
Interest on farm net worth	24,816	19,559	18,133
Farm interest expense	27,206	24,264	22,083
Value of operator lbr and mgmt.	36,743	33,702	37,441
Return on farm assets	63,657	-8,282	138,299
Average farm assets	862,248	681,217	631,902
Return on farm equity	36,451	-32,546	116,216
Average farm equity	387,297	282,711	287,315
Value of farm production	522,212	392,955	588,209
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	77	19	20
Profitability (assets valued at market)			
Net farm income	145,348	-12,540	298,771
Labor and management earnings	54,889	-85,622	236,662
Rate of return on assets	6.9 %	-1.4 %	20.5 %
Rate of return on equity	7.3 %	-3.8 %	25.2 %
Operating profit margin	25.9 %	-5.6 %	48.2 %
Asset turnover rate	26.5 %	24.3 %	42.6 %
Interest on farm net worth	90,459	73,081	62,108
Farm interest expense	27,801	24,264	22,083
Value of operator lbr and mgmt.	35,789	33,702	37,441
Return on farm assets	137,360	-21,979	283,412
Average farm assets	2,001,829	1,616,530	1,379,726
Return on farm equity	109,559	-46,242	261,329
Average farm equity	1,507,646	1,218,025	1,035,139
Value of farm production	529,887	392,955	588,209

Table 13

Liquidity Measures  
**2006 MI Cash Grain All Sizes**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	77	19	20
Liquidity (cash)			
Net cash farm income	74,807	26,432	109,955
Net nonfarm income	20,271	26,375	15,717
Family living and taxes	44,980	41,036	55,786
Principal due on long term debt	19,409	18,211	12,263
Cash available for interm. debt	30,689	-6,440	57,624
Average intermediate debt	123,450	83,924	127,926
Years to turnover interm. debt	4.0	**	2.2
Expense as a % of income	85 %	93 %	79 %
Interest as a % of income	6 %	6 %	5 %
Working capital to gross income	33 %	27 %	41 %
Liquidity (accrual)			
Total accrual farm income	545,302	401,941	600,025
Total accrual operating expense	417,379	363,525	394,934
Net accrual operating income	127,923	38,416	205,091
Net nonfarm income	20,271	26,375	15,717
Family living and taxes	44,980	41,036	55,786
Principal due on long term debt	19,409	18,211	12,263
Available for intermediate debt	83,805	5,544	152,760
Average intermediate debt	123,450	83,924	127,926
Years to turnover interm. debt	1.5	15.1	0.8
Expense as a % of income	77 %	90 %	66 %
Interest as a % of income	5 %	6 %	4 %
Working capital to gross income	30 %	26 %	35 %

\*\* Income insufficient to meet debt servicing requirements



Table 14

**Balance Sheet at Cost Values**  
**2006 MI Cash Grain All Sizes**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
Number of farms	77		19		20	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	35,138	30,482	22,764	13,604	23,536	22,356
Prepaid expenses & supplies	32,142	33,177	15,771	17,240	31,329	41,979
Growing crops	7,907	9,027	5,486	7,592	8,341	11,025
Accounts receivable	22,134	24,571	11,443	12,346	19,494	26,455
Hedging accounts	1,016	1,293	489	162	175	125
Crops held for sale or feed	197,414	246,616	167,396	182,188	164,656	237,445
Crops under government loan	976	608	0	0	0	0
Market livestock held for sale	16,724	16,303	15,181	10,943	12,924	12,337
Other current assets	1,125	424	2,242	105	50	244
<b>Total current farm assets</b>	<b>314,576</b>	<b>362,500</b>	<b>240,771</b>	<b>244,180</b>	<b>260,504</b>	<b>351,966</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	13,906	14,741	23,617	22,652	3,428	3,778
Machinery and equipment	128,875	135,811	88,178	126,329	97,737	94,420
Titled vehicles	678	781	0	153	2,469	2,734
Other intermediate assets	9,535	12,073	7,402	8,106	18,535	18,802
<b>Total intermediate farm assets</b>	<b>152,994</b>	<b>163,406</b>	<b>119,197</b>	<b>157,239</b>	<b>122,168</b>	<b>119,733</b>
<b>Long Term Farm Assets</b>						
Farm land	300,451	310,862	244,332	255,958	185,004	184,654
Buildings and improvements	54,479	52,691	42,418	44,860	19,803	16,833
Other long-term assets	5,679	6,860	5,462	8,016	300	2,839
<b>Total long-term farm assets</b>	<b>360,608</b>	<b>370,412</b>	<b>292,212</b>	<b>308,834</b>	<b>205,107</b>	<b>204,325</b>
<b>Total Farm Assets</b>	<b>828,178</b>	<b>896,318</b>	<b>652,180</b>	<b>710,253</b>	<b>587,779</b>	<b>676,025</b>
<b>Total Nonfarm Assets</b>	<b>140,908</b>	<b>187,415</b>	<b>81,185</b>	<b>144,304</b>	<b>74,823</b>	<b>99,518</b>
<b>Total Assets</b>	<b>969,086</b>	<b>1,083,733</b>	<b>733,364</b>	<b>854,557</b>	<b>662,602</b>	<b>775,543</b>
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	7,814	7,696	2,508	3,504	5,456	4,218
Accounts payable	13,335	14,282	10,213	9,802	12,447	11,191
Current notes	108,592	133,991	66,433	87,000	71,718	91,494
Government crop loans	812	522	0	0	0	0
Principal due on term debt	43,921	44,022	34,707	38,137	37,329	35,062
<b>Total current farm liabilities</b>	<b>174,474</b>	<b>200,512</b>	<b>113,862</b>	<b>138,443</b>	<b>126,950</b>	<b>141,965</b>
<b>Total intermediate farm liabs</b>	<b>99,558</b>	<b>95,991</b>	<b>58,906</b>	<b>75,495</b>	<b>111,261</b>	<b>92,424</b>
<b>Total long term farm liabilities</b>	<b>189,871</b>	<b>189,495</b>	<b>190,500</b>	<b>219,805</b>	<b>119,759</b>	<b>96,813</b>
<b>Total farm liabilities</b>	<b>463,903</b>	<b>485,999</b>	<b>363,268</b>	<b>433,743</b>	<b>357,971</b>	<b>331,203</b>
<b>Total nonfarm liabilities</b>	<b>14,208</b>	<b>17,266</b>	<b>7,233</b>	<b>7,282</b>	<b>8,648</b>	<b>23,027</b>
<b>Total liabilities</b>	<b>478,111</b>	<b>503,265</b>	<b>370,501</b>	<b>441,025</b>	<b>366,619</b>	<b>354,230</b>
<b>Net worth (farm and nonfarm)</b>	<b>490,975</b>	<b>580,468</b>	<b>362,863</b>	<b>413,532</b>	<b>295,983</b>	<b>421,313</b>
<b>Net worth change</b>		<b>89,492</b>		<b>50,668</b>		<b>125,329</b>
<b>Ratio Analysis</b>						
Current farm liabilities / assets	55 %	55 %	47 %	57 %	49 %	40 %
Curr. & interm farm liab. / assets	59 %	56 %	48 %	53 %	62 %	50 %
Long term farm liab. / assets	53 %	51 %	65 %	71 %	58 %	47 %
Total debt to asset ratio	49 %	46 %	51 %	52 %	55 %	46 %

Table 15

**Balance Sheet at Market Values**  
**2006 MI Cash Grain All Sizes**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
Number of farms	77		19		20	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	34,843	29,975	22,764	13,604	23,536	22,356
Prepaid expenses & supplies	33,542	35,689	15,771	17,240	31,329	41,979
Growing crops	7,701	8,792	5,486	7,592	8,341	11,025
Accounts receivable	23,932	24,223	11,443	12,346	19,494	26,455
Hedging accounts	990	1,260	489	162	175	125
Crops held for sale or feed	201,278	252,748	167,396	182,188	164,656	237,445
Crops under government loan	951	592	0	0	0	0
Market livestock held for sale	16,290	15,879	15,181	10,943	12,924	12,337
Other current assets	1,095	413	2,242	105	50	244
<b>Total current farm assets</b>	<b>320,622</b>	<b>369,571</b>	<b>240,771</b>	<b>244,180</b>	<b>260,504</b>	<b>351,966</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	13,910	14,812	24,493	24,046	3,853	4,203
Machinery and equipment	420,381	442,373	391,877	407,794	319,542	348,669
Titled vehicles	8,907	8,380	1,842	1,995	14,803	14,918
Other intermediate assets	10,599	13,028	7,402	8,106	20,085	20,352
<b>Total intermediate farm assets</b>	<b>453,797</b>	<b>478,593</b>	<b>425,614</b>	<b>441,942</b>	<b>358,282</b>	<b>388,141</b>
<b>Long Term Farm Assets</b>						
Farm land	1,022,349	1,081,200	818,994	836,413	559,603	670,265
Buildings and improvements	128,665	136,940	103,401	108,169	84,357	83,194
Other long-term assets	5,499	6,422	5,561	8,016	300	2,839
<b>Total long-term farm assets</b>	<b>1,156,513</b>	<b>1,224,561</b>	<b>927,957</b>	<b>952,597</b>	<b>644,259</b>	<b>756,298</b>
<b>Total Farm Assets</b>	<b>1,930,932</b>	<b>2,072,726</b>	<b>1,594,342</b>	<b>1,638,719</b>	<b>1,263,046</b>	<b>1,496,405</b>
<b>Total Nonfarm Assets</b>	<b>255,803</b>	<b>349,099</b>	<b>221,326</b>	<b>413,069</b>	<b>167,364</b>	<b>194,426</b>
<b>Total Assets</b>	<b>2,186,735</b>	<b>2,421,824</b>	<b>1,815,668</b>	<b>2,051,787</b>	<b>1,430,410</b>	<b>1,690,831</b>
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	7,691	7,548	2,508	3,504	5,456	4,218
Accounts payable	13,479	14,324	10,213	9,802	12,447	11,191
Current notes	113,430	139,602	66,433	87,000	71,718	91,494
Government crop loans	791	508	0	0	0	0
Principal due on term debt	44,587	44,868	34,707	38,137	37,329	35,062
<b>Total current farm liabilities</b>	<b>179,978</b>	<b>206,850</b>	<b>113,862</b>	<b>138,443</b>	<b>126,950</b>	<b>141,965</b>
<b>Total intermediate farm liabs</b>	<b>97,932</b>	<b>96,053</b>	<b>58,906</b>	<b>75,495</b>	<b>111,261</b>	<b>92,424</b>
<b>Total long term farm liabilities</b>	<b>194,880</b>	<b>193,614</b>	<b>190,500</b>	<b>219,805</b>	<b>119,759</b>	<b>96,813</b>
<b>Total farm liabilities</b>	<b>472,790</b>	<b>496,517</b>	<b>363,268</b>	<b>433,743</b>	<b>357,971</b>	<b>331,203</b>
<b>Total nonfarm liabilities</b>	<b>13,839</b>	<b>16,818</b>	<b>7,233</b>	<b>7,282</b>	<b>8,648</b>	<b>23,027</b>
<b>Total liabs excluding deferreds</b>	<b>486,629</b>	<b>513,335</b>	<b>370,501</b>	<b>441,025</b>	<b>366,619</b>	<b>354,230</b>
<b>Total deferred liabilities</b>	<b>9,251</b>	<b>11,349</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total liabilities</b>	<b>495,879</b>	<b>524,684</b>	<b>370,501</b>	<b>441,025</b>	<b>366,619</b>	<b>354,230</b>
<b>Net worth (farm and nonfarm)</b>	<b>1,690,855</b>	<b>1,897,141</b>	<b>1,445,166</b>	<b>1,610,762</b>	<b>1,063,791</b>	<b>1,336,601</b>
<b>Net worth excluding deferreds</b>	<b>1,700,106</b>	<b>1,908,489</b>	<b>1,445,166</b>	<b>1,610,762</b>	<b>1,063,791</b>	<b>1,336,601</b>
<b>Net worth change</b>		<b>206,285</b>		<b>165,596</b>		<b>272,810</b>
<b>Ratio Analysis</b>						
Current farm liabilities / assets	56 %	56 %	47 %	57 %	49 %	40 %
Curr. & interm farm liab. / assets	36 %	36 %	26 %	31 %	38 %	32 %
Long term farm liab. / assets	17 %	16 %	21 %	23 %	19 %	13 %
Total debt to asset ratio	23 %	22 %	20 %	21 %	26 %	21 %
Debt to assets excl deferreds	22 %	21 %	20 %	21 %	26 %	21 %

Table 16

Statement Of Cash Flows  
**2006 MI Cash Grain All Sizes**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	77	19	20
Beginning cash (farm & nonfarm)	38,598	24,668	23,621
Cash From Operating Activities			
Gross cash farm income	493,631	390,841	518,034
Net nonfarm income	20,271	26,375	15,717
Total cash farm expense	-418,824	-364,409	-408,078
Apparent family living expense	-41,799	-36,423	-52,458
Income and social security tax	-3,181	-4,613	-3,327
Cash from operations	50,099	11,771	69,887
Cash From Investing Activities			
Sale of breeding livestock	57	-	-
Sale of machinery & equipment	3,056	4,229	669
Sale of titled vehicles	-	-	-
Sale of farm land	3,820	3,421	3,167
Sale of farm buildings	327	-	-
Sale of other farm assets	1,923	2,771	976
Sale of nonfarm assets	4,142	-	7,883
Purchase of breeding livestock	-199	-	-200
Purchase of machinery & equip.	-53,241	-67,569	-45,013
Purchase of titled vehicles	-1,662	-2,105	-2,524
Purchase of farm land	-10,421	-10,793	-1,650
Purchase of farm buildings	-8,661	-10,329	-1,128
Purchase of other farm assets	-5,202	-7,294	-1,348
Purchase of nonfarm assets	-13,617	-11,582	-30,122
Cash from investing activities	-79,678	-99,252	-69,290
Cash From Financing Activities			
Money borrowed	220,075	161,315	149,252
Cash gifts and inheritances	12,210	20,907	7,714
Principal payments	-192,487	-91,401	-158,411
Dividends paid	-	-	-
Gifts given	-9,930	-12,760	-238
Cash from financing activities	29,869	78,060	-1,684
Net change in cash balance	289	-9,420	-1,086
Ending cash (farm & nonfarm)	38,887	15,247	22,535

Table 17

Financial Standards Measures  
**2006 MI Cash Grain All Sizes**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	77	19	20
Liquidity			
Current ratio	1.79	1.76	2.48
Working capital	162,722	105,736	210,001
Solvency (market)			
Farm debt to asset ratio	24 %	26 %	22 %
Farm equity to asset ratio	76 %	74 %	78 %
Farm debt to equity ratio	32 %	36 %	28 %
Profitability (cost)			
Rate of return on farm assets	7.4 %	-1.2 %	21.9 %
Rate of return on farm equity	9.4 %	-11.5 %	40.4 %
Operating profit margin	12.2 %	-2.1 %	23.5 %
Net farm income	73,194	1,156	153,657
Repayment Capacity			
Term debt coverage ratio	189 %	75 %	351 %
Capital replacement margin	54,802	-11,018	126,224
Efficiency			
Asset turnover rate (cost)	60.6 %	57.7 %	93.1 %
Operating expense ratio	71.4 %	84.4 %	62.1 %
Depreciation expense ratio	9.3 %	9.3 %	8.6 %
Interest expense ratio	5.1 %	6.0 %	3.7 %
Net farm income ratio	14.1 %	0.3 %	25.6 %

Table 18

## Operator and Labor Information

**2006 MI Cash Grain All Sizes**

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

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	77	19	20
Operator Information			
Average number of operators	1.3	1.2	1.4
Average age of operators	51.7	56.1	45.2
Average number of years farming	28.9	31.6	25.4
Results Per Operator			
Working capital	127,722	87,347	155,556
Total assets (market)	1,900,922	1,694,955	1,252,468
Total liabilities	411,8231	364,325	262,393
Net worth (market)	1,489,091	1,330,629	990,075
Net worth excl deferred liabs	1,497,999	1,330,629	990,075
Gross farm income	428,015	332,038	444,463
Total farm expense	367,557	331,083	330,643
Net farm income	60,458	955	113,820
Net nonfarm income	15,911	21,788	11,643
Family living & tax withdrawals	35,305	33,900	41,323
Total acres owned	376.5	365.2	187.7
Total crop acres	803.8	752.9	751.9
Crop acres owned	402.0	341.0	232.0
Crop acres cash rented	378.5	390.0	495.3
Crop acres share rented	23.3	22.0	24.6
Total pasture acres	0.3	-	-
Labor Analysis			
Number of farms	77	19	20
Total unpaid labor hours	2,727	2,278	3,305
Total hired labor hours	1,570	1,086	1,405
Total labor hours per farm	4,297	3,364	4,710
Unpaid hours per operator	2,156	1,882	2,479
Value of farm production / hour	123.21	116.82	133.49
Net farm income / unpaid hour	26.30	0.51	48.73
Average hourly hired labor wage	16.48	17.43	14.83
Partnerships & LLCs			
Number of farms	12	2	4
Number of operators	2.0	-	2.3
Owner withdrawals per farm	-	-	-
Withdrawals per operator	-	-	-
Corporations			
Number of farms	4	2	-
Number of operators	1.5	-	-

Table 19

Financial Summary  
**2006 MI Cash Grain All Sizes**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	77	19	20
Income Statement			
Gross cash farm income	493,631	390,841	518,034
Total cash farm expense	418,824	364,409	408,078
Net cash farm income	74,807	26,432	109,955
Inventory change	53,116	11,984	95,136
Depreciation and capital adjust	-50,898	-37,260	-51,434
Net farm income	77,025	1,156	153,657
Profitability (cost)			
Labor and management earnings	48,378	-18,402	135,525
Rate of return on assets	7.4 %	-1.2 %	21.9 %
Rate of return on equity	9.4 %	-11.5 %	40.4 %
Operating profit margin	11.7 %	-2.1 %	23.5 %
Asset turnover rate	63.1 %	57.7 %	93.1 %
Profitability (market)			
Labor and management earnings	54,889	-85,622	236,662
Rate of return on assets	6.9 %	-1.4 %	20.5 %
Rate of return on equity	7.3 %	-3.8 %	25.2 %
Operating profit margin	25.9 %	-5.6 %	48.2 %
Asset turnover rate	26.5 %	24.3 %	42.6 %
Liquidity			
Ending current ratio	1.79	1.76	2.48
Ending working capital	162,722	105,736	210,001
End working capital to gross inc	33.0 %	27.1 %	40.5 %
Term debt coverage ratio	188.5 %	74.8 %	351.2 %
Expense as a percent of income	76.5 %	90.4 %	65.8 %
Interest as a percent of income	5.1 %	6.0 %	3.7 %
Solvency (cost)			
Number of farms	77	19	20
Ending farm assets	896,318	710,253	676,025
Ending farm liabilities	485,999	433,743	331,203
Ending total assets	1,083,733	854,557	775,543
Ending total liabilities	503,265	441,025	354,230
Ending net worth	580,468	413,532	421,313
Net worth change	89,492	50,668	125,329
Ending farm debt to asset ratio	54 %	61 %	49 %
Beg total debt to asset ratio	49 %	51 %	55 %
End total debt to asset ratio	46 %	52 %	46 %
Solvency (market)			
Number of farms	77	19	20
Ending farm assets	2,072,726	1,638,719	1,496,405
Ending farm liabilities	506,885	433,743	331,203
Ending total assets	2,421,824	2,051,787	1,690,831
Ending total liabilities	524,684	441,025	354,230
Ending net worth	1,897,141	1,610,762	1,336,601
Net worth change	206,285	165,596	272,810
Ending farm debt to asset ratio	24 %	26 %	22 %
Beg total debt to asset ratio	23 %	20 %	26 %
End total debt to asset ratio	22 %	21 %	21 %
Nonfarm Information			
Net nonfarm income	20,271	26,375	15,717
Farms reporting living expenses	5	1	2
Total family living expense	56,768	-	-
Total living, invest, & capital	81,640	-	-
Crop Acres			
Total acres owned	480	442	253
Total crop acres	1,024	911	1,015
Total crop acres owned	512	413	313
Total crop acres cash rented	482	472	669
Total crop acres share rented	30	27	33

**B) Average 39 Cash Grain Farms, 140 to 799 Acres**

Table 20 Crop Production and Marketing Summary			
2006 MI Cash Grain 140-799 Acres			
(Farms Sorted By Rate of Return on Assets - Mkt)			
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	39	9	10
Acreage Summary			
Total acres owned	327	357	163
Total crop acres	474	398	379
Crop acres owned	271	268	155
Crop acres cash rented	194	130	208
Crop acres share rented	9	-	16
Total pasture acres	1	-	-
Average Price Received (Cash Sales Only)			
Corn per bushel	2.24	2.38	2.23
Soybeans per bushel	5.44	5.62	5.50
Wheat, Winter per bushel	3.50	-	4.16
Hay, Alfalfa per ton	149.52	-	-
Straw per ton	39.66	-	-
Oats per bushel	2.39	-	-
Sugar Beets per ton	31.64	-	-
Hay, Mixed per ton	129.28	-	-

Table 21

Farm Income Statement  
**2006 MI Cash Grain 140-799 Acres**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	39	9	10
Cash Farm Income			
Beans, Green	696	-	-
Beans, Navy	1,969	-	-
Cordwood	49	-	191
Corn	50,567	23,192	45,303
Corn, Seed	1,278	-	3,273
Cucumbers	2,433	-	9,489
Hay, Alfalfa	3,189	3,533	1,242
Hay, Mixed	3,838	4,570	586
Haylage, Mixed	2,570	-	527
Oats	1,387	1,216	504
Potatoes	2,593	11,236	-
Rye	226	-	880
Soybeans	34,297	26,241	25,510
Straw	1,907	1,506	632
Sugar Beets	12,817	-	23,840
Wheat, Winter	15,859	2,689	13,556
Wheat, Seed	356	-	-
Other crops	1,361	-	-
Miscellaneous crop income	25	-	-
Beef Bulls	2,205	-	1,275
Beef Cow-Calf, Beef Calves	1,560	3,970	1,591
Beef, Finish Beef Calves	2,861	-	-
Dairy, Dairy Calves	79	344	-
Dairy Heifers (for sale)	1,445	2,830	1,313
Dairy Steer Finishing	10,333	4,536	20,025
Hogs, Finish Feeder Pigs	7,653	-	-
Horses, Boarding	90	389	-
Sheep, Market Lambs, Mkt Lambs	1,980	-	4,415
Sheep, Market Lambs, Wool	57	-	195
Cull breeding livestock	2,502	235	3,455
Misc. livestock income	1,387	3,218	-
Direct & CC govt payments	6,050	6,341	2,556
Other government payments	9,121	5,429	8,396
Custom work income	47,740	7,217	80,324
Patronage dividends, cash	930	461	878
Insurance income	1,180	1,786	3
Other farm income	4,806	6,203	3,310
Gross Cash Farm Income	239,394	117,142	253,269



Table 21

Farm Income Statement (Continued)  
**2006 MI Cash Grain 140-799 Acres**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	39	9	10
Cash Farm Expense			
Seed	14,789	10,118	11,955
Fertilizer	22,790	9,510	20,341
Crop chemicals	11,415	6,844	11,425
Crop insurance	1,350	503	929
Drying fuel	862	168	909
Crop custom hire	187	738	-
Hauling and trucking	372	777	-
Crop marketing	1,402	176	33
Crop miscellaneous	2,506	798	312
Feeder livestock purchase	7,982	1,025	8,529
Purchased feed	10,709	1,356	3,955
Breeding fees	162	36	-
Veterinary	1,325	695	406
Livestock supplies	1,430	731	352
Livestock marketing	370	350	36
Interest	12,793	12,694	13,067
Packaging and supplies	222	-	105
Supplies	237	526	-
Fuel & oil	19,924	8,189	35,852
Repairs	17,966	13,233	16,507
Custom hire	6,147	3,586	11,289
Hired labor	15,984	8,879	20,410
Land rent	16,135	4,166	15,777
Machinery leases	3,283	924	6,383
Real estate taxes	6,222	6,176	5,091
Personal property taxes	431	56	107
Farm insurance	8,252	5,615	8,611
Utilities	4,629	3,165	2,380
Dues & professional fees	1,483	1,656	1,436
Miscellaneous	6,882	3,634	7,923
Total cash expense	198,239	106,323	204,119
Net cash farm income	41,154	10,819	49,150
Inventory Changes			
Crops and feed	23,352	9,966	25,217
Market livestock	-2,358	-5,316	-461
Accounts receivable	2,177	3,898	11,208
Prepaid expenses and supplies	-834	-1,502	815
Accounts payable	-3,623	614	-5,010
Total inventory change	18,714	7,660	31,769
Net operating profit	59,868	18,479	80,919
Depreciation and Other Capital Adjustments			
Breeding livestock	501	840	421
Machinery and equipment	-21,629	-13,449	-19,233
Buildings and improvements	-4,677	-3,999	-381
Other farm capital	-821	-3,461	0
Total depr. and other capital adj	-26,625	-20,070	-19,193
Net farm income	33,243	-1,591	61,726

Table 22

Inventory Changes  
**2006 MI Cash Grain 140-799 Acres**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	39	9	10
Net cash farm income	41,154	10,819	49,150
Crops and Feed			
Ending inventory	101,508	54,976	71,660
Beginning inventory	78,156	45,010	46,444
Inventory change	23,352	9,966	25,217
Market Livestock			
Ending inventory	21,404	10,340	27,798
Beginning inventory	23,762	15,656	28,259
Inventory change	-2,358	-5,316	-461
Accts Receivable & Other Current Assets			
Ending inventory	21,647	13,297	29,122
Beginning inventory	19,470	9,399	17,914
Inventory change	2,177	3,898	11,208
Prepaid Expenses and Supplies			
Ending inventory	11,102	4,439	11,441
Beginning inventory	11,936	5,941	10,626
Inventory change	-834	-1,502	815
Accounts Payable & Accrued Expenses			
Beginning inventory	8,295	7,941	9,763
Ending inventory	11,918	7,328	14,773
Inventory change	-3,623	614	-5,010
Total inventory change	18,714	7,660	31,769
Net operating profit	59,868	18,479	80,919

Table 23

Depreciation and Other Capital Adjustments  
**2006 MI Cash Grain 140-799 Acres**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	39	9	10
Net operating profit	59,868	18,479	80,919
Breeding Livestock			
Ending inventory	13,169	20,153	7,556
Capital sales	45	-	-
Beginning inventory	12,641	19,313	6,855
Capital purchases	72	-	280
Depreciation, capital adjust.	501	840	421
Machinery and Equipment			
Ending inventory	69,315	37,355	59,468
Capital sales	2,308	1,261	600
Beginning inventory	69,958	38,144	57,187
Capital purchases	23,294	13,921	22,114
Depreciation, capital adjust.	-21,629	-13,449	-19,233
Buildings and Improvements			
Ending inventory	35,763	30,798	6,390
Capital sales	-	-	-
Beginning inventory	33,678	28,283	6,746
Capital purchases	6,762	6,515	25
Depreciation, capital adjust.	-4,677	-3,999	-381
Other Capital Assets			
Ending inventory	16,256	12,733	31,649
Capital sales	1,810	5,606	400
Beginning inventory	16,492	14,733	31,013
Capital purchases	2,395	7,066	1,037
Depreciation, capital adjust.	-821	-3,461	0
Total depreciation, capital adj.	-26,625	-20,070	-19,193
Net farm income	33,243	-1,591	61,726

Table 24

Profitability Measures  
**2006 MI Cash Grain 140-799 Acres**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	39	9	10
Profitability (assets valued at cost)			
Net farm income	33,243	-1,591	61,726
Labor and management earnings	17,702	-8,970	52,138
Rate of return on assets	4.9 %	-3.5 %	13.7 %
Rate of return on equity	3.7 %	-22.7 %	21.8 %
Operating profit margin	9.2 %	-8.0 %	16.8 %
Asset turnover rate	52.8 %	44.4 %	81.6 %
Interest on farm net worth	15,541	7,379	9,587
Farm interest expense	13,083	12,814	11,746
Value of operator lbr and mgmt.	23,853	21,124	26,874
Return on farm assets	22,472	-9,901	46,598
Average farm assets	462,958	279,776	339,850
Return on farm equity	9,390	-22,715	34,852
Average farm equity	253,114	100,174	159,790
Value of farm production	244,375	124,150	277,170
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	39	9	10
Profitability (assets valued at market)			
Net farm income	80,791	-13,248	163,739
Labor and management earnings	21,606	-48,881	116,067
Rate of return on assets	5.8 %	-2.8 %	15.2 %
Rate of return on equity	5.8 %	-5.8 %	17.2 %
Operating profit margin	28.7 %	-17.4 %	53.6 %
Asset turnover rate	20.1 %	16.1 %	28.4 %
Interest on farm net worth	59,185	35,633	47,672
Farm interest expense	13,083	12,814	11,746
Value of operator lbr and mgmt.	23,853	21,124	26,874
Return on farm assets	70,020	-21,558	148,611
Average farm assets	1,215,072	773,485	974,598
Return on farm equity	56,938	-34,372	136,866
Average farm equity	986,413	593,883	794,538
Value of farm production	244,375	124,150	277,170

Table 25

Liquidity Measures  
**2006 MI Cash Grain 140-799 Acres**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	39	9	10
Liquidity (cash)			
Net cash farm income	41,154	10,819	49,150
Net nonfarm income	19,136	22,788	19,149
Family living and taxes	31,599	39,179	28,606
Principal due on long term debt	6,624	2,774	5,195
Cash available for interm. debt	22,067	-8,347	34,498
Average intermediate debt	78,011	56,679	90,692
Years to turnover interm. debt	3.5	**	2.6
Expense as a % of income	83 %	91 %	81 %
Interest as a % of income	5 %	11 %	5 %
Working capital to gross income	44 %	41 %	38 %
Liquidity (accrual)			
Total accrual farm income	262,564	125,690	289,233
Total accrual operating expense	202,696	107,212	208,314
Net accrual operating income	59,868	18,479	80,919
Net nonfarm income	19,136	22,788	19,149
Family living and taxes	31,599	39,179	28,606
Principal due on long term debt	6,624	2,774	5,195
Available for intermediate debt	40,781	-687	66,267
Average intermediate debt	78,011	56,679	90,692
Years to turnover interm. debt	1.9	**	1.4
Expense as a % of income	77 %	85 %	72 %
Interest as a % of income	5 %	10 %	4 %
Working capital to gross income	40 %	38 %	34 %

\*\* Income insufficient to meet debt servicing requirements

Table 26

Balance Sheet at Cost Values  
**2006 MI Cash Grain 140-799 Acres**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
Number of farms	39		9		10	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	24,590	29,130	6,125	10,080	19,310	28,872
Prepaid expenses & supplies	11,936	11,102	5,941	4,439	10,626	11,441
Growing crops	7,120	8,256	3,978	6,271	4,233	5,048
Accounts receivable	11,917	12,994	5,132	6,804	13,681	23,685
Hedging accounts	10	10	0	0	0	0
Crops held for sale or feed	76,279	100,339	45,010	54,976	46,444	71,660
Crops under government loan	1,877	1,169	0	0	0	0
Market livestock held for sale	23,762	21,404	15,656	10,340	28,259	27,798
Other current assets	423	387	289	222	0	388
Total current farm assets	157,914	184,791	82,131	93,132	122,552	168,893
<b>Intermediate Farm Assets</b>						
Breeding livestock	12,641	13,169	19,313	20,153	6,855	7,556
Machinery and equipment	69,535	68,695	38,144	37,032	55,687	57,438
Titled vehicles	423	621	0	322	1,500	2,030
Other intermediate assets	11,302	12,085	4,233	5,695	30,201	30,625
Total intermediate farm assets	93,901	94,569	61,690	63,203	94,243	97,650
<b>Long Term Farm Assets</b>						
Farm land	157,684	158,254	90,508	92,268	91,045	90,345
Buildings and improvements	33,678	35,763	28,283	30,798	6,746	6,390
Other long-term assets	5,191	4,171	10,501	7,037	812	1,024
Total long-term farm assets	196,552	198,188	129,292	130,104	98,603	97,759
Total Farm Assets	448,367	477,548	273,113	286,439	315,398	364,301
Total Nonfarm Assets	129,025	180,576	51,461	186,298	17,803	23,238
Total Assets	577,392	658,125	324,574	472,737	333,202	387,539
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	2,822	3,112	173	294	3,298	1,976
Accounts payable	5,473	8,805	7,768	7,034	6,465	12,797
Current notes	46,560	46,798	26,641	25,490	27,461	33,611
Government crop loans	1,561	1,003	0	0	0	0
Principal due on term debt	22,211	19,772	13,214	12,529	25,972	23,481
Total current farm liabilities	78,627	79,491	47,796	45,347	63,197	71,865
Total intermediate farm liabs	64,745	59,058	41,266	51,856	80,559	59,619
Total long term farm liabilities	64,348	73,420	72,279	100,660	42,285	42,595
Total farm liabilities	207,719	211,969	161,341	197,863	186,041	174,079
Total nonfarm liabilities	15,362	15,427	11,937	12,040	6,892	6,374
Total liabilities	223,081	227,396	173,279	209,903	192,933	180,453
Net worth (farm and nonfarm)	354,311	430,729	151,295	262,834	140,269	207,086
Net worth change		76,417		111,539		66,817
<b>Ratio Analysis</b>						
Current farm liabilities / assets	50 %	43 %	58 %	49 %	52 %	43 %
Curr. & interm farm liab. / assets	57 %	50 %	62 %	62 %	66 %	49 %
Long term farm liab. / assets	33 %	37 %	56 %	77 %	43 %	44 %
Total debt to asset ratio	39 %	35 %	53 %	44 %	58 %	47 %

Table 27

**Balance Sheet at Market Values**  
**2006 MI Cash Grain 140-799 Acres**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
Number of farms	39		9		10	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	24,590	29,130	6,125	10,080	19,310	28,872
Prepaid expenses & supplies	11,936	11,102	5,941	4,439	10,626	11,441
Growing crops	7,120	8,256	3,978	6,271	4,233	5,048
Accounts receivable	11,917	12,994	5,132	6,804	13,681	23,685
Hedging accounts	10	10	0	0	0	0
Crops held for sale or feed	76,279	100,339	45,010	54,976	46,444	71,660
Crops under government loan	1,877	1,169	0	0	0	0
Market livestock held for sale	23,762	21,404	15,656	10,340	28,259	27,798
Other current assets	423	387	289	222	0	388
Total current farm assets	157,914	184,791	82,131	93,132	122,552	168,893
<b>Intermediate Farm Assets</b>						
Breeding livestock	13,140	13,499	20,986	21,587	6,855	7,556
Machinery and equipment	251,228	256,768	154,437	144,688	196,337	199,919
Titled vehicles	11,800	11,699	556	878	25,475	25,205
Other intermediate assets	12,545	13,329	4,233	5,695	32,301	32,725
Total intermediate farm assets	288,713	295,295	180,211	172,847	260,968	265,406
<b>Long Term Farm Assets</b>						
Farm land	624,087	665,077	415,394	413,671	455,578	555,504
Buildings and improvements	99,314	106,373	84,203	87,632	59,230	59,230
Other long-term assets	5,024	3,555	10,711	7,037	812	1,024
Total long-term farm assets	728,424	775,006	510,308	508,340	515,620	615,757
Total Farm Assets	1,175,052	1,255,092	772,650	774,320	899,139	1,050,056
Total Nonfarm Assets	222,286	336,265	138,015	551,514	90,377	96,225
Total Assets	1,397,338	1,591,356	910,665	1,325,834	989,517	1,146,281
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	2,822	3,112	173	294	3,298	1,976
Accounts payable	5,473	8,805	7,768	7,034	6,465	12,797
Current notes	46,560	46,798	26,641	25,490	27,461	33,611
Government crop loans	1,561	1,003	0	0	0	0
Principal due on term debt	22,211	19,772	13,214	12,529	25,972	23,481
Total current farm liabilities	78,627	79,491	47,796	45,347	63,197	71,865
Total intermediate farm liabs	64,745	59,058	41,266	51,856	80,559	59,619
Total long term farm liabilities	64,348	73,420	72,279	100,660	42,285	42,595
Total farm liabilities	207,719	211,969	161,341	197,863	186,041	174,079
Total nonfarm liabilities	15,362	15,427	11,937	12,040	6,892	6,374
Total liabs excluding deferreds	223,081	227,396	173,279	209,903	192,933	180,453
Total deferred liabilities	18,265	22,406	0	0	0	0
Total liabilities	241,345	249,802	173,279	209,903	192,933	180,453
Retained earnings	354,311	430,729	151,295	262,834	140,269	207,086
Market valuation equity	801,681	910,825	586,091	853,097	656,315	758,741
Net worth (farm and nonfarm)	1,155,992	1,341,554	737,386	1,115,931	796,584	965,827
Net worth excluding deferreds	1,174,257	1,363,960	737,386	1,115,931	796,584	965,827
Net worth change		185,562		378,545		169,243
<b>Ratio Analysis</b>						
Current farm liabilities / assets	50 %	43 %	58 %	49 %	52 %	43 %
Curr. & interm farm liab. / assets	32 %	29 %	34 %	37 %	37 %	30 %
Long term farm liab. / assets	9 %	9 %	14 %	20 %	8 %	7 %
Total debt to asset ratio	17 %	16 %	19 %	16 %	19 %	16 %
Debt to assets excl deferreds	16 %	14 %	19 %	16 %	19 %	16 %

Table 28

Statement Of Cash Flows  
**2006 MI Cash Grain 140-799 Acres**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	39	9	10
Beginning cash (farm & nonfarm)	29,683	6,125	19,458
Cash From Operating Activities			
Gross cash farm income	239,394	117,142	253,269
Net nonfarm income	19,136	22,788	19,149
Total cash farm expense	-198,239	-106,323	-204,119
Apparent family living expense	-30,278	-38,022	-28,305
Income and social security tax	-1,321	-1,157	-301
Cash from operations	28,691	-5,572	39,692
Cash From Investing Activities			
Sale of breeding livestock	45	-	-
Sale of machinery & equipment	2,308	1,261	600
Sale of titled vehicles	-	-	-
Sale of farm land	1,667	7,222	-
Sale of farm buildings	-	-	-
Sale of other farm assets	1,810	5,606	400
Sale of nonfarm assets	8,177	-	15,766
Purchase of breeding livestock	-72	-	-280
Purchase of machinery & equip.	-21,322	-13,921	-18,166
Purchase of titled vehicles	-1,973	-	-3,947
Purchase of farm land	-1,190	-	-3,299
Purchase of farm buildings	-6,762	-6,515	-25
Purchase of other farm assets	-2,395	-7,066	-1,037
Purchase of nonfarm assets	-12,085	-18,852	-14,742
Cash from investing activities	-31,790	-32,264	-24,730
Cash From Financing Activities			
Money borrowed	95,362	131,395	50,651
Cash gifts and inheritances	7,574	4,613	11,283
Principal payments	-91,749	-94,217	-66,671
Dividends paid	-	-	-
Gifts given	-3,045	-	-477
Cash from financing activities	8,142	41,791	-5,213
Net change in cash balance	5,043	3,955	9,749
Ending cash (farm & nonfarm)	34,726	10,080	29,207



Table 29

Financial Standards Measures  
**2006 MI Cash Grain 140-799 Acres**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	39	9	10
Liquidity			
Current ratio	2.32	2.05	2.35
Working capital	105,300	47,786	97,027
Solvency (market)			
Farm debt to asset ratio	19 %	26 %	17 %
Farm equity to asset ratio	81 %	74 %	83 %
Farm debt to equity ratio	23 %	34 %	20 %
Profitability (cost)			
Rate of return on farm assets	4.9 %	-3.5 %	13.7 %
Rate of return on farm equity	3.7 %	-22.7 %	21.8 %
Operating profit margin	9.2 %	-8.0 %	16.8 %
Net farm income	33,243	-1,591	61,726
Repayment Capacity			
Term debt coverage ratio	184 %	39 %	237 %
Capital replacement margin	23,559	-11,127	44,340
Efficiency			
Asset turnover rate (cost)	52.8 %	44.4 %	81.6 %
Operating expense ratio	72.2 %	75.1 %	68.0 %
Depreciation expense ratio	10.1 %	16.0 %	6.6 %
Interest expense ratio	5.0 %	10.2 %	4.1 %
Net farm income ratio	12.7 %	-1.3 %	21.3 %

Table 30

Operator and Labor Information  
**2006 MI Cash Grain 140-799 Acres**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	39	9	10
Operator Information			
Average number of operators	1.1	1.1	1.1
Average age of operators	52.0	61.2	38.2
Average number of years farming	29.7	35.6	22.3
Results Per Operator			
Working capital	95,505	43,007	88,207
Total assets (market)	1,443,323	1,193,250	1,042,073
Total liabilities	226,565	188,912	164,049
Net worth (market)	1,216,758	1,004,338	878,025
Net worth excl deferred liabs	1,237,080	1,004,338	878,025
Gross farm income	238,140	113,121	262,939
Total farm expense	207,989	114,554	206,824
Net farm income	30,151	-1,432	56,114
Net nonfarm income	17,356	20,509	17,408
Family living & tax withdrawals	28,659	35,261	26,005
Total acres owned	296.3	321.5	147.9
Total crop acres	430.1	357.9	344.5
Crop acres owned	246.2	241.0	141.3
Crop acres cash rented	175.6	116.9	188.8
Crop acres share rented	8.3	-	14.4
Total pasture acres	0.6	-	-
Labor Analysis			
Number of farms	39	9	10
Total unpaid labor hours	2,274	2,179	2,051
Total hired labor hours	1,091	549	1,710
Total labor hours per farm	3,365	2,728	3,761
Unpaid hours per operator	2,104	1,961	2,051
Value of farm production / hour	72.97	45.50	77.28
Net farm income / unpaid hour	13.33	-0.73	26.99
Average hourly hired labor wage	13.72	15.95	14.58
Partnerships & LLCs			
Number of farms	5	-	2
Number of operators	1.4	-	-
Owner withdrawals per farm	-	-	-
Withdrawals per operator	-	-	-

Table 31

Financial Summary  
**2006 MI Cash Grain 140-799 Acres**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	39	9	10
Income Statement			
Gross cash farm income	239,394	117,142	253,269
Total cash farm expense	198,239	106,323	204,119
Net cash farm income	41,154	10,819	49,150
Inventory change	18,714	7,660	31,769
Depreciation and capital adjust	-26,625	-20,070	-19,193
Net farm income	33,243	-1,591	61,726
Profitability (cost)			
Labor and management earnings	17,702	-8,970	52,138
Rate of return on assets	4.9 %	-3.5 %	13.7 %
Rate of return on equity	3.7 %	-22.7 %	21.8 %
Operating profit margin	9.2 %	-8.0 %	16.8 %
Asset turnover rate	52.8 %	44.4 %	81.6 %
Profitability (market)			
Labor and management earnings	21,606	-48,881	116,067
Rate of return on assets	5.8 %	-2.8 %	15.2 %
Rate of return on equity	5.8 %	-5.8 %	17.2 %
Operating profit margin	28.7 %	-17.4 %	53.6 %
Asset turnover rate	20.1 %	16.1 %	28.4 %
Liquidity			
Ending current ratio	2.32	2.05	2.35
Ending working capital	105,300	47,786	97,027
End working capital to gross inc	44.0 %	40.8 %	38.3 %
Term debt coverage ratio	183.6 %	39.0 %	237.2 %
Expense as a percent of income	77.2 %	85.3 %	72.0 %
Interest as a percent of income	5.0 %	10.2 %	4.1 %
Solvency (cost)			
Number of farms	39	9	10
Ending farm assets	477,548	286,439	364,301
Ending farm liabilities	211,969	197,863	174,079
Ending total assets	658,125	472,737	387,539
Ending total liabilities	227,396	209,903	180,453
Ending net worth	430,729	262,834	207,086
Net worth change	76,417	111,539	66,817
Ending farm debt to asset ratio	44 %	69 %	48 %
Beg total debt to asset ratio	39 %	53 %	58 %
End total debt to asset ratio	35 %	44 %	47 %
Solvency (market)			
Number of farms	39	9	10
Ending farm assets	1,255,092	774,320	1,050,056
Ending farm liabilities	232,439	197,863	174,079
Ending total assets	1,591,356	1,325,834	1,146,281
Ending total liabilities	249,802	209,903	180,453
Ending net worth	1,341,554	1,115,931	965,827
Net worth change	185,562	378,545	169,243
Ending farm debt to asset ratio	19 %	26 %	17 %
Beg total debt to asset ratio	17 %	19 %	19 %
End total debt to asset ratio	16 %	16 %	16 %
Nonfarm Information			
Net nonfarm income	19,136	22,788	19,149
Crop Acres			
Total acres owned	327	357	163
Total crop acres	474	398	379
Total crop acres owned	271	268	155
Total crop acres cash rented	194	130	208
Total crop acres share rented	9	-	16

**C) Average of 20 Cash Grain Farms, 800 to 1199 Acres**

Table 32                      Crop Production and Marketing Summary			
2006 MI Cash Grain 800-1199 Acres			
(Farms Sorted By Rate of Return on Assets - Mkt)			
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	20	5	6
Acreage Summary			
Total acres owned	485	330	481
Total crop acres	981	936	1,041
Crop acres owned	458	586	359
Crop acres cash rented	451	350	525
Crop acres share rented	72	-	157
Total pasture acres	-	-	-
Average Price Received (Cash Sales Only)			
Soybeans per bushel	6.21	-	6.68
Corn per bushel	2.42	-	2.41
Wheat, Winter per bushel	3.14	-	3.26

Table 33

Farm Income Statement  
**2006 MI Cash Grain 800-1199 Acres**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	20	5	6
Cash Farm Income			
Beans, Navy	2,442	-	8,140
Beans, Pinto	435	-	1,451
Corn	167,538	243,960	112,098
Corn, Seed	35,577	-	6,557
Cucumbers	11,051	-	-
Hay, Alfalfa	1,406	-	-
Hay, Mixed	845	2,176	143
Oats	1,102	-	-
Potatoes	37,900	-	-
Soybeans	107,489	138,858	73,713
Straw	804	593	346
Sugar Beets	2,414	-	8,047
Wheat, Winter	17,879	21,157	26,194
Beef Cow-Calf, Beef Calves	1,956	-	2,105
Beef, Background Beef	4,923	-	16,409
Beef, Finish Beef Calves	692	865	266
Dairy, Dairy Calves	336	-	1,120
Dairy Replacement Heifers	250	1,250	-
Dairy Steer Finishing	4,027	5,136	10,000
Hogs, Finish Feeder Pigs	173	-	578
Sheep, Lamb Finishing	681	-	2,269
Sheep, Market Lambs, Mkt Lambs	7,523	-	24,662
Sheep, Market Lambs, Wool	132	-	435
Hogs, Contractee	5,187	25,936	-
Cull breeding livestock	2,002	7,525	1,489
Misc. livestock income	14,272	71,325	25
Direct & CC govt payments	25,186	24,856	7,858
Other government payments	17,740	6,652	32,688
Custom work income	15,041	41,225	530
Patronage dividends, cash	1,550	663	1,938
Insurance income	4,469	-	2,622
Other farm income	31,252	17,834	58,814
Gross Cash Farm Income	524,277	610,010	400,497

Table 33

Farm Income Statement (Continued)  
**2006 MI Cash Grain 800-1199 Acres**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	20	5	6
Cash Farm Expense			
Seed	38,220	54,778	27,630
Fertilizer	67,325	86,040	47,279
Crop chemicals	32,673	48,647	33,475
Crop insurance	2,588	-	3,915
Drying fuel	5,466	-	2,409
Irrigation energy	80	-	267
Crop packaging and supplies	631	3,153	-
Crop custom hire	1,250	-	-
Hauling and trucking	4,195	11,350	-
Crop marketing	2,129	-	456
Crop miscellaneous	4,974	4,162	5,638
Feeder livestock purchase	8,845	16,033	18,056
Purchased feed	5,205	12,586	7,774
Breeding fees	312	1,095	104
Veterinary	2,668	9,270	2,610
Livestock supplies	2,103	8,617	912
Livestock marketing	310	-	946
Livestock miscellaneous	1,856	9,278	-
Interest	31,454	20,869	31,343
Packaging and supplies	195	-	541
Supplies	1,457	1,906	-
Fuel & oil	29,018	41,951	17,695
Repairs	34,032	36,905	20,200
Custom hire	12,452	7,188	14,348
Hired labor	24,604	33,401	7,002
Land rent	55,698	61,411	42,249
Machinery leases	1,993	325	1,174
Real estate taxes	10,810	9,535	9,070
Personal property taxes	75	-	248
Farm insurance	11,510	16,039	12,439
Utilities	8,703	7,462	5,921
Dues & professional fees	3,453	6,720	2,672
Hedging account deposits	636	-	1,305
Miscellaneous	10,891	9,470	6,117
Total cash expense	417,807	518,190	323,792
Net cash farm income	106,470	91,821	76,705
Inventory Changes			
Crops and feed	20,302	-6,964	46,392
Market livestock	-2,100	-8,712	-4,194
Accounts receivable	580	2,552	22,410
Prepaid expenses and supplies	5,243	16,750	2,476
Accounts payable	13,371	265	7,209
Total inventory change	37,396	3,891	74,294
Net operating profit	143,867	95,712	150,998
Depreciation and Other Capital Adjustments			
Breeding livestock	1,640	-7,475	9,367
Machinery and equipment	-43,721	1,246	-48,590
Buildings and improvements	-7,058	-8,689	-481
Other farm capital	305	1,779	-
Total depr. and other capital adj	-48,835	-13,139	-39,704
Net farm income	95,032	82,573	111,294

Table 34

Inventory Changes  
**2006 MI Cash Grain 800-1199 Acres**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	20	5	6
Net cash farm income	106,470	91,821	76,705
Crops and Feed			
Ending inventory	238,172	162,328	140,103
Beginning inventory	217,870	169,292	93,711
Inventory change	20,302	-6,964	46,392
Market Livestock			
Ending inventory	12,169	18,809	20,559
Beginning inventory	14,270	27,521	24,753
Inventory change	-2,100	-8,712	-4,194
Accts Receivable & Other Current Assets			
Ending inventory	28,562	26,214	52,676
Beginning inventory	27,982	23,662	30,265
Inventory change	580	2,552	22,410
Prepaid Expenses and Supplies			
Ending inventory	34,220	37,500	22,743
Beginning inventory	28,977	20,750	20,267
Inventory change	5,243	16,750	2,476
Accounts Payable & Accrued Expenses			
Beginning inventory	32,888	3,274	23,834
Ending inventory	19,516	3,009	16,625
Inventory change	13,371	265	7,209
Total inventory change	37,396	3,891	74,294
Net operating profit	143,867	95,712	150,998

Table 35

Depreciation and Other Capital Adjustments  
**2006 MI Cash Grain 800-1199 Acres**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	20	5	6
Net operating profit	143,867	95,712	150,998
Breeding Livestock			
Ending inventory	29,439	52,500	52,821
Capital sales	52	-	-
Beginning inventory	27,348	59,975	41,808
Capital purchases	504	-	1,646
Depreciation, capital adjust.	1,640	-7,475	9,367
Machinery and Equipment			
Ending inventory	202,979	339,181	57,628
Capital sales	4,195	13,750	-
Beginning inventory	187,137	182,725	93,937
Capital purchases	63,759	168,960	12,282
Depreciation, capital adjust.	-43,721	1,246	-48,590
Buildings and Improvements			
Ending inventory	89,735	80,950	42,023
Capital sales	1,260	-	4,200
Beginning inventory	85,036	85,533	46,704
Capital purchases	13,016	4,106	-
Depreciation, capital adjust.	-7,058	-8,689	-481
Other Capital Assets			
Ending inventory	24,606	42,969	15,361
Capital sales	2,340	-	-
Beginning inventory	20,812	22,441	15,361
Capital purchases	5,829	18,750	-
Depreciation, capital adjust.	305	1,779	-
Total depreciation, capital adj.	-48,835	-13,139	-39,704
Net farm income	95,032	82,573	111,294



Table 36

Profitability Measures  
**2006 MI Cash Grain 800-1199 Acres**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	20	5	6
Profitability (assets valued at cost)			
Net farm income	81,072	82,573	111,294
Labor and management earnings	54,897	56,007	92,776
Rate of return on assets	7.2 %	5.5 %	12.9 %
Rate of return on equity	10.2 %	7.4 %	28.6 %
Operating profit margin	13.8 %	9.4 %	22.7 %
Asset turnover rate	51.9 %	58.7 %	56.7 %
Interest on farm net worth	26,175	26,566	18,518
Farm interest expense	26,457	20,820	27,632
Value of operator lbr and mgmt.	38,556	50,402	37,250
Return on farm assets	68,974	52,991	101,676
Average farm assets	960,471	954,897	791,028
Return on farm equity	42,516	32,171	74,044
Average farm equity	418,055	435,360	258,988
Value of farm production	498,755	560,793	448,643
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	20	5	6
Profitability (assets valued at market)			
Net farm income	177,755	-44,584	383,855
Labor and management earnings	86,689	-98,087	299,697
Rate of return on assets	8.2 %	-5.3 %	19.3 %
Rate of return on equity	9.4 %	-10.7 %	24.7 %
Operating profit margin	32.4 %	-13.2 %	83.4 %
Asset turnover rate	25.4 %	39.7 %	23.2 %
Interest on farm net worth	91,066	53,502	84,158
Farm interest expense	28,823	20,820	27,632
Value of operator lbr and mgmt.	34,700	50,402	37,250
Return on farm assets	171,878	-74,166	374,237
Average farm assets	2,090,791	1,411,243	1,934,675
Return on farm equity	143,055	-94,986	346,605
Average farm equity	1,517,766	891,705	1,402,635
Value of farm production	530,650	560,793	448,643

Table 37

Liquidity Measures  
**2006 MI Cash Grain 800-1199 Acres**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	20	5	6
Liquidity (cash)			
Net cash farm income	106,470	91,821	76,705
Net nonfarm income	22,189	8,299	21,734
Family living and taxes	42,275	35,673	46,403
Principal due on long term debt	26,702	34,454	39,791
Cash available for interm. debt	59,682	29,993	12,245
Average intermediate debt	144,656	98,483	122,858
Years to turnover interm. debt	2.4	3.3	10.0
Expense as a % of income	80 %	85 %	81 %
Interest as a % of income	6 %	3 %	8 %
Working capital to gross income	26 %	25 %	24 %
Liquidity (accrual)			
Total accrual farm income	543,059	596,886	465,105
Total accrual operating expense	399,192	501,175	314,107
Net accrual operating income	143,867	95,712	150,998
Net nonfarm income	22,189	8,299	21,734
Family living and taxes	42,275	35,673	46,403
Principal due on long term debt	26,702	34,454	39,791
Available for intermediate debt	97,079	33,884	86,539
Average intermediate debt	144,656	98,483	122,858
Years to turnover interm. debt	1.5	2.9	1.4
Expense as a % of income	74 %	84 %	68 %
Interest as a % of income	5 %	3 %	6 %
Working capital to gross income	25 %	26 %	20 %

Table 38

**Balance Sheet at Cost Values**  
**2006 MI Cash Grain 800-1199 Acres**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
Number of farms	20		5		6	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	29,074	9,798	40,655	657	16,306	22,329
Prepaid expenses & supplies	22,632	23,589	20,750	37,500	20,267	22,743
Growing crops	6,786	6,569	6,125	7,263	9,498	9,731
Accounts receivable	12,788	22,379	16,590	18,184	20,767	42,945
Hedging accounts	377	672	947	768	0	0
Crops held for sale or feed	203,614	211,005	169,292	162,328	93,711	140,103
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	15,855	13,522	27,521	18,809	24,753	20,559
Other current assets	992	872	0	0	0	0
<b>Total current farm assets</b>	<b>292,118</b>	<b>288,406</b>	<b>281,879</b>	<b>245,508</b>	<b>185,302</b>	<b>258,409</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	30,386	32,710	59,975	52,500	41,808	52,821
Machinery and equipment	139,283	153,203	182,725	339,181	90,925	54,616
Titled vehicles	1,004	1,004	0	0	3,012	3,012
Other intermediate assets	10,329	10,325	21,941	22,169	15,361	15,361
<b>Total intermediate farm assets</b>	<b>181,003</b>	<b>197,242</b>	<b>264,641</b>	<b>413,850</b>	<b>151,106</b>	<b>125,810</b>
<b>Long Term Farm Assets</b>						
Farm land	392,932	388,682	258,067	258,067	393,310	379,393
Buildings and improvements	78,374	73,577	85,533	80,950	46,704	42,023
Other long-term assets	12,091	16,519	500	20,800	0	0
<b>Total long-term farm assets</b>	<b>483,397</b>	<b>478,778</b>	<b>344,100</b>	<b>359,817</b>	<b>440,014</b>	<b>421,416</b>
<b>Total Farm Assets</b>	<b>956,517</b>	<b>964,425</b>	<b>890,620</b>	<b>1,019,175</b>	<b>776,421</b>	<b>805,635</b>
<b>Total Nonfarm Assets</b>	<b>176,977</b>	<b>204,633</b>	<b>62,205</b>	<b>50,025</b>	<b>74,676</b>	<b>64,018</b>
<b>Total Assets</b>	<b>1,133,495</b>	<b>1,169,058</b>	<b>952,824</b>	<b>1,069,200</b>	<b>851,098</b>	<b>869,653</b>
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	9,811	7,004	841	792	13,925	10,215
Accounts payable	24,292	12,694	2,433	2,217	9,908	6,410
Current notes	79,928	76,909	26,511	18,857	89,058	79,088
Government crop loans	0	0	0	0	0	0
Principal due on term debt	61,599	61,995	56,921	68,787	76,528	67,866
<b>Total current farm liabilities</b>	<b>175,631</b>	<b>158,601</b>	<b>86,706</b>	<b>90,652</b>	<b>189,420</b>	<b>163,579</b>
<b>Total intermediate farm liabs</b>	<b>124,088</b>	<b>101,412</b>	<b>74,282</b>	<b>77,872</b>	<b>105,618</b>	<b>64,441</b>
<b>Total long term farm liabilities</b>	<b>264,578</b>	<b>260,521</b>	<b>330,040</b>	<b>379,524</b>	<b>284,114</b>	<b>256,907</b>
<b>Total farm liabilities</b>	<b>564,297</b>	<b>520,535</b>	<b>491,027</b>	<b>548,049</b>	<b>579,153</b>	<b>484,927</b>
<b>Total nonfarm liabilities</b>	<b>7,602</b>	<b>1,472</b>	<b>0</b>	<b>0</b>	<b>4,067</b>	<b>4,417</b>
<b>Total liabilities</b>	<b>571,899</b>	<b>522,007</b>	<b>491,027</b>	<b>548,049</b>	<b>583,220</b>	<b>489,344</b>
<b>Net worth (farm and nonfarm)</b>	<b>561,595</b>	<b>647,051</b>	<b>461,798</b>	<b>521,151</b>	<b>267,878</b>	<b>380,309</b>
<b>Net worth change</b>		<b>85,455</b>		<b>59,353</b>		<b>112,431</b>
<b>Ratio Analysis</b>						
Current farm liabilities / assets	60 %	55 %	31 %	37 %	102 %	63 %
Curr. & interm farm liab. / assets	63 %	54 %	29 %	26 %	88 %	59 %
Long term farm liab. / assets	55 %	54 %	96 %	105 %	65 %	61 %
Total debt to asset ratio	50 %	45 %	52 %	51 %	69 %	56 %

Table 39

**Balance Sheet at Market Values**  
**2006 MI Cash Grain 800-1199 Acres**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
Number of farms	20		5		6	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	28,544	9,916	40,655	657	16,306	22,329
Prepaid expenses & supplies	28,977	34,220	20,750	37,500	20,267	22,743
Growing crops	6,107	5,912	6,125	7,263	9,498	9,731
Accounts receivable	20,643	21,260	16,590	18,184	20,767	42,945
Hedging accounts	339	605	947	768	0	0
Crops held for sale or feed	217,870	238,172	169,292	162,328	93,711	140,103
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	14,270	12,169	27,521	18,809	24,753	20,559
Other current assets	893	785	0	0	0	0
Total current farm assets	317,643	323,040	281,879	245,508	185,302	258,409
<b>Intermediate Farm Assets</b>						
Breeding livestock	27,773	30,544	59,975	55,900	43,225	54,238
Machinery and equipment	442,845	455,877	532,865	543,605	249,908	258,013
Titled vehicles	4,765	3,000	7,500	7,500	4,167	5,000
Other intermediate assets	10,230	9,910	21,941	22,169	17,028	16,594
Total intermediate farm assets	485,612	499,330	622,280	629,174	314,327	333,845
<b>Long Term Farm Assets</b>						
Farm land	1,118,079	1,188,228	462,647	487,397	1,216,008	1,395,151
Buildings and improvements	103,015	120,488	43,238	29,064	68,150	98,158
Other long-term assets	11,082	15,067	500	20,800	0	0
Total long-term farm assets	1,232,176	1,323,782	506,385	537,260	1,284,158	1,493,309
Total Farm Assets	2,035,430	2,146,152	1,410,544	1,411,942	1,783,787	2,085,562
Total Nonfarm Assets	265,596	305,521	139,041	110,936	358,150	397,284
Total Assets	2,301,026	2,451,673	1,549,585	1,522,878	2,141,937	2,482,847
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	9,136	6,504	841	792	13,925	10,215
Accounts payable	23,752	13,012	2,433	2,217	9,908	6,410
Current notes	101,422	104,218	26,511	18,857	89,058	79,088
Government crop loans	0	0	0	0	0	0
Principal due on term debt	62,396	63,456	56,921	68,787	76,528	67,866
Total current farm liabilities	196,706	187,191	86,706	90,652	189,420	163,579
Total intermediate farm liabs	115,372	101,111	74,282	77,872	105,618	64,441
Total long term farm liabilities	276,393	269,277	330,040	379,524	284,114	256,907
Total farm liabilities	588,470	557,579	491,027	548,049	579,153	484,927
Total nonfarm liabilities	6,842	1,325	0	0	4,067	4,417
Total liabs excluding deferreds	595,313	558,904	491,027	548,049	583,220	489,344
Total deferred liabilities	0	0	0	0	0	0
Total liabilities	595,313	558,904	491,027	548,049	583,220	489,344
Net worth (farm and nonfarm)	1,705,713	1,892,769	1,058,558	974,829	1,558,718	1,993,503
Net worth excluding deferreds	1,705,713	1,892,769	1,058,558	974,829	1,558,718	1,993,503
Net worth change		187,056		-83,729		434,785
<b>Ratio Analysis</b>						
Current farm liabilities / assets	62 %	58 %	31 %	37 %	102 %	63 %
Curr. & interm farm liab. / assets	39 %	35 %	18 %	19 %	59 %	39 %
Long term farm liab. / assets	22 %	20 %	65 %	71 %	22 %	17 %
Total debt to asset ratio	26 %	23 %	32 %	36 %	27 %	20 %
Debt to assets excl deferreds	26 %	23 %	32 %	36 %	27 %	20 %

Table 40

Statement Of Cash Flows  
**2006 MI Cash Grain 800-1199 Acres**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	20	5	6
Beginning cash (farm & nonfarm)	39,711	40,655	16,343
Cash From Operating Activities			
Gross cash farm income	524,277	610,010	400,497
Net nonfarm income	22,189	8,299	21,734
Total cash farm expense	-417,807	-518,190	-323,792
Apparent family living expense	-35,512	-19,995	-45,993
Income and social security tax	-6,763	-15,678	-410
Cash from operations	86,384	64,447	52,036
Cash From Investing Activities			
Sale of breeding livestock	52	-	-
Sale of machinery & equipment	4,195	13,750	-
Sale of titled vehicles	-	-	-
Sale of farm land	11,457	-	38,189
Sale of farm buildings	1,260	-	4,200
Sale of other farm assets	2,340	-	-
Sale of nonfarm assets	-	-	-
Purchase of breeding livestock	-504	-	-1,646
Purchase of machinery & equip.	-61,209	-158,960	-10,448
Purchase of titled vehicles	-2,550	-10,000	-1,833
Purchase of farm land	-	-	-
Purchase of farm buildings	-13,016	-4,106	-
Purchase of other farm assets	-5,829	-18,750	-
Purchase of nonfarm assets	-5,770	-11,336	-2,167
Cash from investing activities	-69,574	-189,401	26,295
Cash From Financing Activities			
Money borrowed	169,414	150,615	120,107
Cash gifts and inheritances	11,187	27,670	14,342
Principal payments	-192,417	-93,328	-206,757
Dividends paid	-	-	-
Gifts given	-4,749	-	-
Cash from financing activities	-16,565	84,957	-72,308
Net change in cash balance	246	-39,997	6,023
Ending cash (farm & nonfarm)	39,957	657	22,365

Table 41

Financial Standards Measures  
**2006 MI Cash Grain 800-1199 Acres**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	20	5	6
Liquidity			
Current ratio	1.73	2.71	1.58
Working capital	135,849	154,856	94,830
Solvency (market)			
Farm debt to asset ratio	26 %	39 %	23 %
Farm equity to asset ratio	74 %	61 %	77 %
Farm debt to equity ratio	35 %	63 %	30 %
Profitability (cost)			
Rate of return on farm assets	7.2 %	5.5 %	12.9 %
Rate of return on farm equity	10.2 %	7.4 %	28.6 %
Operating profit margin	13.8 %	9.4 %	22.7 %
Net farm income	81,072	82,573	111,294
Repayment Capacity			
Term debt coverage ratio	169 %	118 %	150 %
Capital replacement margin	60,903	11,417	48,900
Efficiency			
Asset turnover rate (cost)	51.9 %	58.7 %	56.7 %
Operating expense ratio	68.2 %	80.5 %	61.6 %
Depreciation expense ratio	9.0 %	2.2 %	8.5 %
Interest expense ratio	5.3 %	3.5 %	5.9 %
Net farm income ratio	17.5 %	13.8 %	23.9 %

Table 42

Operator and Labor Information  
**2006 MI Cash Grain 800-1199 Acres**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	20	5	6
Operator Information			
Average number of operators	1.4	1.3	1.5
Average age of operators	52.3	43.5	60.0
Average number of years farming	30.6	20.5	37.7
Results Per Operator			
Working capital	100,258	123,885	63,220
Total assets (market)	1,809,353	1,218,302	1,655,231
Total liabilities	412,475	438,439	326,229
Net worth (market)	1,396,878	779,864	1,329,002
Net worth excl deferred liabs	1,396,878	779,864	1,329,002
Gross farm income	400,782	477,509	310,070
Total farm expense	330,647	411,451	235,874
Net farm income	70,135	66,058	74,196
Net nonfarm income	16,376	6,639	14,490
Family living & tax withdrawals	31,199	28,539	30,935
Total acres owned	357.7	263.9	320.7
Total crop acres	724.2	748.4	694.2
Crop acres owned	338.3	468.4	239.6
Crop acres cash rented	332.5	280.0	349.9
Crop acres share rented	53.4	-	104.8
Total pasture acres	-	-	-
Labor Analysis			
Number of farms	20	5	6
Total unpaid labor hours	2,909	2,365	3,875
Total hired labor hours	1,536	545	682
Total labor hours per farm	4,445	2,910	4,556
Unpaid hours per operator	2,086	1,892	2,583
Value of farm production / hour	112.20	192.75	98.47
Net farm income / unpaid hour	27.87	34.92	28.72
Average hourly hired labor wage	13.20	17.03	10.21

Table 43

Financial Summary  
**2006 MI Cash Grain 800-1199 Acres**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	20	5	6
Income Statement			
Gross cash farm income	524,277	610,010	400,497
Total cash farm expense	417,807	518,190	323,792
Net cash farm income	106,470	91,821	76,705
Inventory change	37,396	3,891	74,294
Depreciation and capital adjust	-48,835	-13,139	-39,704
Net farm income	95,032	82,573	111,294
Profitability (cost)			
Labor and management earnings	54,897	56,007	92,776
Rate of return on assets	7.2 %	5.5 %	12.9 %
Rate of return on equity	10.2 %	7.4 %	28.6 %
Operating profit margin	11.7 %	9.4 %	22.7 %
Asset turnover rate	61.4 %	58.7 %	56.7 %
Profitability (market)			
Labor and management earnings	86,689	-98,087	299,697
Rate of return on assets	8.2 %	-5.3 %	19.3 %
Rate of return on equity	9.4 %	-10.7 %	24.7 %
Operating profit margin	32.4 %	-13.2 %	83.4 %
Asset turnover rate	25.4 %	39.7 %	23.2 %
Liquidity			
Ending current ratio	1.73	2.71	1.58
Ending working capital	135,849	154,856	94,830
End working capital to gross inc	25.9 %	25.4 %	23.7 %
Term debt coverage ratio	168.9 %	117.9 %	150.2 %
Expense as a percent of income	73.5 %	84.0 %	67.5 %
Interest as a percent of income	5.3 %	3.5 %	5.9 %
Solvency (cost)			
Number of farms	20	5	6
Ending farm assets	964,425	1,019,175	805,635
Ending farm liabilities	520,535	548,049	484,927
Ending total assets	1,169,058	1,069,200	869,653
Ending total liabilities	522,007	548,049	489,344
Ending net worth	647,051	521,151	380,309
Net worth change	85,455	59,353	112,431
Ending farm debt to asset ratio	54 %	54 %	60 %
Beg total debt to asset ratio	50 %	52 %	69 %
End total debt to asset ratio	45 %	51 %	56 %
Solvency (market)			
Number of farms	20	5	6
Ending farm assets	2,146,152	1,411,942	2,085,562
Ending farm liabilities	557,579	548,049	484,927
Ending total assets	2,451,673	1,522,878	2,482,847
Ending total liabilities	558,904	548,049	489,344
Ending net worth	1,892,769	974,829	1,993,503
Net worth change	187,056	-83,729	434,785
Ending farm debt to asset ratio	26 %	39 %	23 %
Beg total debt to asset ratio	26 %	32 %	27 %
End total debt to asset ratio	23 %	36 %	20 %
Nonfarm Information			
Net nonfarm income	22,189	8,299	21,734
Crop Acres			
Total acres owned	485	330	481
Total crop acres	981	936	1,041
Total crop acres owned	458	586	359
Total crop acres cash rented	451	350	525
Total crop acres share rented	72	-	157



**D) Average 19 Cash Grain Farms, 1200 Plus Acres**

Table 44                      Crop Production and Marketing Summary			
2006 MI Cash Grain 1200 + Acres			
(Farms Sorted By Rate of Return on Assets - Mkt)			
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	19	5	5
Acreage Summary			
Total acres owned	818	1,154	315
Total crop acres	2,181	2,589	1,799
Crop acres owned	731	1,033	263
Crop acres cash rented	1,425	1,555	1,535
Crop acres share rented	25	-	-
Total pasture acres	-	-	-
Average Price Received (Cash Sales Only)			
Corn per bushel	2.30	2.34	2.28
Soybeans per bushel	5.85	6.00	5.96
Wheat, Winter per bushel	2.90	-	2.43

Table 45

Farm Income Statement  
**2006 MI Cash Grain 1200 + Acres**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	19	5	5
Cash Farm Income			
Beans, Green	7,872	-	-
Beans, Navy	15,624	-	29,643
Corn	333,814	446,180	202,736
Corn Silage	851	-	-
Corn, Seed	62,951	82,588	48,421
Cucumbers	42,697	-	47,480
Hay, Mixed	2,281	-	8,423
Potatoes	16,702	-	63,466
Soybeans	209,000	171,767	169,593
Straw	237	452	541
Sugar Beets	15,029	-	57,109
Watermelon	4,998	-	18,992
Wheat, Winter	52,826	80,607	72,592
Miscellaneous crop income	68	-	-
Beef, Finish Beef Calves	2,741	-	-
Chickens, Egg Product., Eggs	2,498	-	-
Hogs, Weaning to Finish	6,471	-	-
Misc. livestock income	13	-	-
Direct & CC govt payments	18,214	18,194	33,569
Other government payments	68,639	57,388	95,288
Custom work income	67,671	19,302	109,424
Patronage dividends, cash	1,345	162	962
Insurance income	13,761	9,507	980
Contract livestock income	742	-	-
Other farm income	21,041	105,269	294
Gross Cash Farm Income	968,085	991,416	959,513

Table 45

## Farm Income Statement (Continued)

**2006 MI Cash Grain 1200 + Acres**

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

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	19	5	5
Cash Farm Expense			
Seed	77,656	76,150	55,512
Fertilizer	134,849	152,672	164,381
Crop chemicals	63,846	94,134	65,667
Crop insurance	12,378	11,985	4,288
Drying fuel	8,110	12,246	1,828
Irrigation energy	2,185	-	4,438
Crop custom hire	667	-	-
Crop hauling and trucking	3,161	4,133	8,688
Marketing	453	-	238
Crop miscellaneous	6,272	12,008	656
Feeder livestock purchase	9,813	-	-
Purchased feed	2,222	222	-
Veterinary	409	-	-
Livestock supplies	642	-	-
Interest	53,877	54,116	30,685
Packaging and supplies	1,323	247	1,141
Supplies	148	-	562
Fuel & oil	46,206	53,832	48,911
Repairs	58,845	54,770	49,672
Custom hire	35,231	2,421	25,895
Hired labor	54,984	44,111	38,514
Land rent	152,540	213,572	154,785
Machinery leases	23,988	58,881	852
Real estate taxes	13,310	26,225	3,963
Personal property taxes	148	135	-
Farm insurance	27,668	38,973	15,777
Utilities	18,995	23,652	9,824
Hauling and trucking	339	1,613	-
Dues & professional fees	14,289	27,943	9,512
Hedging account deposits	1,410	-	719
Miscellaneous	31,410	1,955	56,330
Total cash expense	857,376	965,994	752,837
Net cash farm income	110,709	25,422	206,676
Inventory Changes			
Crops and feed	138,506	83,060	154,339
Market livestock	5,389	-	-
Accounts receivable	-1,422	-8,108	2,418
Prepaid expenses and supplies	5,015	-4,592	32,996
Accounts payable	-9,444	-2,783	-906
Total inventory change	138,043	67,579	188,847
Net operating profit	248,752	93,000	395,523
Depreciation and Other Capital Adjustments			
Breeding livestock	-36	-	-
Machinery and equipment	-89,047	-89,865	-111,963
Buildings and improvements	-14,557	-18,557	-2,149
Other farm capital	2,560	-	9,729
Total depr. and other capital adj	-101,080	-108,422	-104,383
Net farm income	147,672	-15,422	291,140

Table 46

Inventory Changes  
**2006 MI Cash Grain 1200 + Acres**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	19	5	5
Net cash farm income	110,709	25,422	206,676
Crops and Feed			
Ending inventory	578,165	689,011	499,264
Beginning inventory	439,660	605,951	344,924
Inventory change	138,506	83,060	154,339
Market Livestock			
Ending inventory	7,609	-	-
Beginning inventory	2,220	-	-
Inventory change	5,389	-	-
Accts Receivable & Other Current Assets			
Ending inventory	66,650	39,217	26,978
Beginning inventory	68,072	47,325	24,560
Inventory change	-1,422	-8,108	2,418
Prepaid Expenses and Supplies			
Ending inventory	86,211	44,615	95,269
Beginning inventory	81,196	49,207	62,273
Inventory change	5,015	-4,592	32,996
Accounts Payable & Accrued Expenses			
Beginning inventory	34,188	29,827	9,695
Ending inventory	43,632	32,609	10,601
Inventory change	-9,444	-2,783	-906
Total inventory change	138,043	67,579	188,847
Net operating profit	248,752	93,000	395,523

Table 47                      Depreciation and Other Capital Adjustments  
**2006 MI Cash Grain 1200 + Acres**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	19	5	5
Net operating profit	248,752	93,000	395,523
Breeding Livestock			
Ending inventory	168	-	-
Capital sales	82	-	-
Beginning inventory	158	-	-
Capital purchases	129	-	-
Depreciation, capital adjust.	-36	-	-
Machinery and Equipment			
Ending inventory	253,528	187,263	189,679
Capital sales	3,257	6,375	1,476
Beginning inventory	237,257	139,664	192,370
Capital purchases	108,576	143,840	110,747
Depreciation, capital adjust.	-89,047	-89,865	-111,963
Buildings and Improvements			
Ending inventory	65,384	70,437	19,426
Capital sales	-	-	-
Beginning inventory	72,423	67,744	17,565
Capital purchases	7,518	21,250	4,011
Depreciation, capital adjust.	-14,557	-18,557	-2,149
Other Capital Assets			
Ending inventory	15,937	3,357	10,851
Capital sales	1,614	175	3,103
Beginning inventory	4,961	3,532	906
Capital purchases	10,030	-	3,320
Depreciation, capital adjust.	2,560	-	9,729
Total depreciation, capital adj.	-101,080	-108,422	-104,383
Net farm income	147,672	-15,422	291,140

Table 48

Profitability Measures  
**2006 MI Cash Grain 1200 + Acres**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	19	5	5
Profitability (assets valued at cost)			
Net farm income	147,672	-15,422	291,140
Labor and management earnings	105,371	-73,951	256,344
Rate of return on assets	9.1 %	-0.8 %	29.7 %
Rate of return on equity	13.6 %	-8.4 %	42.3 %
Operating profit margin	12.9 %	-1.2 %	24.7 %
Asset turnover rate	70.4 %	62.5 %	120.3 %
Interest on farm net worth	42,301	58,529	34,796
Farm interest expense	55,473	56,773	30,443
Value of operator lbr and mgmt.	61,620	54,392	46,069
Return on farm assets	141,525	-13,040	275,514
Average farm assets	1,560,725	1,706,741	928,069
Return on farm equity	86,052	-69,814	245,071
Average farm equity	630,500	828,679	579,941
Value of farm production	1,098,487	1,066,147	1,116,270
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	19	5	5
Profitability (assets valued at market)			
Net farm income	239,774	37,436	426,434
Labor and management earnings	85,623	-191,776	339,739
Rate of return on assets	6.7 %	0.8 %	22.9 %
Rate of return on equity	6.9 %	-0.4 %	26.3 %
Operating profit margin	21.3 %	3.7 %	36.8 %
Asset turnover rate	31.4 %	22.7 %	62.3 %
Interest on farm net worth	154,152	229,212	86,695
Farm interest expense	55,473	56,773	30,443
Value of operator lbr and mgmt.	61,620	54,392	46,069
Return on farm assets	233,627	39,818	410,808
Average farm assets	3,499,418	4,698,263	1,793,038
Return on farm equity	178,154	-16,956	380,365
Average farm equity	2,569,193	3,820,201	1,444,910
Value of farm production	1,098,487	1,066,147	1,116,270

Table 49

Liquidity Measures  
**2006 MI Cash Grain 1200 + Acres**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	19	5	5
Liquidity (cash)			
Net cash farm income	110,709	25,422	206,676
Net nonfarm income	19,876	49,225	-1,051
Family living and taxes	74,372	69,776	103,139
Principal due on long term debt	36,953	44,303	8,396
Cash available for interm. debt	19,259	-39,432	94,090
Average intermediate debt	187,900	184,908	192,539
Years to turnover interm. debt	9.8	**	2.0
Expense as a % of income	89 %	97 %	78 %
Interest as a % of income	6 %	5 %	3 %
Working capital to gross income	32 %	37 %	48 %
Liquidity (accrual)			
Total accrual farm income	1,110,557	1,066,369	1,116,270
Total accrual operating expense	861,805	973,368	720,747
Net accrual operating income	248,752	93,000	395,523
Net nonfarm income	19,876	49,225	-1,051
Family living and taxes	74,372	69,776	103,139
Principal due on long term debt	36,953	44,303	8,396
Available for intermediate debt	157,303	28,147	282,937
Average intermediate debt	187,900	184,908	192,539
Years to turnover interm. debt	1.2	6.6	0.7
Expense as a % of income	78 %	91 %	65 %
Interest as a % of income	5 %	5 %	3 %
Working capital to gross income	28 %	34 %	41 %

\*\* Income insufficient to meet debt servicing requirements

Table 50

**Balance Sheet at Cost Values**  
**2006 MI Cash Grain 1200 + Acres**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
Number of farms	19		5		5	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	62,268	51,278	36,350	43,134	28,341	24,812
Prepaid expenses & supplies	81,196	86,211	49,207	44,615	62,273	95,269
Growing crops	11,012	13,032	10,860	14,865	15,099	23,380
Accounts receivable	50,797	49,117	25,090	24,352	8,761	3,098
Hedging accounts	3,632	4,447	1,375	0	700	500
Crops held for sale or feed	439,660	578,165	605,951	689,011	344,924	499,264
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	2,220	7,609	0	0	0	0
Other current assets	2,632	53	10,000	0	0	0
Total current farm assets	653,416	789,912	738,833	815,978	460,098	646,322
<b>Intermediate Farm Assets</b>						
Breeding livestock	158	168	0	0	0	0
Machinery and equipment	236,399	252,671	139,664	187,263	189,110	186,419
Titled vehicles	858	858	0	0	3,260	3,260
Other intermediate assets	4,654	13,070	3,196	3,021	706	922
Total intermediate farm assets	242,069	266,766	142,860	190,284	193,076	190,601
<b>Long Term Farm Assets</b>						
Farm land	492,177	536,128	667,704	718,969	159,460	159,460
Buildings and improvements	72,423	65,384	67,744	70,437	17,565	19,426
Other long-term assets	307	2,867	336	336	200	9,929
Total long-term farm assets	564,907	604,379	735,784	789,743	177,225	188,815
Total Farm Assets	1,460,392	1,661,058	1,617,477	1,796,005	830,399	1,025,738
Total Nonfarm Assets	187,114	244,004	170,817	180,006	103,412	126,890
Total Assets	1,647,506	1,905,062	1,788,294	1,976,010	933,811	1,152,628
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	15,758	17,354	4,543	7,201	2,660	2,418
Accounts payable	18,430	26,278	25,284	25,409	7,034	8,183
Current notes	257,361	359,992	235,590	348,110	53,292	154,016
Government crop loans	0	0	0	0	0	0
Principal due on term debt	69,423	74,453	66,763	70,810	31,928	25,201
Total current farm liabilities	360,972	478,077	332,179	451,529	94,915	189,818
Total intermediate farm liabs	142,540	161,612	129,389	194,090	169,393	166,162
Total long term farm liabilities	366,756	350,494	309,572	339,365	71,782	4,185
Total farm liabilities	870,268	990,183	771,140	984,983	336,089	360,166
Total nonfarm liabilities	17,349	35,095	7,500	7,500	10,267	9,481
Total liabilities	887,617	1,025,278	778,640	992,483	346,357	369,646
Net worth (farm and nonfarm)	759,889	879,785	1,009,653	983,527	587,454	782,981
Net worth change		119,896		-26,126		195,527
<b>Ratio Analysis</b>						
Current farm liabilities / assets	55 %	61 %	45 %	55 %	21 %	29 %
Curr. & interm farm liab. / assets	56 %	61 %	52 %	64 %	40 %	43 %
Long term farm liab. / assets	65 %	58 %	42 %	43 %	41 %	2 %
Total debt to asset ratio	54 %	54 %	44 %	50 %	37 %	32 %



Table 51

**Balance Sheet at Market Values**  
**2006 MI Cash Grain 1200 + Acres**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
Number of farms	19		5		5	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	62,268	51,278	36,350	43,134	28,341	24,812
Prepaid expenses & supplies	81,196	86,211	49,207	44,615	62,273	95,269
Growing crops	11,012	13,032	10,860	14,865	15,099	23,380
Accounts receivable	50,797	49,117	25,090	24,352	8,761	3,098
Hedging accounts	3,632	4,447	1,375	0	700	500
Crops held for sale or feed	439,660	578,165	605,951	689,011	344,924	499,264
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	2,220	7,609	0	0	0	0
Other current assets	2,632	53	10,000	0	0	0
Total current farm assets	653,416	789,912	738,833	815,978	460,098	646,322
<b>Intermediate Farm Assets</b>						
Breeding livestock	168	168	0	0	0	0
Machinery and equipment	735,870	799,906	837,882	923,176	521,356	614,361
Titled vehicles	6,858	6,789	0	0	3,260	3,260
Other intermediate assets	6,435	15,008	3,196	3,021	706	922
Total intermediate farm assets	749,331	821,873	841,078	926,197	525,322	618,544
<b>Long Term Farm Assets</b>						
Farm land	1,740,839	1,821,358	2,796,239	2,847,504	598,532	638,090
Buildings and improvements	209,141	209,792	206,084	223,941	43,570	45,470
Other long-term assets	307	2,867	336	336	200	9,929
Total long-term farm assets	1,950,287	2,034,017	3,002,659	3,071,781	642,302	693,489
Total Farm Assets	3,353,034	3,645,803	4,582,570	4,813,955	1,627,722	1,958,354
Total Nonfarm Assets	364,230	471,667	442,836	452,025	146,932	172,816
Total Assets	3,717,264	4,117,470	5,025,406	5,265,981	1,774,653	2,131,170
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	15,758	17,354	4,543	7,201	2,660	2,418
Accounts payable	18,430	26,278	25,284	25,409	7,034	8,183
Current notes	257,361	359,992	235,590	348,110	53,292	154,016
Government crop loans	0	0	0	0	0	0
Principal due on term debt	69,423	74,453	66,763	70,810	31,928	25,201
Total current farm liabilities	360,972	478,077	332,179	451,529	94,915	189,818
Total intermediate farm liabs	142,540	161,612	129,389	194,090	169,393	166,162
Total long term farm liabilities	366,756	350,494	309,572	339,365	71,782	4,185
Total farm liabilities	870,268	990,183	771,140	984,983	336,089	360,166
Total nonfarm liabilities	17,349	35,095	7,500	7,500	10,267	9,481
Total liabs excluding deferreds	887,617	1,025,278	778,640	992,483	346,357	369,646
Total deferred liabilities	0	0	0	0	0	0
Total liabilities	887,617	1,025,278	778,640	992,483	346,357	369,646
Retained earnings	759,889	879,785	1,009,653	983,527	587,454	782,981
Market valuation equity	2,069,758	2,212,408	3,237,112	3,289,970	840,843	978,542
Net worth (farm and nonfarm)	2,829,647	3,092,192	4,246,765	4,273,497	1,428,297	1,761,524
Net worth excluding deferreds	2,829,647	3,092,192	4,246,765	4,273,497	1,428,297	1,761,524
Net worth change		262,546		26,732		333,227
<b>Ratio Analysis</b>						
Current farm liabilities / assets	55 %	61 %	45 %	55 %	21 %	29 %
Curr. & interm farm liab. / assets	36 %	40 %	29 %	37 %	27 %	28 %
Long term farm liab. / assets	19 %	17 %	10 %	11 %	11 %	1 %
Total debt to asset ratio	24 %	25 %	15 %	19 %	20 %	17 %
Debt to assets excl deferreds	24 %	25 %	15 %	19 %	20 %	17 %

Table 52

Statement Of Cash Flows  
**2006 MI Cash Grain 1200 + Acres**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	19	5	5
Beginning cash (farm & nonfarm)	62,268	36,350	28,341
Cash From Operating Activities			
Gross cash farm income	968,085	991,416	959,513
Net nonfarm income	19,876	49,225	-1,051
Total cash farm expense	-857,376	-965,994	-752,837
Apparent family living expense	-70,689	-67,887	-99,532
Income and social security tax	-3,684	-1,888	-3,607
Cash from operations	56,212	4,871	102,486
Cash From Investing Activities			
Sale of breeding livestock	82	-	-
Sale of machinery & equipment	3,257	6,375	1,476
Sale of titled vehicles	-	-	-
Sale of farm land	-	-	-
Sale of farm buildings	-	-	-
Sale of other farm assets	1,614	175	3,103
Sale of nonfarm assets	-	-	-
Purchase of breeding livestock	-129	-	-
Purchase of machinery & equip.	-108,576	-143,840	-110,747
Purchase of titled vehicles	-	-	-
Purchase of farm land	-39,793	-51,265	-
Purchase of farm buildings	-7,518	-21,250	-4,011
Purchase of other farm assets	-10,030	-	-3,320
Purchase of nonfarm assets	-24,304	-	-14,903
Cash from investing activities	-185,396	-209,805	-128,402
Cash From Financing Activities			
Money borrowed	517,809	362,322	281,960
Cash gifts and inheritances	23,583	61,257	-
Principal payments	-389,205	-151,250	-259,574
Dividends paid	-	-	-
Gifts given	-33,993	-60,611	-
Cash from financing activities	118,193	211,718	22,386
Net change in cash balance	-10,990	6,783	-3,529
Ending cash (farm & nonfarm)	51,278	43,134	24,812

Table 53

Financial Standards Measures  
**2006 MI Cash Grain 1200 + Acres**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	19	5	5
Liquidity			
Current ratio	1.65	1.81	3.40
Working capital	311,835	364,448	456,504
Solvency (market)			
Farm debt to asset ratio	27 %	20 %	18 %
Farm equity to asset ratio	73 %	80 %	82 %
Farm debt to equity ratio	37 %	26 %	23 %
Profitability (cost)			
Rate of return on farm assets	9.1 %	-0.8 %	29.7 %
Rate of return on farm equity	13.6 %	-8.4 %	42.3 %
Operating profit margin	12.9 %	-1.2 %	24.7 %
Net farm income	147,672	-15,422	291,140
Repayment Capacity			
Term debt coverage ratio	213 %	53 %	656 %
Capital replacement margin	113,192	-39,391	258,615
Efficiency			
Asset turnover rate (cost)	70.4 %	62.5 %	120.3 %
Operating expense ratio	72.6 %	86.0 %	61.8 %
Depreciation expense ratio	9.1 %	10.2 %	9.4 %
Interest expense ratio	5.0 %	5.3 %	2.7 %
Net farm income ratio	13.3 %	-1.4 %	26.1 %

Table 54

Operator and Labor Information  
**2006 MI Cash Grain 1200 + Acres**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	19	5	5
Operator Information			
Average number of operators	1.5	1.5	1.6
Average age of operators	50.9	48.3	47.0
Average number of years farming	26.2	22.8	20.6
Results Per Operator			
Working capital	204,306	242,966	285,315
Total assets (market)	2,697,653	3,510,654	1,331,981
Total liabilities	671,734	661,655	231,029
Net worth (market)	2,025,919	2,848,998	1,100,952
Net worth excl deferred liabs	2,025,919	2,848,998	1,100,952
Gross farm income	727,607	710,912	697,669
Total farm expense	630,856	721,194	515,706
Net farm income	96,750	-10,281	181,962
Net nonfarm income	13,022	32,816	-657
Family living & tax withdrawals	48,727	46,517	64,462
Total acres owned	535.8	769.0	196.6
Total crop acres	1,429.1	1,725.7	1,124.1
Crop acres owned	479.2	688.8	164.5
Crop acres cash rented	933.3	1,036.9	959.6
Crop acres share rented	16.6	-	-
Total pasture acres	-	-	-
Labor Analysis			
Number of farms	19	5	5
Total unpaid labor hours	3,503	2,749	4,146
Total hired labor hours	2,511	3,708	1,228
Total labor hours per farm	6,013	6,457	5,374
Unpaid hours per operator	2,335	1,833	2,591
Value of farm production / hour	187.30	165.13	207.72
Net farm income / unpaid hour	42.11	-5.61	70.23
Average hourly hired labor wage	21.51	19.98	16.25
Partnerships & LLCs			
Number of farms	4	1	1
Number of operators	2.5	-	-
Owner withdrawals per farm	-	-	-
Withdrawals per operator	-	-	-

Table 55

Financial Summary  
**2006 MI Cash Grain 1200 + Acres**  
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	19	5	5
Income Statement			
Gross cash farm income	968,085	991,416	959,513
Total cash farm expense	857,376	965,994	752,837
Net cash farm income	110,709	25,422	206,676
Inventory change	138,043	67,579	188,847
Depreciation and capital adjust	-101,080	-108,422	-104,383
Net farm income	147,672	-15,422	291,140
Profitability (cost)			
Labor and management earnings	105,371	-73,951	256,344
Rate of return on assets	9.1 %	-0.8 %	29.7 %
Rate of return on equity	13.6 %	-8.4 %	42.3 %
Operating profit margin	12.9 %	-1.2 %	24.7 %
Asset turnover rate	70.4 %	62.5 %	120.3 %
Profitability (market)			
Labor and management earnings	85,623	-191,776	339,739
Rate of return on assets	6.7 %	0.8 %	22.9 %
Rate of return on equity	6.9 %	-0.4 %	26.3 %
Operating profit margin	21.3 %	3.7 %	36.8 %
Asset turnover rate	31.4 %	22.7 %	62.3 %
Liquidity			
Ending current ratio	1.65	1.81	3.40
Ending working capital	311,835	364,448	456,504
End working capital to gross inc	32.2 %	36.8 %	47.6 %
Term debt coverage ratio	213.1 %	53.0 %	655.6 %
Expense as a percent of income	77.6 %	91.3 %	64.6 %
Interest as a percent of income	5.0 %	5.3 %	2.7 %
Solvency (cost)			
Number of farms	19	5	5
Ending farm assets	1,661,058	1,796,005	1,025,738
Ending farm liabilities	990,183	984,983	360,166
Ending total assets	1,905,062	1,976,010	1,152,628
Ending total liabilities	1,025,278	992,483	369,646
Ending net worth	879,785	983,527	782,981
Net worth change	119,896	-26,126	195,527
Ending farm debt to asset ratio	60 %	55 %	35 %
Beg total debt to asset ratio	54 %	44 %	37 %
End total debt to asset ratio	54 %	50 %	32 %
Solvency (market)			
Number of farms	19	5	5
Ending farm assets	3,645,803	4,813,955	1,958,354
Ending farm liabilities	990,183	984,983	360,166
Ending total assets	4,117,470	5,265,981	2,131,170
Ending total liabilities	1,025,278	992,483	369,646
Ending net worth	3,092,192	4,273,497	1,761,524
Net worth change	262,546	26,732	333,227
Ending farm debt to asset ratio	27 %	20 %	18 %
Beg total debt to asset ratio	24 %	15 %	20 %
End total debt to asset ratio	25 %	19 %	17 %
Nonfarm Information			
Net nonfarm income	19,876	49,225	-1,051
Crop Acres			
Total acres owned	818	1,154	315
Total crop acres	2,181	2,589	1,799
Total crop acres owned	731	1,033	263
Total crop acres cash rented	1,425	1,555	1,535
Total crop acres share rented	25	-	-