



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

**2005 Michigan Dairy Farm Business
Analysis Summary**

Eric Wittenberg
And
Christopher Wolf

Staff Paper 2006-27

November, 2006



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

MSU is an Affirmative Action/Equal Opportunity Institution

2005 Michigan Dairy Farm Business Analysis Summary

Staff Paper No. 2006-27
November 2006

by

Eric Wittenberg
and
Christopher Wolf

Copyright (c) 2006 by Eric Wittenberg and Christopher Wolf. Readers may make verbatim copies of this document for non-commercial purposes by any means, provided that this copyright notice appears on all such copies.

2005 Michigan Dairy Farm Business Analysis Summary
by

Eric Wittenberg and Christopher Wolf¹

Table of Contents	Page
Summary.....	3
List of Tables	
<i>Summary Tables</i>	
1. Average Farm Characteristics, 2001-2005.....	3
2. Average Income Statement, 2001-2005.....	3
3. Average Profitability Indicators, 2001-2005.....	4
4. Average Income and Expenses--all herds.....	5
5. Average Income and Expenses--herds with that item...	6
6. Characteristics by Herd Size.....	7
7. Income Statement by Herd Size.....	7
8. Profitability Indicators by Herd Size.....	8
<i>A) Averages of 156 Dairy farms, All Sizes</i>	
9. Livestock and Crop Production Summary.....	9
10. Farm Income Statement.....	10
11. Inventory Changes.....	12
12. Depreciation and Other Capital Adjustment.....	13
13. Profitability Measures.....	14
14. Liquidity Measures.....	15
15. Balance Sheet at Cost Values.....	16
16. Balance sheet at Market Values.....	17
17. Statement of Cash Flows.....	18
18. Financial Standards Measures.....	19
19. Operator Information and Nonfarm Summary...	20
20. Financial Summary.....	21
<i>B) Average of 40 Dairy Farms, 25 to 99 Cows.....</i>	
Similar tables as previous summary, Tables 21 to 32	22
<i>C) Average of 83 Dairy Farms, 100 to 249 Cows.....</i>	
Similar tables as previous summary, Tables 33 to 44	35
<i>D) Average of 33 Dairy Farms, 250+ Cows</i>	
Similar tables as previous summary, Tables 45 to 56	48

¹ 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. Greenstone Farm Credit Services 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.

Summary

This report summarizes the financial and production records of 156 dairy farms from throughout Michigan in 2005. To be included, the farms must have produced at least 50 percent of gross cash farm income from milk and dairy animal sales. The records came from Michigan State University's TelFarm project and the Farm Credit Service system in Michigan. The values were pooled into averages for reporting purposes. The farms are larger than would be the average of all dairy farms in Michigan. While considerable variation in the data exists, average values are reported in the summary tables and discussion that follows.

In 2005, the average dairy farm in the business analysis had 194 cows producing an average of 20,852 pounds of milk per cow (Table 1). Milk price, based on gross income, averaged \$15.70/cwt. Average milk price was down slightly while milk production was up more than 500 pounds per cow from 2004.

Table 1. Average Michigan Dairy Farm Business Analysis Characteristics, 2001-2005

	2001	2002	2003	2004	2005
Average number of cows	188	206	196	199	194
Milk sold per cow (pounds)	19,899	20,251	20,638	20,341	20,852
Average price of milk sold (\$/cwt)	15.23	12.47	12.59	16.42	15.70
Total acres owned	456	451	452	440	439
Total crop acres	613	757	761	751	723
Number of farms	158	150	141	144	156

Net farm income is the return to operator unpaid management, labor and capital invested. Net farm income in 2005 averaged \$100,855 which was 17 percent decrease over the 2004 average. This average obscures a very large range of net farm income values. For example, the farms in the top 25 percent of the net farm income distribution averaged \$199,682 while those in the bottom 25 percent had \$4,547. Gross cash farm income averaged \$844,096 in 2005. The largest component of these revenues was milk sales, which averaged \$673,998.

Table 2. Average Michigan Dairy Farm Income Statement, 2001-2005

	2001	2002	2003	2004	2005
			(\$)		
Gross cash farm income	711,077	705,145	695,048	838,669	844,096
- Total cash expense	<u>562,466</u>	<u>589,830</u>	<u>584,107</u>	<u>672,012</u>	<u>682,286</u>
= Net cash farm income	148,610	115,314	110,941	166,657	161,811
+ Inventory change*	5,511	-18,757	2,197	31,880	17,451
+ Depreciation + capital adjustments*	<u>-67,364</u>	<u>-64,923</u>	<u>-55,619</u>	<u>-77,417</u>	<u>-78,407</u>
= Net farm income	86,758	31,635	57,519	121,120	100,855

*Changes calculated as ending value minus beginning value.

To put the profit values in perspective, we calculate profitability ratios. Rate of return on assets (ROA) is the farm operating profit (equal to net farm income plus interest expense less value of operator labor and management) divided by average total farm asset value (valued at current

market value). Rate of return on assets is a measure of how much profit the farm business assets generated. The average 2005 dairy farm ROA (Market) was 6.3 percent which was similar to 2004 and 2001 and much improved over 2002 and 2003. Return on equity tells a similar story. Operating profit margin is the operating profit (as defined in ROA above) divided by gross revenues. Operating profit margin measures the dollars of profit generated per dollar of revenue. In 2005, Michigan dairy farms generated 20.0 cents of profit per dollar of revenue. Asset turnover (ATO) is the gross farm revenues divided by average asset value. Asset turnover measures the efficiency with which farm assets generate revenue. The average ATO value was a healthy 31.7 percent in 2005.

Table 3. Average Michigan Dairy Farm Profitability Indicators, 2001-2005

	2001	2002	2003	2004	2005
	(percent)				
Rate of return on assets*	7.6	3.2	4.3	7.7	6.3
Rate of return on equity	8.1	2.1	4.1	9.1	6.9
Operating profit margin	22.3	11.0	14.9	23.3	20.0
Asset turnover rate*	33.9	29.3	29.0	32.9	31.7

* Assets valued at market value.

Tables 4 and 5 display average income and expenses per hundredweight (cwt.) of milk and per cow. Income and expenses were adjusted to an accrual basis where detailed financial information was provided. Average, accrual adjusted income and expenses per cropped acre are also included. Income items related to the dairy herd are included in the first section. Government payments includes all farm government payments—not just those related to the dairy herd. It was not possible to separate crop payments from dairy payments.

Table 4 contains the average income and expense items across all 156 dairy farms in the 2005 summary while Table 5 displays the average income and expense items for farms that reported that item. For example, all farms had milk income so that income is identical in the tables. In contrast, only some farms reported BST expense so that item is larger when averaged only across those farms with that expense. By reporting the income and expense items averaged two ways in the tables, it allows for comparison of individual items with farms that had that item. *These tables should not be interpreted as an estimate of the true cost of producing milk.* All farm sales are not included in the income items—only those that are related to the milking herd. Also, unpaid factors, including labor, management and capital, are not accounted for in the expense items. In addition, the allocation of resources amongst farm enterprises is not accurately reflected leaving the milking herd as the residual claimant on all expenses (especially labor costs).

The bottom of Tables 4 and 5 presents crop related expenses divided by the total cropped acres. To accurately calculate a crop cost of production requires labor and management (among other) expenses that were not separated out in the financial records.

Table 4. Average income and expenses across all farms*, 2005

Income Items:	Per cwt.	Per Cow
Milk	\$15.70	\$3,258.36
Cull Cows and Calves	\$0.89	\$182.00
Dairy Steers	\$0.41	\$81.04
Dairy Heifers	\$0.25	\$46.48
Government Payments	\$1.22	\$243.20
Patronage Dividends, cash	\$0.11	\$24.58
Crop Sales	\$1.19	\$233.87
Other Cash Income	\$0.68	\$122.01
Expense Items:	Per cwt.	Per Cow
Purchased Feeds	\$4.06	\$833.37
Breeding Fees	\$ 0.13	\$28.19
Veterinary	\$0.46	\$100.07
BST	\$0.03	\$7.69
Livestock Supplies	\$0.80	\$160.46
DHIA	\$0.02	\$4.43
Milk & Livestock Mkt. & Trucking	\$0.82	\$166.60
Interest	\$0.88	\$167.95
Fuel and Oil	\$0.84	\$164.71
Repairs	\$1.33	\$265.57
Custom Hire	\$0.48	\$103.18
Hired Labor	\$2.30	\$489.81
Leases	\$0.16	\$31.54
Real Estate Taxes	\$0.30	\$57.61
Farm Insurance	\$0.43	\$82.04
Utilities	\$0.46	\$90.95
Dues, Professional Fees	\$0.15	\$28.89
Miscellaneous	\$0.37	\$78.64
Machinery Depreciation	\$1.67	\$335.20
Building Depreciation	\$0.61	\$127.50
Expense Items per Cropped Acre:	Per Acre	
Seed	\$24.27	
Fertilizer	\$36.55	
Crop Chemicals	\$14.83	
Crop Insurance	\$0.81	
Crop Miscellaneous	\$4.25	
Land Rent	\$35.86	

* All income and expense items averaged across all 156 farms whether or not they had that income or expense item. Other cash income includes custom work, insurance claims, and miscellaneous income.

Table 5. Average income and expenses across farms with that item*, 2005

Income Items:	Per cwt.	Per Cow
Milk	\$15.70	\$3,258.36
Cull Cows and Calves	\$0.91	\$186.79
Dairy Steers	\$1.00	\$197.52
Dairy Heifers	\$0.47	\$88.43
Government Payments	\$1.25	\$249.60
Patronage Dividends, cash	\$0.16	\$34.86
Crop Sales	\$1.92	\$376.13
Other Cash Income	\$0.72	\$132.22
Expense Items:	Per cwt.	Per Cow
Purchased Feeds	\$4.06	\$833.37
Breeding Fees	\$0.16	\$35.19
Veterinary	\$0.46	\$100.72
BST	\$0.27	\$66.61
Livestock Supplies	\$0.83	\$166.88
DHIA	\$0.10	\$21.58
Milk & Livestock Mkt. & Trucking	\$0.82	\$166.60
Interest	\$0.91	\$173.51
Fuel and Oil	\$0.84	\$164.71
Repairs	\$1.33	\$265.57
Custom Hire	\$0.54	\$115.80
Hired Labor	\$2.43	\$516.28
Leases	\$0.33	\$65.61
Real Estate Taxes	\$0.33	\$63.29
Farm Insurance	\$0.43	\$82.04
Utilities	\$0.46	\$90.95
Dues, Professional Fees	\$0.16	\$30.66
Miscellaneous	\$0.38	\$80.71
Machinery Depreciation	\$1.67	\$335.20
Building Depreciation	\$0.61	\$127.50
Expense Items per Cropped Acre:	Per Acre	
Seed	\$25.24	
Fertilizer	\$38.27	
Crop Chemicals	\$17.13	
Crop Insurance	\$2.43	
Crop Miscellaneous	\$18.96	
Land Rent	\$39.12	

* Income and expense items averaged only across farms with that item. For example, all dairy farms had milk income but only some reported BST expense. Thus, milk income is the same as in Table 4 while BST is \$0.27/cwt across farms with that expense compared to \$0.03/cwt across all farms.

Results by Herd Size

To further facilitate financial comparisons and benchmarking, the financial summaries were divided into herd size categories. The smallest size category, 25 to 99 cows, included 40 herds. The medium size category, 100 to 249 cows, included 83 herds. The largest size category, 250 or more cows, contained the remaining 33 herds.

Table 6 displays some average characteristics by herd size category. As expected, average milk production per cow was correlated with herd size across the size categories. Milk price was about the same across all herd sizes. The smallest herds operated 5.6 crop acres per cow; the medium herds about 3.9 crop acres/cow; and the largest category about 3.2 crop acres/cow.

Table 6. Average 2005 Michigan Dairy Farm Characteristics by Herd Size Category

	25-99 cows	100-249 cows	250+ cows
Average number of cows	68	163	423
Milk sold per cow (pounds)	17,342	21,466	23,561
Average price of milk sold (\$/cwt)	15.82	15.62	15.75
Total acres owned	293	425	651
Total crop acres	382	637	1,396
Number of farms	40	83	33

Table 7 is the average farm income statement by herd size. Net farm income represents the returns to unpaid factors (i.e., labor, management and equity capital). The smallest farms returned \$33,353; the medium farms \$86,836; and the largest farms \$217,934. The smallest herds had similar net farm income as in 2004, the medium herds net farm income decreased 20 percent over 2004 on average and the largest herds net farm income decreased 14 percent over 2004 average value.

**Table 7. Average
2005 Michigan Dairy Farm Income Statement by Herd Size**

	25-99 cows (\$)	100-249 cows (\$)	250+ cows (\$)
Gross cash farm income	277,510	671,942	1,963,863
- Total cash expense	219,546	526,543	1,634,901
= Net cash farm income	57,964	145,399	328,963
+ Inventory change *	122	2,600	75,807
+ Depreciation and capital adjustments*	-24,733	-61,163	-186,837
= Net farm income	33,353	86,836	217,934

*Changes calculated as ending value minus beginning value.

Table 8 compares profitability measures across herd size with assets valued at market value. ROA and ROE were the highest on the largest farms in 2005. The middle size group (100-249 cows) realized the largest average operating profit margin while the largest herds had the largest average asset turnover rate.

Table 8. Average Michigan Dairy Farm Profitability Indicators by Herd Size

	25-99 cows	100-249 cows	250+ cows
	(percent)		
Rate of return on assets*	3.3	5.8	8.0
Rate of return on equity	2.8	6.1	9.3
Operating profit margin	15.7	20.7	20.2
Asset turnover rate*	21.0	28.0	39.8

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

A. Financial Summary Information, All 156 Herds

Table 9	Crop Production and Marketing Summary 2005 MI Dairy Business Summary Analysis (Farms Sorted By Rate of Return on Assets - Mkt)		
	Avg. Of All Farms	Low 25%	High 25%
Dairy			
Number of farms	156	38	40
Average number of Cows	194	155	220
Milk production per Cow, lbs.	20,852	19,096	22,286
Average milk price per cwt.,	\$15.70	\$15.43	\$15.75
Acreage Summary			
Total acres owned	439	371	367
Total crop acres	742	659	772
Crop acres owned	422	271	434
Crop acres cash rented	375	402	425
Crop acres share rented	1	-	-
Total pasture acres	4	1	6
Average Price Received (Cash Sales Only)			
Corn per bushel	1.93	2.03	1.78
Soybeans per bushel	5.27	5.73	5.25
Wheat, Winter per bushel	3.07	2.78	3.20
Hay, Alfalfa per ton	85.32	84.63	88.65
Straw per ton	19.26	-	26.79
Hay, Mixed per ton	62.03	-	-
Oats per bushel	1.61	-	-
Corn Silage per ton	22.16	-	-

Table 10

Farm Income Statement
2005 MI Dairy Business Summary Analysis
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	156	38	40
Cash Farm Income			
Barley	51	101	-
Beans, Navy	353	-	1,375
Cordwood	128	-	-
Corn	8,686	13,734	6,093
Corn Silage	849	-	1,125
Corn, Seed	59	-	199
Hay, Alfalfa	1,103	1,108	2,057
Hay, Mixed	624	232	771
Haylage, Alfalfa	857	-	-
Haylage, Mixed	479	306	-
Oats	132	30	-
Set Aside	209	-	-
Soybeans	16,420	16,209	24,200
Speltz	449	-	1,750
Straw	235	6	821
Sugar Beets	2,382	2,147	1,594
Wheat, Winter	4,360	2,769	6,557
Miscellaneous crop income	110	5	36
Beef Cow-Calf, Beef Calves	196	-	104
Dairy, Milk	673,998	485,020	789,164
Dairy, Dairy Calves	6,118	2,702	6,950
Dairy Heifers (for sale)	3,288	1,072	8,425
Dairy Replacement Heifers	1,433	85	4,121
Dairy Steer Finishing	11,852	5,642	18,133
Hogs, Farrow-Fin, Raised Hogs	105	24	-
CCC market loan gain	50	-	-
Cull breeding livestock	35,555	28,778	35,931
Misc. livestock income	2,409	3,862	1,582
Direct & CC govt payments	20,098	17,790	25,597
CRP payments	494	-	-
Other government payments	23,349	18,554	24,754
Custom work income	5,115	2,649	6,257
Patronage dividends, cash	7,303	4,281	13,664
Insurance income	7,128	7,052	6,062
Other farm income	8,118	4,598	10,355
Gross Cash Farm Income	844,096	618,756	997,675

Table 10

Farm Income Statement (Continued)
2005 MI Dairy Business Summary Analysis
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of		
	All Farms	Low 25%	High 25%
Number of farms	156	38	40
Cash Farm Expense			
Seed	17,921	16,479	20,374
Fertilizer	27,694	27,803	29,767
Crop chemicals	12,124	12,305	10,975
Crop insurance	940	1,197	672
Drying fuel	198	50	36
Crop fuel & oil	45	186	-
Crop repairs	254	1,041	-
Crop repair, machinery	142	-	-
Crop custom hire	1,771	1,251	3,128
Crop hired labor	35	142	-
Crop hauling and trucking	97	263	125
Crop marketing	299	327	34
Crop miscellaneous	1,424	2,110	1,329
Purchased feed	173,093	137,977	189,747
Breeding fees	6,163	4,352	8,723
Veterinary	22,295	17,655	25,735
BST	1,395	1,645	1,206
Livestock supplies	30,794	22,887	36,431
DHIA	629	421	869
Livestock custom hire	574	80	205
Livestock hired labor	113	-	-
Livestock leases	129	316	-
Livestock utilities	146	79	168
Livestock hauling and trucking	8,556	6,254	11,301
Livestock marketing	20,575	15,620	21,328
Bedding	1,448	1,219	2,014
Livestock miscellaneous	729	1,235	-
Interest	30,736	25,796	30,467
Packaging and supplies	1,539	114	2,674
Supplies	1,049	2,302	-
Fuel & oil	31,147	24,644	34,728
Repairs	50,399	41,194	62,713
Repair, machinery	57	233	-
Custom hire	22,287	19,646	27,707
Hired labor	114,100	86,428	128,899
Land rent	29,158	26,629	35,940
Machinery leases	7,406	4,609	6,412
Real estate taxes	8,553	7,194	9,059
Personal property taxes	238	438	294
Farm insurance	13,293	12,003	14,672
Utilities	16,872	14,919	19,270
Hauling and trucking	293	-	364
Dues & professional fees	4,807	4,747	4,893
Hedging account deposits	160	-	181
Miscellaneous	20,608	13,737	15,711
Total cash expense	682,286	557,529	758,152
Net cash farm income	161,811	61,227	239,523
Inventory Changes			
Crops and feed	9,631	-12,474	27,571
Market livestock	1,737	888	3,012
Accounts receivable	3,017	4,630	10,133
Prepaid expenses and supplies	2,260	1,683	2,018
Accounts payable	806	-4,470	-1,453
Total inventory change	17,451	-9,743	41,282
Net operating profit	179,261	51,484	280,806
Depreciation and Other Capital Adjustments			
Breeding livestock	9,194	-1,875	13,759
Machinery and equipment	-59,451	-40,256	-74,396
Buildings and improvements	-28,614	-17,854	-31,852
Other farm capital	464	1,180	202
Total depr. and other capital adj	-78,407	-58,806	-92,286
Net farm income	100,855	-7,321	188,520

Table 11

Inventory Changes
2005 MI Dairy Business Summary Analysis
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	156	38	40
Net cash farm income	161,811	61,227	239,523
Crops and Feed			
Ending inventory	160,420	119,869	201,425
Beginning inventory	150,789	132,343	173,854
Inventory change	9,631	-12,474	27,571
Market Livestock			
Ending inventory	15,028	10,391	22,965
Beginning inventory	13,291	9,503	19,953
Inventory change	1,737	888	3,012
Accts Receivable & Other Current Assets			
Ending inventory	45,666	39,831	46,925
Beginning inventory	42,649	35,201	36,792
Inventory change	3,017	4,630	10,133
Prepaid Expenses and Supplies			
Ending inventory	26,230	10,550	28,994
Beginning inventory	23,970	8,866	26,976
Inventory change	2,260	1,683	2,018
Accounts Payable & Accrued Expenses			
Beginning inventory	19,408	18,831	9,247
Ending inventory	18,602	23,301	10,700
Inventory change	806	-4,470	-1,453
Total inventory change	17,451	-9,743	41,282
Net operating profit	179,261	51,484	280,806

Table 12

Depreciation and Other Capital Adjustments
2005 MI Dairy Business Summary Analysis
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	156	38	40
Net operating profit	179,261	51,484	280,806
Breeding Livestock			
Ending inventory	461,960	367,842	485,380
Capital sales	11,939	39,507	4,128
Beginning inventory	446,296	389,448	468,660
Capital purchases	18,410	19,776	7,088
Depreciation, capital adjust.	9,194	-1,875	13,759
Machinery and Equipment			
Ending inventory	164,736	127,647	198,997
Capital sales	3,032	3,586	3,291
Beginning inventory	157,890	120,368	190,059
Capital purchases	69,329	51,121	86,625
Depreciation, capital adjust.	-59,451	-40,256	-74,396
Buildings and Improvements			
Ending inventory	166,548	126,040	212,369
Capital sales	39	-	-
Beginning inventory	157,510	113,424	210,986
Capital purchases	37,691	30,470	33,235
Depreciation, capital adjust.	-28,614	-17,854	-31,852
Other Capital Assets			
Ending inventory	52,012	71,824	47,115
Capital sales	6,168	2,425	2,706
Beginning inventory	45,285	51,811	42,212
Capital purchases	12,430	21,258	7,406
Depreciation, capital adjust.	464	1,180	202
Total depreciation, capital adj.	-78,407	-58,806	-92,286
Net farm income	100,855	-7,321	188,520

Table 13

Profitability Measures
2005 MI Dairy Business Summary Analysis
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	156	38	40
Profitability (assets valued at cost)			
Net farm income	100,855	-7,321	188,520
Labor and management earnings	55,778	-44,913	137,590
Rate of return on assets	5.1 %	-2.7 %	10.8 %
Rate of return on equity	5.1 %	-9.4 %	14.9 %
Operating profit margin	9.9 %	-6.7 %	18.2 %
Asset turnover rate	51.0 %	40.7 %	59.4 %
Interest on farm net worth	45,076	37,591	50,930
Farm interest expense	31,151	25,879	31,728
Value of operator lbr and mgmt.	62,918	50,412	63,486
Return on farm assets	69,087	-31,854	156,761
Average farm assets	1,362,218	1,160,930	1,452,334
Return on farm equity	37,937	-57,733	125,033
Average farm equity	743,172	616,525	836,735
Value of farm production	694,503	471,922	862,385
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	156	38	40
Profitability (assets valued at market)			
Net farm income	170,541	-1,987	357,786
Labor and management earnings	76,300	-70,537	258,675
Rate of return on assets	6.3 %	-1.6 %	14.4 %
Rate of return on equity	6.9 %	-4.6 %	17.8 %
Operating profit margin	20.0 %	-5.6 %	37.8 %
Asset turnover rate	31.7 %	27.9 %	38.0 %
Interest on farm net worth	94,241	68,550	99,112
Farm interest expense	31,151	25,879	31,728
Value of operator lbr and mgmt.	62,918	50,412	63,486
Return on farm assets	138,774	-26,520	326,028
Average farm assets	2,192,414	1,694,339	2,267,462
Return on farm equity	107,623	-52,399	294,300
Average farm equity	1,570,537	1,142,504	1,651,863
Value of farm production	694,503	471,922	862,385

Table 14

Liquidity Measures
2005 MI Dairy Business Summary Analysis
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	156	38	40
Liquidity (cash)			
Net cash farm income	161,811	61,227	239,523
Net nonfarm income	16,240	10,308	13,612
Family living and taxes	60,760	39,573	72,419
Principal due on long term debt	23,082	17,165	21,407
Cash available for interm. debt	94,209	14,796	159,309
Average intermediate debt	189,676	151,821	218,994
Years to turnover interm. debt	2.0	10.3	1.4
Expense as a % of income	81 %	90 %	76 %
Interest as a % of income	4 %	4 %	3 %
Working capital to gross income	16 %	12 %	21 %
Liquidity (accrual)			
Total accrual farm income	858,482	611,800	1,038,392
Total accrual operating expense	679,220	560,315	757,586
Net accrual operating income	179,261	51,484	280,806
Net nonfarm income	16,240	10,308	13,612
Family living and taxes	60,760	39,573	72,419
Principal due on long term debt	23,082	17,165	21,407
Available for intermediate debt	111,660	5,053	200,592
Average intermediate debt	189,676	151,821	218,994
Years to turnover interm. debt	1.7	30.0	1.1
Expense as a % of income	79 %	92 %	73 %
Interest as a % of income	4 %	4 %	3 %
Working capital to gross income	16 %	12 %	20 %

Table 15

Balance Sheet at Cost Values
2005 MI Dairy Business Summary Analysis
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Number of farms	156		38		40	
Assets						
Current Farm Assets						
Cash and checking balance	23,112	26,668	17,072	15,454	30,433	39,817
Prepaid expenses & supplies	23,970	26,230	8,866	10,550	26,976	28,994
Growing crops	9,904	10,866	10,957	13,139	9,049	10,425
Accounts receivable	31,269	31,084	22,284	19,309	27,326	33,281
Hedging accounts	609	510	158	62	52	204
Crops held for sale or feed	150,577	160,041	132,343	119,869	173,688	201,259
Crops under government loan	212	379	0	0	166	166
Market livestock held for sale	13,291	15,028	9,503	10,391	19,953	22,965
Other current assets	867	3,206	1,803	7,321	366	3,016
Total current farm assets	253,810	274,011	202,986	196,095	288,008	340,127
Intermediate Farm Assets						
Breeding livestock	446,296	461,960	389,448	367,842	468,660	485,380
Machinery and equipment	156,480	162,862	120,368	127,647	185,910	195,184
Titled vehicles	1,410	1,874	0	0	4,149	3,813
Other intermediate assets	31,293	36,312	44,766	61,172	26,485	30,987
Total intermediate farm assets	635,478	663,008	554,582	556,661	685,205	715,363
Long Term Farm Assets						
Farm land	264,500	279,877	283,147	271,230	180,057	240,699
Buildings and improvements	157,510	166,548	113,424	126,040	210,986	212,369
Other long-term assets	13,993	15,700	7,045	10,652	15,727	16,128
Total long-term farm assets	436,002	462,125	403,615	407,922	406,770	469,196
Total Farm Assets	1,325,291	1,399,145	1,161,183	1,160,677	1,379,983	1,524,686
Total Nonfarm Assets	80,662	110,338	66,961	78,776	73,168	92,017
Total Assets	1,405,953	1,509,483	1,228,144	1,239,453	1,453,151	1,616,703
Liabilities						
Current Farm Liabilities						
Accrued interest	707	1,122	711	794	399	1,659
Accounts payable	18,701	17,480	18,120	22,506	8,848	9,041
Current notes	50,605	58,718	56,311	57,262	43,319	55,921
Government crop loans	186	371	0	0	166	166
Principal due on term debt	66,478	59,614	52,289	42,791	67,699	61,650
Total current farm liabilities	136,676	137,305	127,431	123,353	120,431	128,437
Total intermediate farm liabs	155,317	142,449	132,798	108,161	185,593	165,489
Total long term farm liabilities	321,182	345,162	291,792	305,277	295,762	335,486
Total farm liabilities	613,175	624,916	552,021	536,791	601,786	629,412
Total nonfarm liabilities	4,660	7,300	4,763	10,624	2,891	6,474
Total liabilities	617,835	632,216	556,783	547,415	604,677	635,886
Net worth (farm and nonfarm)	788,118	877,267	671,361	692,038	848,474	980,817
Net worth change		89,149		20,677		132,343
Ratio Analysis						
Current farm liabilities / assets	54 %	50 %	63 %	63 %	42 %	38 %
Curr. & interm farm liab. / assets	33 %	30 %	34 %	31 %	31 %	28 %
Long term farm liab. / assets	74 %	75 %	72 %	75 %	73 %	72 %
Total debt to asset ratio	44 %	42 %	45 %	44 %	42 %	39 %

Table 16

Balance Sheet at Market Values
2005 MI Dairy Business Summary Analysis
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Number of farms	156		38		40	
Assets						
Current Farm Assets						
Cash and checking balance	23,112	26,668	17,072	15,454	30,433	39,817
Prepaid expenses & supplies	23,970	26,230	8,866	10,550	26,976	28,994
Growing crops	9,904	10,866	10,957	13,139	9,049	10,425
Accounts receivable	31,269	31,084	22,284	19,309	27,326	33,281
Hedging accounts	609	510	158	62	52	204
Crops held for sale or feed	150,577	160,041	132,343	119,869	173,688	201,259
Crops under government loan	212	379	0	0	166	166
Market livestock held for sale	13,291	15,028	9,503	10,391	19,953	22,965
Other current assets	867	3,206	1,803	7,321	366	3,016
Total current farm assets	253,810	274,011	202,986	196,095	288,008	340,127
Intermediate Farm Assets						
Breeding livestock	466,041	485,618	389,469	367,639	500,485	528,365
Machinery and equipment	366,261	394,518	291,363	304,878	423,140	480,261
Titled vehicles	3,881	5,507	395	395	5,769	6,678
Other intermediate assets	34,036	38,898	45,052	61,412	27,890	33,294
Total intermediate farm assets	870,219	924,540	726,279	734,324	957,284	1,048,597
Long Term Farm Assets						
Farm land	725,430	767,410	581,861	569,437	534,564	666,256
Buildings and improvements	257,610	280,410	183,331	187,001	313,627	350,701
Other long-term assets	13,484	17,903	-2,937	10,303	16,995	18,766
Total long-term farm assets	996,525	1,065,723	762,255	766,740	865,186	1,035,723
Total Farm Assets	2,120,554	2,264,274	1,691,520	1,697,159	2,110,477	2,424,447
Total Nonfarm Assets	151,458	177,372	186,298	164,914	149,289	171,659
Total Assets	2,272,012	2,441,646	1,877,818	1,862,073	2,259,766	2,596,107
Liabilities						
Current Farm Liabilities						
Accrued interest	707	1,122	711	794	399	1,659
Accounts payable	18,701	17,480	18,120	22,506	8,848	9,041
Current notes	50,605	58,718	56,311	57,262	43,319	55,921
Government crop loans	186	371	0	0	166	166
Principal due on term debt	66,478	59,614	52,289	42,791	67,699	61,650
Total current farm liabilities	136,676	137,305	127,431	123,353	120,431	128,437
Total intermediate farm liabs	155,317	142,449	132,798	108,161	185,593	165,489
Total long term farm liabilities	321,182	345,162	291,792	305,277	295,762	335,486
Total farm liabilities	613,175	624,916	552,021	536,791	601,786	629,412
Total nonfarm liabilities	4,660	7,300	4,763	10,624	2,891	6,474
Total liabs excluding deferreds	617,835	632,216	556,783	547,415	604,677	635,886
Total deferred liabilities	2,977	3,292	8,056	9,419	0	0
Total liabilities	620,813	635,508	564,839	556,834	604,677	635,886
Retained earnings	788,118	877,267	671,361	692,038	848,474	980,817
Market valuation equity	863,082	928,872	641,618	613,200	806,615	979,404
Net worth (farm and nonfarm)	1,651,200	1,806,138	1,312,979	1,305,239	1,655,089	1,960,221
Net worth excluding deferreds	1,654,177	1,809,430	1,321,035	1,314,658	1,655,089	1,960,221
Net worth change		154,939		-7,740		305,132
Ratio Analysis						
Current farm liabilities / assets	54 %	50 %	63 %	63 %	42 %	38 %
Curr. & interm farm liab. / assets	26 %	23 %	28 %	25 %	25 %	21 %
Long term farm liab. / assets	32 %	32 %	38 %	40 %	34 %	32 %
Total debt to asset ratio	27 %	26 %	30 %	30 %	27 %	24 %
Debt to assets excl deferreds	27 %	26 %	30 %	29 %	27 %	24 %

Table 17

Statement Of Cash Flows
2005 MI Dairy Business Summary Analysis
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	156	38	40
Beginning cash (farm & nonfarm)	23,290	17,072	30,483
Cash From Operating Activities			
Gross cash farm income	844,096	618,756	997,675
Net nonfarm income	16,240	10,308	13,612
Total cash farm expense	-682,286	-557,529	-758,152
Apparent family living expense	-56,982	-38,364	-69,623
Income and social security tax	-3,778	-1,209	-2,796
Cash from operations	117,291	31,961	180,716
Cash From Investing Activities			
Sale of breeding livestock	11,939	39,507	4,128
Sale of machinery & equipment	3,032	3,586	3,291
Sale of titled vehicles	-	-	-
Sale of farm land	17,199	65,370	3,075
Sale of farm buildings	39	-	-
Sale of other farm assets	6,168	2,425	2,706
Sale of nonfarm assets	1,188	2,118	859
Purchase of breeding livestock	-18,410	-19,776	-7,088
Purchase of machinery & equip.	-68,886	-50,748	-85,250
Purchase of titled vehicles	-443	-373	-1,375
Purchase of farm land	-22,151	-2,643	-68,466
Purchase of farm buildings	-37,691	-30,470	-33,235
Purchase of other farm assets	-12,430	-21,258	-7,406
Purchase of nonfarm assets	-9,745	-3,435	-16,605
Cash from investing activities	-130,192	-15,697	-205,366
Cash From Financing Activities			
Money borrowed	159,883	177,730	143,759
Cash gifts and inheritances	5,571	2,647	9,094
Principal payments	-146,157	-197,512	-114,047
Dividends paid	-	-	-
Gifts given	-2,528	-747	-3,419
Cash from financing activities	16,769	-17,883	35,387
Net change in cash balance	3,868	-1,618	10,737
Ending cash (farm & nonfarm)	27,158	15,454	41,221

Table 18

Financial Standards Measures
2005 MI Dairy Business Summary Analysis
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	156	38	40
Liquidity			
Current ratio	2.00	1.59	2.65
Working capital	136,707	72,742	211,690
Solvency (market)			
Farm debt to asset ratio	28 %	32 %	26 %
Farm equity to asset ratio	72 %	68 %	74 %
Farm debt to equity ratio	38 %	47 %	35 %
Profitability (cost)			
Rate of return on farm assets	5.1 %	-2.7 %	10.8 %
Rate of return on farm equity	5.1 %	-9.4 %	14.9 %
Operating profit margin	9.9 %	-6.7 %	18.2 %
Net farm income	100,855	-7,321	188,520
Repayment Capacity			
Term debt coverage ratio	173 %	64 %	265 %
Capital replacement margin	67,181	-30,023	154,197
Efficiency			
Asset turnover rate (cost)	51.0 %	40.7 %	59.4 %
Operating expense ratio	75.5 %	87.4 %	69.9 %
Depreciation expense ratio	9.1 %	9.6 %	8.9 %
Interest expense ratio	3.6 %	4.2 %	3.1 %
Net farm income ratio	11.7 %	-1.2 %	18.2 %

Table 19

Operator and Labor Information
2005 MI Dairy Business Summary Analysis
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	156	38	40
Operator Information			
Average number of operators	1.6	1.6	1.4
Average age of operators	51.4	53.1	49.2
Average number of years farming	26.6	27.6	24.4
Results Per Operator			
Working capital	87,582	45,689	148,554
Total assets (market)	1,564,258	1,169,566	1,821,829
Total liabilities	407,143	349,747	446,236
Net worth (market)	1,157,115	819,819	1,375,593
Net worth excl deferred liabs	1,159,224	825,736	1,375,593
Gross farm income	549,992	384,271	728,696
Total farm expense	485,379	388,869	596,402
Net farm income	64,613	-4,599	132,294
Net nonfarm income	10,404	6,474	9,552
Family living & tax withdrawals	38,926	24,856	50,820
Total acres owned	281.3	233.1	257.7
Total crop acres	475.1	414.2	541.7
Crop acres owned	270.4	170.0	304.8
Crop acres cash rented	240.5	252.4	298.0
Crop acres share rented	0.8	-	-
Total pasture acres	2.7	0.9	4.2
Labor Analysis			
Number of farms	155	38	40
Total unpaid labor hours	4,545	4,018	4,327
Total hired labor hours	8,878	7,513	10,181
Total labor hours per farm	13,423	11,531	14,508
Unpaid hours per operator	2,929	2,523	3,036
Value of farm production / hour	51.73	40.93	59.44
Net farm income / unpaid hour	22.08	-1.82	43.57
Average hourly hired labor wage	12.80	11.53	12.32
Partnerships & LLCs			
Number of farms	55	13	16
Number of operators	2.1	2.0	1.9
Owner withdrawals per farm	-	-	-
Withdrawals per operator	-	-	-
Corporations			
Number of farms	6	2	1
Number of operators	2.2	-	-

Table 20

Financial Summary
2005 MI Dairy Business Summary Analysis
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	156	38	40
Income Statement			
Gross cash farm income	844,096	618,756	997,675
Total cash farm expense	682,286	557,529	758,152
Net cash farm income	161,811	61,227	239,523
Inventory change	17,451	-9,743	41,282
Depreciation and capital adjust	-78,407	-58,806	-92,286
Net farm income	100,855	-7,321	188,520
Profitability (cost)			
Labor and management earnings	55,778	-44,913	137,590
Rate of return on assets	5.1 %	-2.7 %	10.8 %
Rate of return on equity	5.1 %	-9.4 %	14.9 %
Operating profit margin	9.9 %	-6.7 %	18.2 %
Asset turnover rate	51.0 %	40.7 %	59.4 %
Profitability (market)			
Labor and management earnings	76,300	-70,537	258,675
Rate of return on assets	6.3 %	-1.6 %	14.4 %
Rate of return on equity	6.9 %	-4.6 %	17.8 %
Operating profit margin	20.0 %	-5.6 %	37.8 %
Asset turnover rate	31.7 %	27.9 %	38.0 %
Liquidity			
Ending current ratio	2.00	1.59	2.65
Ending working capital	136,707	72,742	211,690
End working capital to gross inc	16.2 %	11.8 %	21.2 %
Term debt coverage ratio	173.3 %	64.0 %	265.4 %
Expense as a percent of income	79.1 %	91.6 %	73.0 %
Interest as a percent of income	3.6 %	4.2 %	3.1 %
Solvency (cost)			
Number of farms	156	38	40
Ending farm assets	1,399,145	1,160,677	1,524,686
Ending farm liabilities	624,916	536,791	629,412
Ending total assets	1,509,483	1,239,453	1,616,703
Ending total liabilities	632,216	547,415	635,886
Ending net worth	877,267	692,038	980,817
Net worth change	89,149	20,677	132,343
Ending farm debt to asset ratio	45 %	46 %	41 %
Beg total debt to asset ratio	44 %	45 %	42 %
End total debt to asset ratio	42 %	44 %	39 %
Solvency (market)			
Number of farms	156	38	40
Ending farm assets	2,264,274	1,697,159	2,424,447
Ending farm liabilities	627,838	544,626	629,412
Ending total assets	2,441,646	1,862,073	2,596,107
Ending total liabilities	635,508	556,834	635,886
Ending net worth	1,806,138	1,305,239	1,960,221
Net worth change	154,939	-7,740	305,132
Ending farm debt to asset ratio	28 %	32 %	26 %
Beg total debt to asset ratio	27 %	30 %	27 %
End total debt to asset ratio	26 %	30 %	24 %
Nonfarm Information			
Net nonfarm income	16,240	10,308	13,612
Farms reporting living expenses	12	6	3
Total family living expense	33,723	41,422	-
Total living, invest, & capital	38,704	41,468	-
Crop Acres			
Total acres owned	439	371	367
Total crop acres	742	659	772
Total crop acres owned	422	271	434
Total crop acres cash rented	375	402	425
Total crop acres share rented	1	-	-

Table 22

Farm Income Statement

2005 MI Dairy 25-99 Cows Business Summary Analysis

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

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	40	9	11
Cash Farm Income			
Corn	8,170	10,287	3,290
Hay, Alfalfa	1,123	202	200
Hay, Mixed	1,207	-	3,498
Soybeans	11,524	5,582	1,720
Sugar Beets	2,481	9,063	-
Wheat, Winter	3,264	4,200	1,151
Miscellaneous crop income	99	-	-
Dairy, Milk	190,347	144,394	215,891
Dairy, Dairy Calves	1,604	306	1,377
Dairy Heifers (for sale)	3,612	3,529	6,606
Dairy Replacement Heifers	123	-	-
Dairy Steers	3,456	552	607
Cull breeding livestock	12,252	7,958	13,360
Misc. livestock income	4,512	1,684	12,539
LDP payments	138	-	-
Direct & CC govt payments	15,295	13,627	12,750
Other government payments	4,266	-	2,779
Custom work income	2,130	-	221
Patronage dividends, cash	869	736	997
Insurance income	4,801	7,478	995
Cash from hedging accts	41	-	148
Other farm income	6,198	7,715	2,366
Gross Cash Farm Income	277,510	217,313	280,494

Table 22

Farm Income Statement (Continued)
2005 MI Dairy 25-99 Cows Business Summary Analysis
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	40	9	11
Cash Farm Expense			
Seed	8,377	4,615	7,764
Fertilizer	12,712	10,726	11,529
Crop chemicals	4,867	4,358	4,667
Crop insurance	200	-	218
Crop custom hire	794	-	226
Crop miscellaneous	909	2,365	404
Feeder livestock purchase	176	-	489
Purchased feed	49,933	45,462	54,432
Breeding fees	1,410	733	1,542
Veterinary	4,445	2,864	5,898
BST	319	198	181
Livestock supplies	9,219	6,084	9,012
DHIA	312	681	439
Livestock utilities	243	334	611
Hauling and trucking	4,656	5,534	5,229
Marketing	5,654	2,701	5,916
Bedding	397	-	194
Livestock miscellaneous	1,343	359	33
Interest	14,141	12,071	11,284
Packaging and supplies	821	-	524
Supplies	520	2,094	-
Fuel & oil	11,676	11,957	10,929
Repairs	18,706	24,430	16,114
Custom hire	3,281	272	2,946
Hired labor	24,318	21,403	20,897
Land rent	12,055	19,662	7,176
Machinery leases	1,329	756	56
Real estate taxes	5,413	5,865	3,070
Personal property taxes	107	-	28
Farm insurance	8,101	8,778	4,954
Utilities	6,838	6,192	5,916
Dues & professional fees	2,458	3,631	2,302
Miscellaneous	3,818	673	5,951
Total cash expense	219,546	204,797	200,930
Net cash farm income	57,964	12,516	79,564
Inventory Changes			
Crops and feed	1,939	-7,643	9,978
Market livestock	1,276	1,076	1,630
Accounts receivable	-220	1,473	80
Prepaid expenses and supplies	918	-107	-147
Accounts payable	-3,790	-491	-671
Total inventory change	122	-5,691	10,870
Net operating profit	58,086	6,824	90,434
Depreciation and Other Capital Adjustments			
Breeding livestock	8,362	-2,648	16,315
Machinery and equipment	-28,319	-20,119	-38,180
Buildings and improvements	-5,587	-2,107	-8,464
Other farm capital	811	3,309	350
Total depr. and other capital adj	-24,733	-21,566	-29,978
Net farm income	33,353	-14,741	60,456

Table 23

Inventory Changes
2005 MI Dairy 25-99 Cows Business Summary Analysis
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	40	9	11
Net cash farm income	57,964	12,516	79,564
Crops and Feed			
Ending inventory	61,892	41,210	57,014
Beginning inventory	59,953	48,853	47,036
Inventory change	1,939	-7,643	9,978
Market Livestock			
Ending inventory	8,749	5,602	13,269
Beginning inventory	7,473	4,526	11,639
Inventory change	1,276	1,076	1,630
Accts Receivable & Other Current Assets			
Ending inventory	14,494	17,033	11,934
Beginning inventory	14,713	15,560	11,854
Inventory change	-220	1,473	80
Prepaid Expenses and Supplies			
Ending inventory	7,204	6,484	6,238
Beginning inventory	6,287	6,590	6,384
Inventory change	918	-107	-147
Accounts Payable & Accrued Expenses			
Beginning inventory	8,011	8,838	7,213
Ending inventory	11,801	9,329	7,884
Inventory change	-3,790	-491	-671
Total inventory change	122	-5,691	10,870
Net operating profit	58,086	6,824	90,434

Table 24

Depreciation and Other Capital Adjustments
2005 MI Dairy 25-99 Cows Business Summary Analysis
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	40	9	11
Net operating profit	58,086	6,824	90,434
Breeding Livestock			
Ending inventory	168,701	126,266	171,100
Capital sales	5,365	5,756	2,348
Beginning inventory	157,497	129,209	147,095
Capital purchases	8,207	5,461	10,038
Depreciation, capital adjust.	8,362	-2,648	16,315
Machinery and Equipment			
Ending inventory	61,262	57,173	42,993
Capital sales	915	180	617
Beginning inventory	61,695	55,787	44,284
Capital purchases	28,802	21,685	37,506
Depreciation, capital adjust.	-28,319	-20,119	-38,180
Buildings and Improvements			
Ending inventory	48,424	25,405	63,962
Capital sales	-	-	-
Beginning inventory	46,785	27,512	54,401
Capital purchases	7,226	-	18,025
Depreciation, capital adjust.	-5,587	-2,107	-8,464
Other Capital Assets			
Ending inventory	10,470	12,886	12,666
Capital sales	1,513	285	-
Beginning inventory	8,864	9,557	11,548
Capital purchases	2,308	306	768
Depreciation, capital adjust.	811	3,309	350
Total depreciation, capital adj.	-24,733	-21,566	-29,978
Net farm income	33,353	-14,741	60,456

Table 25

Profitability Measures
2005 MI Dairy 25-99 Cows Business Summary Analysis
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	40	9	11
Profitability (assets valued at cost)			
Net farm income	33,353	-14,741	60,456
Labor and management earnings	18,804	-30,741	45,276
Rate of return on assets	1.9 %	-6.1 %	8.5 %
Rate of return on equity	-1.6 %	-17.7 %	10.5 %
Operating profit margin	4.3 %	-20.7 %	14.9 %
Asset turnover rate	44.5 %	29.3 %	57.1 %
Interest on farm net worth	14,549	16,000	15,180
Farm interest expense	14,011	12,092	11,211
Value of operator lbr and mgmt.	37,213	31,387	33,955
Return on farm assets	10,151	-34,036	37,712
Average farm assets	536,291	559,759	444,414
Return on farm equity	-3,860	-46,128	26,501
Average farm equity	238,616	261,094	252,996
Value of farm production	238,758	164,109	253,576
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	40	9	11
Profitability (assets valued at market)			
Net farm income	60,580	-14,277	112,306
Labor and management earnings	10,224	-66,235	68,464
Rate of return on assets	3.3 %	-2.9 %	9.7 %
Rate of return on equity	2.8 %	-5.3 %	10.7 %
Operating profit margin	15.7 %	-20.5 %	35.3 %
Asset turnover rate	21.0 %	14.1 %	27.5 %
Interest on farm net worth	50,356	51,958	43,842
Farm interest expense	14,011	12,092	11,211
Value of operator lbr and mgmt.	37,213	31,387	33,955
Return on farm assets	37,378	-33,572	89,562
Average farm assets	1,136,358	1,164,631	922,121
Return on farm equity	23,367	-45,664	78,351
Average farm equity	838,683	865,966	730,703
Value of farm production	238,758	164,109	253,576

Table 26

Liquidity Measures

2005 MI Dairy 25-99 Cows Business Summary Analysis

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

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	40	9	11
Liquidity (cash)			
Net cash farm income	57,964	12,516	79,564
Net nonfarm income	10,570	10,106	6,338
Family living and taxes	35,495	18,356	49,764
Principal due on long term debt	10,156	7,316	5,565
Cash available for interm. debt	22,882	-3,051	30,573
Average intermediate debt	77,152	96,152	62,841
Years to turnover interm. debt	3.4	**	2.1
Expense as a % of income	79 %	94 %	72 %
Interest as a % of income	5 %	6 %	4 %
Working capital to gross income	9 %	8 %	19 %
Liquidity (accrual)			
Total accrual farm income	280,504	212,219	292,182
Total accrual operating expense	222,418	205,395	201,748
Net accrual operating income	58,086	6,824	90,434
Net nonfarm income	10,570	10,106	6,338
Family living and taxes	35,495	18,356	49,764
Principal due on long term debt	10,156	7,316	5,565
Available for intermediate debt	23,004	-8,743	41,443
Average intermediate debt	77,152	96,152	62,841
Years to turnover interm. debt	3.4	**	1.5
Expense as a % of income	79 %	97 %	69 %
Interest as a % of income	5 %	6 %	4 %
Working capital to gross income	9 %	8 %	18 %

** Income insufficient to meet debt servicing requirements

Table 27

Balance Sheet at Cost Values
2005 MI Dairy 25-99 Cows Business Summary Analysis
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Number of farms	40		9		11	
Assets						
Current Farm Assets						
Cash and checking balance	6,623	8,860	2,720	7,581	11,945	13,263
Prepaid expenses & supplies	6,287	7,204	6,590	6,484	6,384	6,238
Growing crops	4,931	5,082	6,076	7,934	3,252	3,758
Accounts receivable	8,775	8,740	9,236	8,877	7,821	7,492
Hedging accounts	0	0	0	0	0	0
Crops held for sale or feed	59,953	61,892	48,853	41,210	47,036	57,014
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	7,473	8,749	4,526	5,602	11,639	13,269
Other current assets	1,007	671	248	221	781	685
Total current farm assets	95,049	101,199	78,249	77,910	88,860	101,718
Intermediate Farm Assets						
Breeding livestock	157,497	168,701	129,209	126,266	147,095	171,100
Machinery and equipment	61,070	59,612	55,787	57,173	42,011	38,812
Titled vehicles	625	1,650	0	0	2,273	4,182
Other intermediate assets	3,645	4,037	2,086	3,071	7,134	7,887
Total intermediate farm assets	222,837	234,000	187,082	186,509	198,513	221,981
Long Term Farm Assets						
Farm land	154,875	157,760	259,783	259,783	74,827	75,373
Buildings and improvements	46,785	48,424	27,512	25,405	54,401	63,962
Other long-term assets	5,218	6,434	7,471	9,815	4,414	4,778
Total long-term farm assets	206,878	212,618	294,767	295,003	133,641	144,114
Total Farm Assets	524,765	547,817	560,097	559,422	421,014	467,813
Total Nonfarm Assets	36,305	42,075	26,852	28,539	47,585	54,623
Total Assets	561,070	589,892	586,949	587,961	468,599	522,437
Liabilities						
Current Farm Liabilities						
Accrued interest	537	408	0	21	251	178
Accounts payable	7,474	11,394	8,838	9,308	6,962	7,706
Current notes	47,774	41,787	35,703	31,337	26,047	23,210
Government crop loans	0	0	0	0	0	0
Principal due on term debt	24,371	21,652	29,393	20,127	17,853	17,860
Total current farm liabilities	80,155	75,240	73,934	60,793	51,113	48,955
Total intermediate farm liabs	61,267	65,918	81,046	76,455	42,319	58,775
Total long term farm liabilities	149,013	163,757	132,248	172,853	81,318	100,354
Total farm liabilities	290,435	304,916	287,229	310,101	174,751	208,084
Total nonfarm liabilities	3,654	3,243	0	0	10,267	9,852
Total liabilities	294,089	308,158	287,229	310,101	185,018	217,935
Net worth (farm and nonfarm)	266,981	281,733	299,720	277,860	283,582	304,501
Net worth change		14,752		-21,860		20,920
Ratio Analysis						
Current farm liabilities / assets	84 %	74 %	94 %	78 %	58 %	48 %
Curr. & interm farm liab. / assets	44 %	42 %	58 %	52 %	33 %	33 %
Long term farm liab. / assets	72 %	77 %	45 %	59 %	61 %	70 %
Total debt to asset ratio	52 %	52 %	49 %	53 %	39 %	42 %

Table 28

Balance Sheet at Market Values
2005 MI Dairy 25-99 Cows Business Summary Analysis
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Number of farms	40		9		11	
Assets						
Current Farm Assets						
Cash and checking balance	6,623	8,860	2,720	7,581	11,945	13,263
Prepaid expenses & supplies	6,287	7,204	6,590	6,484	6,384	6,238
Growing crops	4,931	5,082	6,076	7,934	3,252	3,758
Accounts receivable	8,775	8,740	9,236	8,877	7,821	7,492
Hedging accounts	0	0	0	0	0	0
Crops held for sale or feed	59,953	61,892	48,853	41,210	47,036	57,014
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	7,473	8,749	4,526	5,602	11,639	13,269
Other current assets	1,007	671	248	221	781	685
Total current farm assets	95,049	101,199	78,249	77,910	88,860	101,718
Intermediate Farm Assets						
Breeding livestock	161,094	173,494	129,209	126,110	147,527	174,136
Machinery and equipment	225,004	238,625	216,902	224,540	219,858	243,708
Titled vehicles	818	2,268	0	0	2,273	5,273
Other intermediate assets	3,885	4,276	2,086	3,071	7,202	7,956
Total intermediate farm assets	390,800	418,663	348,197	353,721	376,861	431,073
Long Term Farm Assets						
Farm land	541,435	554,479	666,213	669,024	328,116	340,207
Buildings and improvements	78,567	80,575	64,607	54,056	74,545	93,668
Other long-term assets	5,367	6,582	7,471	9,815	4,414	4,778
Total long-term farm assets	625,369	641,636	738,291	732,895	407,076	438,654
Total Farm Assets	1,111,218	1,161,498	1,164,737	1,164,526	872,796	971,445
Total Nonfarm Assets	72,640	80,097	43,074	44,762	77,788	85,590
Total Assets	1,183,858	1,241,594	1,207,811	1,209,287	950,584	1,057,036
Liabilities						
Current Farm Liabilities						
Accrued interest	537	408	0	21	251	178
Accounts payable	7,474	11,394	8,838	9,308	6,962	7,706
Current notes	47,774	41,787	35,703	31,337	26,047	23,210
Government crop loans	0	0	0	0	0	0
Principal due on term debt	24,371	21,652	29,393	20,127	17,853	17,860
Total current farm liabilities	80,155	75,240	73,934	60,793	51,113	48,955
Total intermediate farm liabs	61,267	65,918	81,046	76,455	42,319	58,775
Total long term farm liabilities	149,013	163,757	132,248	172,853	81,318	100,354
Total farm liabilities	290,435	304,916	287,229	310,101	174,751	208,084
Total nonfarm liabilities	3,654	3,243	0	0	10,267	9,852
Total liabs excluding deferreds	294,089	308,158	287,229	310,101	185,018	217,935
Total deferred liabilities	0	0	0	0	0	0
Total liabilities	294,089	308,158	287,229	310,101	185,018	217,935
Retained earnings	266,981	281,733	299,720	277,860	283,582	304,501
Market valuation equity	622,788	651,703	620,862	621,326	481,985	534,599
Net worth (farm and nonfarm)	889,769	933,436	920,582	899,186	765,566	839,100
Net worth excluding deferreds	889,769	933,436	920,582	899,186	765,566	839,100
Net worth change		43,667		-21,396		73,534
Ratio Analysis						
Current farm liabilities / assets	84 %	74 %	94 %	78 %	58 %	48 %
Curr. & interm farm liab. / assets	29 %	27 %	36 %	32 %	20 %	20 %
Long term farm liab. / assets	24 %	26 %	18 %	24 %	20 %	23 %
Total debt to asset ratio	25 %	25 %	24 %	26 %	19 %	21 %
Debt to assets excl deferreds	25 %	25 %	24 %	26 %	19 %	21 %

Table 29

Statement Of Cash Flows

2005 MI Dairy 25-99 Cows Business Summary Analysis

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

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	40	9	11
Beginning cash (farm & nonfarm)	6,656	2,720	12,036
Cash From Operating Activities			
Gross cash farm income	277,510	217,313	280,494
Net nonfarm income	10,570	10,106	6,338
Total cash farm expense	-219,546	-204,797	-200,930
Apparent family living expense	-33,539	-17,109	-46,687
Income and social security tax	-1,956	-1,248	-3,077
Cash from operations	33,039	4,265	36,137
Cash From Investing Activities			
Sale of breeding livestock	5,365	5,756	2,348
Sale of machinery & equipment	915	180	617
Sale of titled vehicles	-	-	-
Sale of farm land	-	-	-
Sale of farm buildings	-	-	-
Sale of other farm assets	1,513	285	-
Sale of nonfarm assets	163	722	-
Purchase of breeding livestock	-8,207	-5,461	-10,038
Purchase of machinery & equip.	-28,277	-21,685	-35,597
Purchase of titled vehicles	-525	-	-1,909
Purchase of farm land	-2,546	-	-
Purchase of farm buildings	-7,226	-	-18,025
Purchase of other farm assets	-2,308	-306	-768
Purchase of nonfarm assets	-1,166	-1,278	-2,320
Cash from investing activities	-42,299	-21,785	-65,693
Cash From Financing Activities			
Money borrowed	76,110	83,103	87,510
Cash gifts and inheritances	2,823	-	3,713
Principal payments	-65,847	-60,722	-55,276
Dividends paid	-	-	-
Gifts given	-1,590	-	-5,074
Cash from financing activities	11,496	22,382	30,872
Net change in cash balance	2,235	4,861	1,317
Ending cash (farm & nonfarm)	8,891	7,581	13,354

Table 30

Financial Standards Measures
2005 MI Dairy 25-99 Cows Business Summary Analysis
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	40	9	11
Liquidity			
Current ratio	1.35	1.28	2.08
Working capital	25,959	17,117	52,763
Solvency (market)			
Farm debt to asset ratio	26 %	27 %	21 %
Farm equity to asset ratio	74 %	73 %	79 %
Farm debt to equity ratio	36 %	36 %	27 %
Profitability (cost)			
Rate of return on farm assets	1.9 %	-6.1 %	8.5 %
Rate of return on farm equity	-1.6 %	-17.7 %	10.5 %
Operating profit margin	4.3 %	-20.7 %	14.9 %
Net farm income	33,353	-14,741	60,456
Repayment Capacity			
Term debt coverage ratio	124 %	25 %	211 %
Capital replacement margin	8,218	-30,365	28,781
Efficiency			
Asset turnover rate (cost)	44.5 %	29.3 %	57.1 %
Operating expense ratio	74.3 %	91.1 %	65.2 %
Depreciation expense ratio	8.8 %	10.2 %	10.3 %
Interest expense ratio	5.0 %	5.7 %	3.8 %
Net farm income ratio	11.9 %	-6.9 %	20.7 %

Table 31

Operator and Labor Information
2005 MI Dairy 25-99 Cows Business Summary Analysis
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	40	9	11
Operator Information			
Average number of operators	1.4	1.6	1.3
Average age of operators	50.7	49.7	50.1
Average number of years farming	25.5	25.7	23.3
Results Per Operator			
Working capital	18,542	11,003	41,457
Total assets (market)	886,853	777,399	830,528
Total liabilities	220,113	199,351	171,235
Net worth (market)	666,740	578,048	659,293
Net worth excl deferred liabs	666,740	578,048	659,293
Gross farm income	200,360	136,426	229,572
Total farm expense	176,537	145,903	182,070
Net farm income	23,823	-9,477	47,501
Net nonfarm income	7,550	6,497	4,980
Family living & tax withdrawals	25,354	11,800	39,101
Total acres owned	209.4	243.9	178.4
Total crop acres	272.8	268.2	255.7
Crop acres owned	154.9	147.1	144.6
Crop acres cash rented	117.9	121.0	111.1
Crop acres share rented	-	-	-
Total pasture acres	2.6	-	-
Labor Analysis			
Number of farms	40	9	11
Total unpaid labor hours	4,076	3,888	3,955
Total hired labor hours	2,155	2,128	1,784
Total labor hours per farm	6,231	6,016	5,738
Unpaid hours per operator	2,912	2,499	3,107
Value of farm production / hour	38.32	27.28	44.19
Net farm income / unpaid hour	8.18	-3.79	15.29
Average hourly hired labor wage	11.21	9.79	11.58
Partnerships & LLCs			
Number of farms	8	4	2
Number of operators	2.0	-	-
Owner withdrawals per farm	-	-	-
Withdrawals per operator	-	-	-

Table 32

Financial Summary
2005 MI Dairy 25-99 Cows Business Summary Analysis
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	40	9	11
Income Statement			
Gross cash farm income	277,510	217,313	280,494
Total cash farm expense	219,546	204,797	200,930
Net cash farm income	57,964	12,516	79,564
Inventory change	122	-5,691	10,870
Depreciation and capital adjust	-24,733	-21,566	-29,978
Net farm income	33,353	-14,741	60,456
Profitability (cost)			
Labor and management earnings	18,804	-30,741	45,276
Rate of return on assets	1.9 %	-6.1 %	8.5 %
Rate of return on equity	-1.6 %	-17.7 %	10.5 %
Operating profit margin	4.3 %	-20.7 %	14.9 %
Asset turnover rate	44.5 %	29.3 %	57.1 %
Profitability (market)			
Labor and management earnings	10,224	-66,235	68,464
Rate of return on assets	3.3 %	-2.9 %	9.7 %
Rate of return on equity	2.8 %	-5.3 %	10.7 %
Operating profit margin	15.7 %	-20.5 %	35.3 %
Asset turnover rate	21.0 %	14.1 %	27.5 %
Liquidity			
Ending current ratio	1.35	1.28	2.08
Ending working capital	25,959	17,117	52,763
End working capital to gross inc	9.4 %	7.9 %	18.8 %
Term debt coverage ratio	124.1 %	25.4 %	210.6 %
Expense as a percent of income	79.3 %	96.8 %	69.0 %
Interest as a percent of income	5.0 %	5.7 %	3.8 %
Solvency (cost)			
Number of farms	40	9	11
Ending farm assets	547,817	559,422	467,813
Ending farm liabilities	304,916	310,101	208,084
Ending total assets	589,892	587,961	522,437
Ending total liabilities	308,158	310,101	217,935
Ending net worth	281,733	277,860	304,501
Net worth change	14,752	-21,860	20,920
Ending farm debt to asset ratio	56 %	55 %	44 %
Beg total debt to asset ratio	52 %	49 %	39 %
End total debt to asset ratio	52 %	53 %	42 %
Solvency (market)			
Number of farms	40	9	11
Ending farm assets	1,161,498	1,164,526	971,445
Ending farm liabilities	304,916	310,101	208,084
Ending total assets	1,241,594	1,209,287	1,057,036
Ending total liabilities	308,158	310,101	217,935
Ending net worth	933,436	899,186	839,100
Net worth change	43,667	-21,396	73,534
Ending farm debt to asset ratio	26 %	27 %	21 %
Beg total debt to asset ratio	25 %	24 %	19 %
End total debt to asset ratio	25 %	26 %	21 %
Nonfarm Information			
Net nonfarm income	10,570	10,106	6,338
Crop Acres			
Total acres owned	293	379	227
Total crop acres	382	417	325
Total crop acres owned	217	229	184
Total crop acres cash rented	165	188	141
Total crop acres share rented	-	-	-

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

Table 33		Crop Production and Marketing Summary		
		2005 MI Dairy 100-249 Cows Business Summary Analysis		
		(Farms Sorted By Rate of Return on Assets - Mkt)		
		Avg. Of All Farms	Low 25%	High 25%
Dairy				
Number of farms		83	20	21
Average number of Cows		163	162	157
Milk production per Cows, lbs.		21,466	20,449	22,659
Average milk price per cwt.,		\$15.62	\$15.52	\$15.48
Acreage Summary				
Total acres owned		425	348	334
Total crop acres		637	596	586
Crop acres owned		359	286	320
Crop acres cash rented		275	310	266
Crop acres share rented		2	-	-
Total pasture acres		5	3	6
Average Price Received (Cash Sales Only)				
Corn per bushel		1.82	1.81	1.78
Wheat, Winter per bushel		2.81	-	3.01
Soybeans per bushel		5.30	-	4.95
Hay, Alfalfa per ton		89.40	-	-
Hay, Mixed per ton		67.18	-	-
Straw per ton		8.49	-	-

Table 34

Farm Income Statement

2005 MI Dairy 100-249 Cows Business Summary Analysis

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

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	83	20	21
Cash Farm Income			
Beans, Navy	663	-	2,619
Corn	4,723	8,341	4,753
Corn Silage	1,008	-	-
Hay, Alfalfa	1,507	315	3,438
Hay, Mixed	457	270	1,221
Haylage, Mixed	438	1,819	-
Oats	64	155	-
Soybeans	8,305	10,103	10,737
Straw	78	1	225
Wheat, Winter	2,647	1,797	5,298
Miscellaneous crop income	153	76	-
Beef Cow-Calf, Beef Calves	50	-	197
Dairy, Milk	546,944	522,833	554,035
Dairy, Dairy Calves	4,538	4,304	3,399
Dairy Heifers (for sale)	4,384	199	12,320
Dairy Replacement Heifers	608	-	433
Dairy Steer Finishing	8,720	1,512	16,097
Hogs, Farrow-Fin, Raised Hogs	198	46	-
Hogs, Feeder Pigs, Feeder Pigs	139	96	-
CCC market loan gain	93	-	-
Cull breeding livestock	29,331	33,604	29,498
Misc. livestock income	2,171	5,113	3,014
Direct & CC govt payments	21,019	9,606	36,268
Other government payments	16,281	18,993	11,093
Custom work income	3,789	3,538	5,117
Patronage dividends, cash	3,890	3,756	2,925
Insurance income	3,371	-	3,273
Cash from hedging accts	4	-	570
Other farm income	6,367	3,643	8,852
Gross Cash Farm Income	671,942	630,119	715,382

Table 34

Farm Income Statement (Continued)
2005 MI Dairy 100-249 Cows Business Summary Analysis
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of		
	All Farms	Low 25%	High 25%
Number of farms	83	20	21
Cash Farm Expense			
Seed	14,168	13,421	15,605
Fertilizer	22,339	23,433	25,508
Crop chemicals	9,775	11,016	10,660
Crop insurance	417	317	190
Drying fuel	138	407	-
Crop fuel & oil	85	354	-
Crop repairs	477	1,979	-
Repair, machinery	267	-	-
Crop custom hire	2,599	120	4,484
Crop hired labor	65	270	-
Crop hauling and trucking	63	-	238
Crop marketing	90	354	-
Crop miscellaneous	760	1,404	343
Purchased feed	139,386	146,725	129,394
Breeding fees	4,846	5,714	5,999
Veterinary	16,179	16,917	16,771
BST	1,289	606	1,822
Livestock supplies	27,223	29,259	30,107
DHIA	812	493	1,172
Livestock custom hire	37	152	-
Livestock hired labor	212	-	-
Livestock leases	145	600	-
Livestock utilities	156	-	-
Livestock hauling and trucking	9,104	5,855	12,507
Livestock marketing	16,522	18,715	14,295
Bedding	772	483	1,253
Livestock miscellaneous	723	2,186	-
Interest	24,761	25,148	17,104
Packaging and supplies	740	216	1,335
Supplies	111	461	-
Fuel & oil	26,217	23,559	27,683
Repairs	39,665	42,680	42,374
Custom hire	14,050	18,801	12,474
Hired labor	75,995	84,103	67,542
Land rent	20,146	19,373	17,626
Machinery leases	5,504	2,553	5,144
Real estate taxes	8,538	7,780	8,128
Personal property taxes	82	7	233
Farm insurance	11,236	9,895	10,414
Utilities	13,307	13,986	12,464
Hauling and trucking	542	-	694
Dues & professional fees	4,773	4,339	4,582
Hedging account deposits	87	-	344
Miscellaneous	12,139	13,778	12,752
Total cash expense	526,543	547,460	511,239
Net cash farm income	145,399	82,659	204,143
Inventory Changes			
Crops and feed	107	-15,289	5,473
Market livestock	272	182	-966
Accounts receivable	1,026	645	1,880
Prepaid expenses and supplies	3,745	2,082	3,835
Accounts payable	-2,551	-9,723	1,335
Total inventory change	2,600	-22,103	11,557
Net operating profit	147,999	60,556	215,700
Depreciation and Other Capital Adjustments			
Breeding livestock	12,260	8,190	13,824
Machinery and equipment	-50,989	-35,801	-70,704
Buildings and improvements	-22,585	-15,901	-27,712
Other farm capital	152	-189	-151
Total depr. and other capital adj	-61,163	-43,701	-84,743
Net farm income	86,836	16,855	130,957

Table 35

Inventory Changes

2005 MI Dairy 100-249 Cows Business Summary Analysis

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

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	83	20	21
Net cash farm income	145,399	82,659	204,143
Crops and Feed			
Ending inventory	118,484	109,178	122,075
Beginning inventory	118,376	124,466	116,601
Inventory change	107	-15,289	5,473
Market Livestock			
Ending inventory	10,576	7,936	14,630
Beginning inventory	10,304	7,754	15,595
Inventory change	272	182	-966
Accts Receivable & Other Current Assets			
Ending inventory	36,482	33,939	29,670
Beginning inventory	35,456	33,295	27,791
Inventory change	1,026	645	1,880
Prepaid Expenses and Supplies			
Ending inventory	17,810	23,978	17,470
Beginning inventory	14,065	21,895	13,635
Inventory change	3,745	2,082	3,835
Accounts Payable & Accrued Expenses			
Beginning inventory	14,248	16,115	4,655
Ending inventory	16,798	25,838	3,320
Inventory change	-2,551	-9,723	1,335
Total inventory change	2,600	-22,103	11,557
Net operating profit	147,999	60,556	215,700

Table 36

Depreciation and Other Capital Adjustments
2005 MI Dairy 100-249 Cows Business Summary Analysis
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	83	20	21
Net operating profit	147,999	60,556	215,700
Breeding Livestock			
Ending inventory	406,270	405,988	340,340
Capital sales	4,918	15,867	355
Beginning inventory	389,635	401,666	322,334
Capital purchases	9,294	11,999	4,538
Depreciation, capital adjust.	12,260	8,190	13,824
Machinery and Equipment			
Ending inventory	128,983	108,263	153,811
Capital sales	2,583	6,174	1,863
Beginning inventory	131,293	114,609	155,110
Capital purchases	51,262	35,629	71,268
Depreciation, capital adjust.	-50,989	-35,801	-70,704
Buildings and Improvements			
Ending inventory	140,784	117,801	155,383
Capital sales	38	-	-
Beginning inventory	141,348	116,116	151,570
Capital purchases	22,059	17,586	31,525
Depreciation, capital adjust.	-22,585	-15,901	-27,712
Other Capital Assets			
Ending inventory	39,133	34,603	20,066
Capital sales	4,498	2,874	1,639
Beginning inventory	37,230	31,795	18,864
Capital purchases	6,249	5,871	2,992
Depreciation, capital adjust.	152	-189	-151
Total depreciation, capital adj.	-61,163	-43,701	-84,743
Net farm income	86,836	16,855	130,957

Table 37

Profitability Measures

2005 MI Dairy 100-249 Cows Business Summary Analysis
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	83	20	21
Profitability (assets valued at cost)			
Net farm income	86,836	16,855	130,957
Labor and management earnings	45,080	-28,986	90,845
Rate of return on assets	4.1 %	-1.3 %	8.4 %
Rate of return on equity	3.4 %	-5.5 %	10.4 %
Operating profit margin	8.9 %	-3.3 %	14.3 %
Asset turnover rate	45.8 %	39.8 %	58.6 %
Interest on farm net worth	41,757	45,841	40,113
Farm interest expense	24,867	25,356	17,083
Value of operator lbr and mgmt.	63,278	57,721	61,562
Return on farm assets	48,425	-15,510	86,478
Average farm assets	1,191,514	1,198,852	1,035,241
Return on farm equity	23,558	-40,866	69,395
Average farm equity	688,408	747,535	668,542
Value of farm production	546,193	477,072	606,160
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	83	20	21
Profitability (assets valued at market)			
Net farm income	151,235	22,534	269,926
Labor and management earnings	64,569	-55,783	188,306
Rate of return on assets	5.8 %	-0.6 %	13.1 %
Rate of return on equity	6.1 %	-2.7 %	15.3 %
Operating profit margin	20.7 %	-2.1 %	37.2 %
Asset turnover rate	28.0 %	26.9 %	35.1 %
Interest on farm net worth	86,666	78,317	81,620
Farm interest expense	24,867	25,356	17,083
Value of operator lbr and mgmt.	63,278	57,721	61,562
Return on farm assets	112,824	-9,832	225,446
Average farm assets	1,952,859	1,770,719	1,727,034
Return on farm equity	87,957	-35,188	208,364
Average farm equity	1,444,431	1,305,285	1,360,334
Value of farm production	546,193	477,072	606,160

Table 38

Liquidity Measures

2005 MI Dairy 100-249 Cows Business Summary Analysis
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	83	20	21
Liquidity (cash)			
Net cash farm income	145,399	82,659	204,143
Net nonfarm income	11,427	7,875	17,787
Family living and taxes	60,819	54,151	74,746
Principal due on long term debt	18,216	17,333	11,198
Cash available for interm. debt	77,790	19,051	135,986
Average intermediate debt	171,053	119,818	172,144
Years to turnover interm. debt	2.2	6.3	1.3
Expense as a % of income	78 %	87 %	71 %
Interest as a % of income	4 %	4 %	2 %
Working capital to gross income	15 %	19 %	19 %
Liquidity (accrual)			
Total accrual farm income	673,347	615,657	721,769
Total accrual operating expense	525,348	555,101	506,069
Net accrual operating income	147,999	60,556	215,700
Net nonfarm income	11,427	7,875	17,787
Family living and taxes	60,819	54,151	74,746
Principal due on long term debt	18,216	17,333	11,198
Available for intermediate debt	80,390	-3,052	147,543
Average intermediate debt	171,053	119,818	172,144
Years to turnover interm. debt	2.1	**	1.2
Expense as a % of income	78 %	90 %	70 %
Interest as a % of income	4 %	4 %	2 %
Working capital to gross income	15 %	20 %	19 %

** Income insufficient to meet debt servicing requirements

Table 39

Balance Sheet at Cost Values

2005 MI Dairy 100-249 Cows Business Summary Analysis

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

	Avg. Of All Farms		Low 25%		High 25%	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Number of farms	83		20		21	
Assets						
Current Farm Assets						
Cash and checking balance	27,378	28,273	56,373	43,488	27,759	36,134
Prepaid expenses & supplies	14,065	17,810	21,895	23,978	13,635	17,470
Growing crops	9,100	9,411	13,153	12,587	3,912	4,702
Accounts receivable	25,814	25,695	19,348	20,807	23,394	23,956
Hedging accounts	72	199	0	0	51	340
Crops held for sale or feed	118,058	117,852	124,466	109,178	116,601	122,075
Crops under government loan	318	632	0	0	0	0
Market livestock held for sale	10,304	10,576	7,754	7,936	15,595	14,630
Other current assets	470	1,176	794	546	433	671
Total current farm assets	205,580	211,625	243,783	218,518	201,381	219,979
Intermediate Farm Assets						
Breeding livestock	389,635	406,270	401,666	405,988	322,334	340,340
Machinery and equipment	129,246	127,302	114,609	108,263	147,730	147,881
Titled vehicles	2,048	1,681	0	0	7,379	5,930
Other intermediate assets	19,530	19,249	23,878	22,745	7,483	8,056
Total intermediate farm assets	540,458	554,503	540,154	536,995	484,926	502,207
Long Term Farm Assets						
Farm land	271,575	279,571	305,981	298,581	143,615	188,029
Buildings and improvements	141,348	140,784	116,116	117,801	151,570	155,383
Other long-term assets	17,700	19,884	7,917	11,858	11,381	12,011
Total long-term farm assets	430,623	440,239	430,014	428,240	306,567	355,423
Total Farm Assets	1,176,661	1,206,367	1,213,950	1,183,754	992,874	1,077,609
Total Nonfarm Assets	91,402	104,375	79,577	98,744	85,832	89,393
Total Assets	1,268,063	1,310,742	1,293,527	1,282,497	1,078,706	1,167,002
Liabilities						
Current Farm Liabilities						
Accrued interest	528	634	610	818	58	37
Accounts payable	13,720	16,165	15,505	25,020	4,597	3,283
Current notes	37,360	43,122	37,074	29,720	44,837	43,805
Government crop loans	269	617	0	0	0	0
Principal due on term debt	56,220	48,012	48,021	41,272	42,604	35,959
Total current farm liabilities	108,096	108,549	101,210	96,830	92,096	83,084
Total intermediate farm liabs	138,661	133,225	92,685	90,064	140,064	148,714
Total long term farm liabilities	256,751	260,930	254,469	267,377	122,098	147,343
Total farm liabilities	503,508	502,704	448,364	454,271	354,258	379,141
Total nonfarm liabilities	5,136	5,692	1,454	885	0	0
Total liabilities	508,643	508,396	449,818	455,156	354,258	379,141
Net worth (farm and nonfarm)	759,420	802,346	843,710	827,341	724,448	787,861
Net worth change		42,927		-16,368		63,413
Ratio Analysis						
Current farm liabilities / assets	53 %	51 %	42 %	44 %	46 %	38 %
Curr. & interm farm liab. / assets	33 %	32 %	25 %	25 %	34 %	32 %
Long term farm liab. / assets	60 %	59 %	59 %	62 %	40 %	41 %
Total debt to asset ratio	40 %	39 %	35 %	35 %	33 %	32 %

Table 40

Balance Sheet at Market Values
2005 MI Dairy 100-249 Cows Business Summary Analysis
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Number of farms	83		20		21	
Assets						
Current Farm Assets						
Cash and checking balance	27,378	28,273	56,373	43,488	27,759	36,134
Prepaid expenses & supplies	14,065	17,810	21,895	23,978	13,635	17,470
Growing crops	9,100	9,411	13,153	12,587	3,912	4,702
Accounts receivable	25,814	25,695	19,348	20,807	23,394	23,956
Hedging accounts	72	199	0	0	51	340
Crops held for sale or feed	118,058	117,852	124,466	109,178	116,601	122,075
Crops under government loan	318	632	0	0	0	0
Market livestock held for sale	10,304	10,576	7,754	7,936	15,595	14,630
Other current assets	470	1,176	794	546	433	671
Total current farm assets	205,580	211,625	243,783	218,518	201,381	219,979
Intermediate Farm Assets						
Breeding livestock	397,464	417,376	401,680	405,673	336,062	366,495
Machinery and equipment	330,355	349,013	280,720	277,454	400,121	440,902
Titled vehicles	5,612	5,727	750	750	9,892	8,577
Other intermediate assets	23,369	23,143	24,422	23,201	8,763	9,401
Total intermediate farm assets	756,801	795,258	707,572	707,078	754,838	825,376
Long Term Farm Assets						
Farm land	675,085	705,604	584,439	588,539	406,210	487,343
Buildings and improvements	247,930	264,372	238,498	233,238	239,300	289,153
Other long-term assets	20,241	23,221	7,917	11,858	13,454	17,035
Total long-term farm assets	943,256	993,197	830,853	833,635	658,963	793,531
Total Farm Assets	1,905,637	2,000,080	1,782,208	1,759,230	1,615,182	1,838,886
Total Nonfarm Assets	145,168	165,342	153,791	171,681	129,015	140,328
Total Assets	2,050,805	2,165,423	1,935,998	1,930,912	1,744,197	1,979,213
Liabilities						
Current Farm Liabilities						
Accrued interest	528	634	610	818	58	37
Accounts payable	13,720	16,165	15,505	25,020	4,597	3,283
Current notes	37,360	43,122	37,074	29,720	44,837	43,805
Government crop loans	269	617	0	0	0	0
Principal due on term debt	56,220	48,012	48,021	41,272	42,604	35,959
Total current farm liabilities	108,096	108,549	101,210	96,830	92,096	83,084
Total intermediate farm liabs	138,661	133,225	92,685	90,064	140,064	148,714
Total long term farm liabilities	256,751	260,930	254,469	267,377	122,098	147,343
Total farm liabilities	503,508	502,704	448,364	454,271	354,258	379,141
Total nonfarm liabilities	5,136	5,692	1,454	885	0	0
Total liabs excluding deferreds	508,643	508,396	449,818	455,156	354,258	379,141
Total deferred liabilities	5,596	6,187	15,306	17,897	0	0
Total liabilities	514,239	514,583	465,124	473,053	354,258	379,141
Retained earnings	759,420	802,346	843,710	827,341	724,448	787,861
Market valuation equity	777,146	848,493	627,165	630,518	665,491	812,212
Net worth (farm and nonfarm)	1,536,566	1,650,839	1,470,874	1,457,859	1,389,939	1,600,073
Net worth excluding deferreds	1,542,162	1,657,027	1,486,181	1,475,756	1,389,939	1,600,073
Net worth change		114,274		-13,015		210,134
Ratio Analysis						
Current farm liabilities / assets	53 %	51 %	42 %	44 %	46 %	38 %
Curr. & interm farm liab. / assets	26 %	24 %	20 %	20 %	24 %	22 %
Long term farm liab. / assets	27 %	26 %	31 %	32 %	19 %	19 %
Total debt to asset ratio	25 %	24 %	24 %	24 %	20 %	19 %
Debt to assets excl deferreds	25 %	23 %	23 %	24 %	20 %	19 %

Table 41

Statement Of Cash Flows

2005 MI Dairy 100-249 Cows Business Summary Analysis

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

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	83	20	21
Beginning cash (farm & nonfarm)	27,697	56,373	27,806
Cash From Operating Activities			
Gross cash farm income	671,942	630,119	715,382
Net nonfarm income	11,427	7,875	17,787
Total cash farm expense	-526,543	-547,460	-511,239
Apparent family living expense	-57,702	-50,504	-70,600
Income and social security tax	-3,117	-3,647	-4,146
Cash from operations	96,006	36,383	147,184
Cash From Investing Activities			
Sale of breeding livestock	4,918	15,867	355
Sale of machinery & equipment	2,583	6,174	1,863
Sale of titled vehicles	-	-	-
Sale of farm land	1,927	4,204	-
Sale of farm buildings	38	-	-
Sale of other farm assets	4,498	2,874	1,639
Sale of nonfarm assets	1,048	1,620	1,279
Purchase of breeding livestock	-9,294	-11,999	-4,538
Purchase of machinery & equip.	-50,852	-35,629	-69,649
Purchase of titled vehicles	-410	-	-1,619
Purchase of farm land	-14,029	-4,490	-51,174
Purchase of farm buildings	-22,059	-17,586	-31,525
Purchase of other farm assets	-6,249	-5,871	-2,992
Purchase of nonfarm assets	-3,666	-1,464	-3,800
Cash from investing activities	-91,547	-46,299	-160,161
Cash From Financing Activities			
Money borrowed	97,514	124,324	105,836
Cash gifts and inheritances	3,054	2,479	1,848
Principal payments	-100,209	-128,274	-79,619
Dividends paid	-	-	-
Gifts given	-3,337	-1,500	-4,135
Cash from financing activities	-2,978	-2,970	23,930
Net change in cash balance	1,481	-12,885	10,953
Ending cash (farm & nonfarm)	29,178	43,488	38,760

Table 42

Financial Standards Measures

2005 MI Dairy 100-249 Cows Business Summary Analysis

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

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	83	20	21
Liquidity			
Current ratio	1.95	2.26	2.65
Working capital	103,077	121,688	136,895
Solvency (market)			
Farm debt to asset ratio	25 %	27 %	21 %
Farm equity to asset ratio	75 %	73 %	79 %
Farm debt to equity ratio	34 %	36 %	26 %
Profitability (cost)			
Rate of return on farm assets	4.1 %	-1.3 %	8.4 %
Rate of return on farm equity	3.4 %	-5.5 %	10.4 %
Operating profit margin	8.9 %	-3.3 %	14.3 %
Net farm income	86,836	16,855	130,957
Repayment Capacity			
Term debt coverage ratio	156 %	50 %	290 %
Capital replacement margin	42,144	-33,855	116,137
Efficiency			
Asset turnover rate (cost)	45.8 %	39.8 %	58.6 %
Operating expense ratio	74.3 %	86.0 %	67.7 %
Depreciation expense ratio	9.1 %	7.1 %	11.7 %
Interest expense ratio	3.7 %	4.1 %	2.4 %
Net farm income ratio	12.9 %	2.7 %	18.1 %

Table 43

Operator and Labor Information
2005 MI Dairy 100-249 Cows Business Summary Analysis
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	83	20	21
Operator Information			
Average number of operators	1.6	1.5	1.4
Average age of operators	50.8	53.8	49.9
Average number of years farming	25.5	26.5	26.0
Results Per Operator			
Working capital	66,065	79,795	95,827
Total assets (market)	1,387,877	1,266,172	1,385,449
Total liabilities	329,810	310,199	265,399
Net worth (market)	1,058,067	955,973	1,120,051
Net worth excl deferred liabs	1,062,032	967,709	1,120,051
Gross farm income	431,566	403,709	505,238
Total farm expense	375,910	392,657	413,568
Net farm income	55,656	11,052	91,670
Net nonfarm income	7,324	5,164	12,451
Family living & tax withdrawals	38,981	35,509	52,322
Total acres owned	272.4	228.1	234.0
Total crop acres	408.2	390.8	410.1
Crop acres owned	230.2	187.5	224.1
Crop acres cash rented	176.4	203.3	186.0
Crop acres share rented	1.5	-	-
Total pasture acres	3.1	1.7	4.0
Labor Analysis			
Number of farms	83	20	21
Total unpaid labor hours	4,795	3,971	4,531
Total hired labor hours	6,131	7,486	4,874
Total labor hours per farm	10,926	11,457	9,405
Unpaid hours per operator	3,073	2,604	3,172
Value of farm production / hour	49.99	41.64	64.45
Net farm income / unpaid hour	18.11	4.24	28.90
Average hourly hired labor wage	12.23	11.31	12.46
Partnerships & LLCs			
Number of farms	28	5	6
Number of operators	2.2	2.2	2.0
Owner withdrawals per farm	-	-	-
Withdrawals per operator	-	-	-

Table 44

Financial Summary

2005 MI Dairy 100-249 Cows Business Summary Analysis

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

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	83	20	21
Income Statement			
Gross cash farm income	671,942	630,119	715,382
Total cash farm expense	526,543	547,460	511,239
Net cash farm income	145,399	82,659	204,143
Inventory change	2,600	-22,103	11,557
Depreciation and capital adjust	-61,163	-43,701	-84,743
Net farm income	86,836	16,855	130,957
Profitability (cost)			
Labor and management earnings	45,080	-28,986	90,845
Rate of return on assets	4.1 %	-1.3 %	8.4 %
Rate of return on equity	3.4 %	-5.5 %	10.4 %
Operating profit margin	8.9 %	-3.3 %	14.3 %
Asset turnover rate	45.8 %	39.8 %	58.6 %
Profitability (market)			
Labor and management earnings	64,569	-55,783	188,306
Rate of return on assets	5.8 %	-0.6 %	13.1 %
Rate of return on equity	6.1 %	-2.7 %	15.3 %
Operating profit margin	20.7 %	-2.1 %	37.2 %
Asset turnover rate	28.0 %	26.9 %	35.1 %
Liquidity			
Ending current ratio	1.95	2.26	2.65
Ending working capital	103,077	121,688	136,895
End working capital to gross inc	15.3 %	19.3 %	19.1 %
Term debt coverage ratio	155.7 %	50.3 %	290.4 %
Expense as a percent of income	78.0 %	90.2 %	70.1 %
Interest as a percent of income	3.7 %	4.1 %	2.4 %
Solvency (cost)			
Number of farms	83	20	21
Ending farm assets	1,206,367	1,183,754	1,077,609
Ending farm liabilities	502,704	454,271	379,141
Ending total assets	1,310,742	1,282,497	1,167,002
Ending total liabilities	508,396	455,156	379,141
Ending net worth	802,346	827,341	787,861
Net worth change	42,927	-16,368	63,413
Ending farm debt to asset ratio	42 %	38 %	35 %
Beg total debt to asset ratio	40 %	35 %	33 %
End total debt to asset ratio	39 %	35 %	32 %
Solvency (market)			
Number of farms	83	20	21
Ending farm assets	2,000,080	1,759,230	1,838,886
Ending farm liabilities	508,195	469,158	379,141
Ending total assets	2,165,423	1,930,912	1,979,213
Ending total liabilities	514,583	473,053	379,141
Ending net worth	1,650,839	1,457,859	1,600,073
Net worth change	114,274	-13,015	210,134
Ending farm debt to asset ratio	25 %	27 %	21 %
Beg total debt to asset ratio	25 %	24 %	20 %
End total debt to asset ratio	24 %	24 %	19 %
Nonfarm Information			
Net nonfarm income	11,427	7,875	17,787
Farms reporting living expenses	8	5	2
Total family living expense	39,181	44,015	-
Total living, invest, & capital	45,860	44,071	-
Crop Acres			
Total acres owned	425	348	334
Total crop acres	637	596	586
Total crop acres owned	359	286	320
Total crop acres cash rented	275	310	266
Total crop acres share rented	2	-	-

D. Financial Summary Information, Herds with 250 + Cows

Table 45 Crop Production and Marketing Summary
2005 MI Dairy 250 + Cows Business Summary Analysis
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Dairy			
Number of farms	33	8	9
Average number of Cows	423	325	435
Milk production per Cow, lbs.	23,561	22,593	24,572
Average milk price per cwt.,	\$15.75	\$15.17	\$16.36
Acreage Summary			
Total acres owned	651	940	519
Total crop acres	1,396	1,795	1,167
Crop acres owned	796	818	727
Crop acres cash rented	600	977	439
Crop acres share rented	-	-	-
Total pasture acres	4	-	13
Average Price Received (Cash Sales Only)			
Soybeans per bushel	5.30	-	-
Wheat, Winter per bushel	3.27	-	-
Corn per bushel	2.03	-	-

Table 46

Farm Income Statement
2005 MI Dairy 250 + Cows Business Summary Analysis
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	33	8	9
Cash Farm Income			
Barley	117	482	-
Cordwood	603	-	-
Corn	19,279	45,441	12,781
Corn Silage	1,402	155	-
Corn, Seed	241	-	883
Hay, Alfalfa	64	121	-
Hay, Mixed	338	426	576
Haylage, Alfalfa	4,053	-	-
Haylage, Mixed	1,139	1,454	-
Oats	465	143	-
Rye	43	-	158
Set Aside	986	-	-
Soybeans	42,763	55,939	46,811
Speltz	2,122	-	7,779
Straw	896	180	69
Sugar Beets	8,255	-	7,083
Timber	258	-	-
Wheat, Winter	9,997	10,382	8,916
Beef Cow-Calf, Beef Calves	801	-	-
Dairy, Milk	1,579,800	1,745,112	1,730,228
Dairy, Dairy Calves	15,565	19,136	18,547
Dairy Heifers (for sale)	136	184	71
Dairy Replacement Heifers	5,094	695	17,115
Dairy Steer Finishing	29,908	29,143	29,904
Cull breeding livestock	79,457	121,390	70,952
Misc. livestock income	111	-	-
Direct & CC govt payments	23,603	35,264	364
CRP payments	2,337	-	-
Other government payments	64,254	85,473	70,873
Custom work income	12,069	21,921	1,119
Patronage dividends, cash	23,685	21,861	51,367
Insurance income	19,400	15,916	5,828
Other farm income	14,623	7,716	5,416
Gross Cash Farm Income	1,963,863	2,218,534	2,086,841

Table 46

Farm Income Statement (Continued)
2005 MI Dairy 250 + Cows Business Summary Analysis
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	33	8	9
Cash Farm Expense			
Seed	38,929	49,649	41,858
Fertilizer	59,324	83,192	40,096
Crop chemicals	26,831	47,883	14,499
Crop insurance	3,154	5,816	2,511
Drying fuel	589	1,829	-
Crop custom hire	873	3,143	-
Crop hauling and trucking	303	1,250	-
Crop marketing	1,158	668	-
Crop miscellaneous	3,719	8,110	4,679
Purchased feed	407,154	420,374	419,322
Breeding fees	15,238	12,420	21,091
Veterinary	59,314	64,388	59,674
BST	2,967	4,956	-
Livestock supplies	65,926	83,892	70,041
DHIA	553	-	-
Livestock custom hire	2,622	-	-
Livestock leases	245	-	-
Livestock hauling and trucking	11,908	5,612	14,183
Livestock marketing	48,857	61,310	46,493
Bedding	4,420	3,084	3,826
Interest	65,878	73,732	54,803
Packaging and supplies	4,422	-	8,128
Supplies	4,048	7,425	-
Fuel & oil	67,145	68,388	65,747
Repairs	116,082	111,708	135,233
Custom hire	66,043	98,660	70,164
Hired labor	318,764	346,137	369,740
Land rent	72,556	94,954	82,334
Machinery leases	19,555	52,599	12,908
Real estate taxes	12,397	8,836	12,492
Personal property taxes	786	2,066	728
Farm insurance	24,762	31,178	25,042
Utilities	37,999	48,231	45,817
Dues & professional fees	7,739	9,612	6,187
Hedging account deposits	538	-	-
Miscellaneous	62,101	172,152	27,548
Total cash expense	1,634,901	1,983,253	1,655,143
Net cash farm income	328,963	235,281	431,698
Inventory Changes			
Crops and feed	42,908	5,973	64,416
Market livestock	5,981	5,652	2,149
Accounts receivable	11,949	20,044	20,187
Prepaid expenses and supplies	150	5,672	2,959
Accounts payable	14,819	4,408	-11,339
Total inventory change	75,807	41,750	78,372
Net operating profit	404,770	277,031	510,070
Depreciation and Other Capital Adjustments			
Breeding livestock	2,491	-46,635	28,391
Machinery and equipment	-118,467	-128,769	-104,098
Buildings and improvements	-71,688	-62,469	-57,366
Other farm capital	828	2,421	-1,165
Total depr. and other capital adj	-186,837	-235,453	-134,237
Net farm income	217,934	41,578	375,833

Table 47

Inventory Changes

2005 MI Dairy 250 + Cows Business Summary Analysis

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

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	33	8	9
Net cash farm income	328,963	235,281	431,698
Crops and Feed			
Ending inventory	385,322	416,084	433,316
Beginning inventory	342,414	410,111	368,900
Inventory change	42,908	5,973	64,416
Market Livestock			
Ending inventory	33,835	32,441	26,360
Beginning inventory	27,855	26,788	24,211
Inventory change	5,981	5,652	2,149
Accts Receivable & Other Current Assets			
Ending inventory	106,550	166,491	86,757
Beginning inventory	94,601	146,447	66,570
Inventory change	11,949	20,044	20,187
Prepaid Expenses and Supplies			
Ending inventory	70,466	125,798	82,441
Beginning inventory	70,316	120,125	79,482
Inventory change	150	5,672	2,959
Accounts Payable & Accrued Expenses			
Beginning inventory	46,203	38,380	8,503
Ending inventory	31,383	33,972	19,842
Inventory change	14,819	4,408	-11,339
Total inventory change	75,807	41,750	78,372
Net operating profit	404,770	277,031	510,070

Table 48

Depreciation and Other Capital Adjustments
2005 MI Dairy 250 + Cows Business Summary Analysis
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	33	8	9
Net operating profit	404,770	277,031	510,070
Breeding Livestock			
Ending inventory	957,495	1,067,096	929,178
Capital sales	37,569	132,530	12,774
Beginning inventory	938,867	1,167,396	910,178
Capital purchases	53,705	78,866	3,383
Depreciation, capital adjust.	2,491	-46,635	28,391
Machinery and Equipment			
Ending inventory	380,082	388,046	434,745
Capital sales	6,728	669	7,142
Beginning inventory	341,383	358,909	376,092
Capital purchases	163,895	158,575	169,892
Depreciation, capital adjust.	-118,467	-128,769	-104,098
Buildings and Improvements			
Ending inventory	374,528	302,100	439,547
Capital sales	88	-	-
Beginning inventory	332,372	265,946	441,520
Capital purchases	113,933	98,623	55,393
Depreciation, capital adjust.	-71,688	-62,469	-57,366
Other Capital Assets			
Ending inventory	134,757	307,782	127,131
Capital sales	16,011	46,090	4,798
Beginning inventory	109,694	223,967	110,848
Capital purchases	40,246	127,484	22,246
Depreciation, capital adjust.	828	2,421	-1,165
Total depreciation, capital adj.	-186,837	-235,453	-134,237
Net farm income	217,934	41,578	375,833

Table 49

Profitability Measures
2005 MI Dairy 250 + Cows Business Summary Analysis
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	33	8	9
Profitability (assets valued at cost)			
Net farm income	217,934	41,578	375,833
Labor and management earnings	127,505	-73,621	268,213
Rate of return on assets	6.9 %	0.1 %	12.1 %
Rate of return on equity	8.4 %	-3.7 %	16.1 %
Operating profit margin	11.9 %	0.2 %	19.6 %
Asset turnover rate	58.0 %	52.2 %	61.9 %
Interest on farm net worth	90,429	115,200	107,619
Farm interest expense	67,730	73,263	60,647
Value of operator lbr and mgmt.	93,170	112,134	87,760
Return on farm assets	192,494	2,707	348,719
Average farm assets	2,792,687	3,414,830	2,882,222
Return on farm equity	124,763	-70,556	288,073
Average farm equity	1,492,496	1,919,996	1,793,654
Value of farm production	1,619,944	1,783,194	1,782,662
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	33	8	9
Profitability (assets valued at market)			
Net farm income	352,385	43,901	731,815
Labor and management earnings	185,896	-152,621	557,761
Rate of return on assets	8.0 %	0.1 %	17.7 %
Rate of return on equity	9.3 %	-2.1 %	22.2 %
Operating profit margin	20.2 %	0.3 %	39.5 %
Asset turnover rate	39.8 %	37.4 %	44.7 %
Interest on farm net worth	166,489	196,522	174,055
Farm interest expense	67,730	73,263	60,647
Value of operator lbr and mgmt.	93,170	112,134	87,760
Return on farm assets	326,945	5,030	704,702
Average farm assets	4,075,000	4,770,196	3,989,477
Return on farm equity	259,215	-68,234	644,055
Average farm equity	2,774,809	3,275,362	2,900,909
Value of farm production	1,619,944	1,783,194	1,782,662

Table 50

Liquidity Measures

2005 MI Dairy 250 + Cows Business Summary Analysis

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

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	33	8	9
Liquidity (cash)			
Net cash farm income	328,963	235,281	431,698
Net nonfarm income	35,220	113,221	16,229
Family living and taxes	91,233	113,523	86,079
Principal due on long term debt	50,988	52,590	25,162
Cash available for interm. debt	221,962	182,389	336,686
Average intermediate debt	372,909	365,046	400,639
Years to turnover interm. debt	1.7	2.0	1.2
Expense as a % of income	83 %	89 %	79 %
Interest as a % of income	3 %	3 %	3 %
Working capital to gross income	18 %	22 %	24 %
Liquidity (accrual)			
Total accrual farm income	2,024,702	2,250,204	2,173,593
Total accrual operating expense	1,619,932	1,973,173	1,663,524
Net accrual operating income	404,770	277,031	510,070
Net nonfarm income	35,220	113,221	16,229
Family living and taxes	91,233	113,523	86,079
Principal due on long term debt	50,988	52,590	25,162
Available for intermediate debt	297,770	224,139	415,057
Average intermediate debt	372,909	365,046	400,639
Years to turnover interm. debt	1.3	1.6	1.0
Expense as a % of income	80 %	88 %	77 %
Interest as a % of income	3 %	3 %	3 %
Working capital to gross income	18 %	22 %	23 %

Table 51

Balance Sheet at Cost Values
2005 MI Dairy 250 + Cows Business Summary Analysis
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Number of farms	33		8		9	
Assets						
Current Farm Assets						
Cash and checking balance	32,368	44,217	36,208	64,234	53,004	77,422
Prepaid expenses & supplies	70,316	70,466	120,125	125,798	79,482	82,441
Growing crops	17,955	21,538	21,583	30,579	23,456	26,852
Accounts receivable	72,255	71,719	118,490	102,018	43,003	59,794
Hedging accounts	2,697	1,909	749	293	111	111
Crops held for sale or feed	342,213	385,122	410,111	416,084	368,164	432,580
Crops under government loan	201	201	0	0	736	736
Market livestock held for sale	27,855	33,835	26,788	32,441	24,211	26,360
Other current assets	1,694	11,385	5,625	33,602	0	0
Total current farm assets	567,554	640,391	739,680	805,048	592,168	706,296
Intermediate Farm Assets						
Breeding livestock	938,867	957,495	1,167,396	1,067,096	910,178	929,178
Machinery and equipment	340,626	377,452	358,909	388,046	376,092	434,745
Titled vehicles	757	2,630	0	0	0	0
Other intermediate assets	94,391	118,348	221,818	303,636	80,249	96,602
Total intermediate farm assets	1,374,641	1,455,925	1,748,123	1,758,778	1,366,519	1,460,525
Long Term Farm Assets						
Farm land	379,583	428,668	596,550	607,142	265,762	430,980
Buildings and improvements	332,372	374,528	265,946	302,100	441,520	439,547
Other long-term assets	15,303	16,409	2,149	4,146	30,599	30,529
Total long-term farm assets	727,258	819,605	864,646	913,387	737,881	901,056
Total Farm Assets	2,669,454	2,915,921	3,352,448	3,477,212	2,696,568	3,067,877
Total Nonfarm Assets	107,414	208,080	313,502	655,030	82,485	146,522
Total Assets	2,776,868	3,124,002	3,665,950	4,132,242	2,779,052	3,214,399
Liabilities						
Current Farm Liabilities						
Accrued interest	1,363	3,215	3,039	2,571	1,240	7,084
Accounts payable	44,839	28,168	35,341	31,401	7,263	12,757
Current notes	87,349	118,463	173,028	169,678	63,953	65,828
Government crop loans	201	201	0	0	736	736
Principal due on term debt	143,319	134,813	148,066	114,014	113,872	113,117
Total current farm liabilities	277,071	284,860	359,474	317,664	187,064	199,523
Total intermediate farm liabs	311,208	258,414	323,728	247,390	347,955	276,585
Total long term farm liabilities	691,925	776,905	881,723	859,691	511,842	654,168
Total farm liabilities	1,280,204	1,320,179	1,564,924	1,424,745	1,046,861	1,130,276
Total nonfarm liabilities	4,685	16,260	18,988	48,250	300	16,732
Total liabilities	1,284,889	1,336,440	1,583,912	1,472,995	1,047,161	1,147,008
Net worth (farm and nonfarm)	1,491,979	1,787,562	2,082,039	2,659,247	1,731,892	2,067,391
Net worth change		295,583		577,209		335,499
Ratio Analysis						
Current farm liabilities / assets	49 %	44 %	49 %	39 %	32 %	28 %
Curr. & interm farm liab. / assets	30 %	26 %	27 %	22 %	27 %	22 %
Long term farm liab. / assets	95 %	95 %	102 %	94 %	69 %	73 %
Total debt to asset ratio	46 %	43 %	43 %	36 %	38 %	36 %

Table 52

Balance Sheet at Market Values
2005 MI Dairy 250 + Cows Business Summary Analysis
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
Number of farms	33		8		9	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	32,368	44,217	36,208	64,234	53,004	77,422
Prepaid expenses & supplies	70,316	70,466	120,125	125,798	79,482	82,441
Growing crops	17,955	21,538	21,583	30,579	23,456	26,852
Accounts receivable	72,255	71,719	118,490	102,018	43,003	59,794
Hedging accounts	2,697	1,909	749	293	111	111
Crops held for sale or feed	342,213	385,122	410,111	416,084	368,164	432,580
Crops under government loan	201	201	0	0	736	736
Market livestock held for sale	27,855	33,835	26,788	32,441	24,211	26,360
Other current assets	1,694	11,385	5,625	33,602	0	0
Total current farm assets	567,554	640,391	739,680	805,048	592,168	706,296
Intermediate Farm Assets						
Breeding livestock	1,008,152	1,035,587	1,167,396	1,067,096	1,019,544	1,066,128
Machinery and equipment	627,789	697,930	675,496	706,896	603,298	734,577
Titled vehicles	3,242	8,879	0	0	1,333	5,222
Other intermediate assets	97,413	120,490	221,818	303,636	83,423	103,635
Total intermediate farm assets	1,736,597	1,862,886	2,064,710	2,077,628	1,707,599	1,909,561
Long Term Farm Assets						
Farm land	1,075,079	1,180,961	1,533,126	1,494,626	686,828	1,059,704
Buildings and improvements	498,981	562,972	414,401	453,950	607,837	647,030
Other long-term assets	6,330	18,250	-45,263	2,489	31,399	30,531
Total long-term farm assets	1,580,390	1,762,183	1,902,263	1,951,064	1,326,065	1,737,266
Total Farm Assets	3,884,541	4,265,460	4,706,653	4,833,740	3,625,831	4,353,123
Total Nonfarm Assets	262,815	325,539	650,434	833,830	258,640	323,246
Total Assets	4,147,356	4,590,999	5,357,087	5,667,570	3,884,472	4,676,370
Liabilities						
Current Farm Liabilities						
Accrued interest	1,363	3,215	3,039	2,571	1,240	7,084
Accounts payable	44,839	28,168	35,341	31,401	7,263	12,757
Current notes	87,349	118,463	173,028	169,678	63,953	65,828
Government crop loans	201	201	0	0	736	736
Principal due on term debt	143,319	134,813	148,066	114,014	113,872	113,117
Total current farm liabilities	277,071	284,860	359,474	317,664	187,064	199,523
Total intermediate farm liabs	311,208	258,414	323,728	247,390	347,955	276,585
Total long term farm liabilities	691,925	776,905	881,723	859,691	511,842	654,168
Total farm liabilities	1,280,204	1,320,179	1,564,924	1,424,745	1,046,861	1,130,276
Total nonfarm liabilities	4,685	16,260	18,988	48,250	300	16,732
Total liabs excluding deferreds	1,284,889	1,336,440	1,583,912	1,472,995	1,047,161	1,147,008
Total deferred liabilities	0	0	0	0	0	0
Total liabilities	1,284,889	1,336,440	1,583,912	1,472,995	1,047,161	1,147,008
Retained earnings	1,491,979	1,787,562	2,082,039	2,659,247	1,731,892	2,067,391
Market valuation equity	1,370,488	1,466,998	1,691,136	1,535,327	1,105,419	1,461,971
Net worth (farm and nonfarm)	2,862,467	3,254,560	3,773,175	4,194,574	2,837,311	3,529,361
Net worth excluding deferreds	2,862,467	3,254,560	3,773,175	4,194,574	2,837,311	3,529,361
Net worth change		392,092		421,399		692,050
Ratio Analysis						
Current farm liabilities / assets	49 %	44 %	49 %	39 %	32 %	28 %
Curr. & interm farm liab. / assets	26 %	22 %	24 %	20 %	23 %	18 %
Long term farm liab. / assets	44 %	44 %	46 %	44 %	39 %	38 %
Total debt to asset ratio	31 %	29 %	30 %	26 %	27 %	25 %
Debt to assets excl deferreds	31 %	29 %	30 %	26 %	27 %	25 %

Table 53

Statement Of Cash Flows

2005 MI Dairy 250 + Cows Business Summary Analysis

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

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	33	8	9
Beginning cash (farm & nonfarm)	32,368	36,208	53,004
Cash From Operating Activities			
Gross cash farm income	1,963,863	2,218,534	2,086,841
Net nonfarm income	35,220	113,221	16,229
Total cash farm expense	-1,634,901	-1,983,253	-1,655,143
Apparent family living expense	-83,586	-86,183	-86,079
Income and social security tax	-7,648	-27,340	-
Cash from operations	272,950	234,979	361,848
Cash From Investing Activities			
Sale of breeding livestock	37,569	132,530	12,774
Sale of machinery & equipment	6,728	669	7,142
Sale of titled vehicles	-	-	-
Sale of farm land	76,455	300,000	13,667
Sale of farm buildings	88	-	-
Sale of other farm assets	16,011	46,090	4,798
Sale of nonfarm assets	2,781	10,534	835
Purchase of breeding livestock	-53,705	-78,866	-3,383
Purchase of machinery & equip.	-163,466	-156,805	-169,892
Purchase of titled vehicles	-429	-1,770	-
Purchase of farm land	-66,344	-49,611	-183,222
Purchase of farm buildings	-113,933	-98,623	-55,393
Purchase of other farm assets	-40,246	-127,484	-22,246
Purchase of nonfarm assets	-35,437	-50,448	-63,888
Cash from investing activities	-333,928	-73,783	-458,809
Cash From Financing Activities			
Money borrowed	418,297	523,688	294,117
Cash gifts and inheritances	15,232	5,900	36,104
Principal payments	-359,070	-659,458	-205,791
Dividends paid	-	-	-
Gifts given	-1,632	-3,300	-3,052
Cash from financing activities	72,826	-133,171	121,379
Net change in cash balance	11,849	28,026	24,417
Ending cash (farm & nonfarm)	44,217	64,234	77,422

Table 54

Financial Standards Measures
2005 MI Dairy 250 + Cows Business Summary Analysis
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	33	8	9
Liquidity			
Current ratio	2.25	2.53	3.54
Working capital	355,531	487,383	506,773
Solvency (market)			
Farm debt to asset ratio	31 %	29 %	26 %
Farm equity to asset ratio	69 %	71 %	74 %
Farm debt to equity ratio	45 %	42 %	35 %
Profitability (cost)			
Rate of return on farm assets	6.9 %	0.1 %	12.1 %
Rate of return on farm equity	8.4 %	-3.7 %	16.1 %
Operating profit margin	11.9 %	0.2 %	19.6 %
Net farm income	217,934	41,578	375,833
Repayment Capacity			
Term debt coverage ratio	200 %	150 %	293 %
Capital replacement margin	201,624	128,664	326,347
Efficiency			
Asset turnover rate (cost)	58.0 %	52.2 %	61.9 %
Operating expense ratio	76.7 %	84.4 %	73.7 %
Depreciation expense ratio	9.2 %	10.5 %	6.2 %
Interest expense ratio	3.3 %	3.3 %	2.8 %
Net farm income ratio	10.8 %	1.8 %	17.3 %

Table 55

Operator and Labor Information
2005 MI Dairy 250 + Cows Business Summary Analysis
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	33	8	9
Operator Information			
Average number of operators	1.8	2.0	1.6
Average age of operators	53.8	57.8	47.6
Average number of years farming	30.5	34.4	22.7
Results Per Operator			
Working capital	202,285	243,692	325,783
Total assets (market)	2,612,120	2,833,785	3,006,238
Total liabilities	760,388	736,498	737,363
Net worth (market)	1,851,732	2,097,287	2,268,875
Net worth excl deferred liabs	1,851,732	2,097,287	2,268,875
Gross farm income	1,151,986	1,125,102	1,397,310
Total farm expense	1,027,989	1,104,313	1,155,703
Net farm income	123,997	20,789	241,607
Net nonfarm income	20,039	56,611	10,433
Family living & tax withdrawals	51,908	56,762	55,336
Total acres owned	370.7	469.9	333.6
Total crop acres	794.4	897.4	750.0
Crop acres owned	453.0	408.8	467.6
Crop acres cash rented	341.5	488.6	282.4
Crop acres share rented	-	-	-
Total pasture acres	2.1	-	8.6
Labor Analysis			
Number of farms	32	8	9
Total unpaid labor hours	4,482	5,008	4,559
Total hired labor hours	24,406	24,368	28,586
Total labor hours per farm	28,888	29,376	33,145
Unpaid hours per operator	2,608	2,504	2,931
Value of farm production / hour	57.06	60.70	53.78
Net farm income / unpaid hour	48.88	8.30	82.43
Average hourly hired labor wage	13.35	14.20	12.93
Partnerships & LLCs			
Number of farms	19	6	7
Number of operators	1.9	2.0	1.7
Owner withdrawals per farm	-	-	-
Withdrawals per operator	-	-	-

Table 56

Financial Summary
2005 MI Dairy 250 + Cows Business Summary Analysis
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	33	8	9
Income Statement			
Gross cash farm income	1,963,863	2,218,534	2,086,841
Total cash farm expense	1,634,901	1,983,253	1,655,143
Net cash farm income	328,963	235,281	431,698
Inventory change	75,807	41,750	78,372
Depreciation and capital adjust	-186,837	-235,453	-134,237
Net farm income	217,934	41,578	375,833
Profitability (cost)			
Labor and management earnings	127,505	-73,621	268,213
Rate of return on assets	6.9 %	0.1 %	12.1 %
Rate of return on equity	8.4 %	-3.7 %	16.1 %
Operating profit margin	11.9 %	0.2 %	19.6 %
Asset turnover rate	58.0 %	52.2 %	61.9 %
Profitability (market)			
Labor and management earnings	185,896	-152,621	557,761
Rate of return on assets	8.0 %	0.1 %	17.7 %
Rate of return on equity	9.3 %	-2.1 %	22.2 %
Operating profit margin	20.2 %	0.3 %	39.5 %
Asset turnover rate	39.8 %	37.4 %	44.7 %
Liquidity			
Ending current ratio	2.25	2.53	3.54
Ending working capital	355,531	487,383	506,773
End working capital to gross inc	18.1 %	22.0 %	24.3 %
Term debt coverage ratio	200.0 %	150.1 %	293.0 %
Expense as a percent of income	80.0 %	87.7 %	76.5 %
Interest as a percent of income	3.3 %	3.3 %	2.8 %
Solvency (cost)			
Number of farms	33	8	9
Ending farm assets	2,915,921	3,477,212	3,067,877
Ending farm liabilities	1,320,179	1,424,745	1,130,276
Ending total assets	3,124,002	4,132,242	3,214,399
Ending total liabilities	1,336,440	1,472,995	1,147,008
Ending net worth	1,787,562	2,659,247	2,067,391
Net worth change	295,583	577,209	335,499
Ending farm debt to asset ratio	45 %	41 %	37 %
Beg total debt to asset ratio	46 %	43 %	38 %
End total debt to asset ratio	43 %	36 %	36 %
Solvency (market)			
Number of farms	33	8	9
Ending farm assets	4,265,460	4,833,740	4,353,123
Ending farm liabilities	1,320,179	1,424,745	1,130,276
Ending total assets	4,590,999	5,667,570	4,676,370
Ending total liabilities	1,336,440	1,472,995	1,147,008
Ending net worth	3,254,560	4,194,574	3,529,361
Net worth change	392,092	421,399	692,050
Ending farm debt to asset ratio	31 %	29 %	26 %
Beg total debt to asset ratio	31 %	30 %	27 %
End total debt to asset ratio	29 %	26 %	25 %
Nonfarm Information			
Net nonfarm income	35,220	113,221	16,229
Crop Acres			
Total acres owned	651	940	519
Total crop acres	1,396	1,795	1,167
Total crop acres owned	796	818	727
Total crop acres cash rented	600	977	439
Total crop acres share rented	-	-	-