

Minnesota and North Dakota
Farm Business Management Education

Red River Valley 2010 Report



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Minnesota Farm Business Management Education
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RED RIVER VALLEY AVERAGES
2010 ANNUAL REPORT

ACKNOWLEDGMENTS

The Red River Valley farm business analyses were submitted by the following cooperating instructors and farm management programs:

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NCTC-Thief River Falls	Greg Dvergsten
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This report was made possible by the farm families who cooperated with their farm management instructors in getting the farm records for 2010 closed out on a timely basis. The farm management instructors cited above generated Finpack year-end farm analyses. Ron Dvergsten, Dean of Management Education, Northland Community and Technical College, and Andrew Swenson, NDSU Extension Service, databased the Finpack analyses of farms located within the Red River Valley and generated the comparative tables for this report.

A special acknowledgment is due Northland Community and Technical College, Thief River Falls, Minnesota, and the North Dakota State Board for Vocational and Technical Education for cooperation in the development of the 17th annual Red River Valley Report.

2010 Red River Valley Report
Minnesota and North Dakota Farm Business Management Education

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INTRODUCTION

This report summarizes the individual farm records of farms in the Red River Valley that are enrolled in Farm Management Education programs. The current financial status of farm operators and net returns from each crop enterprise is reported. In addition to the average of all farms, the averages for the high and low net income groups are also presented. To insure anonymity, only averages of five or more farms are reported. Regional averages reports can be used by producers for comparison purposes to identify and study the areas that may need management improvement. A review of the comparative information may reveal how certain aspects of the business or enterprises excel and help answer why they are profitable. The data contained in this report should also be useful to instructors, extension agents, bankers and agricultural consultants.

The Red River Valley averages reports are divided into two major categories. Explanatory notes precede the farm operators' reports and the crop reports.

The 2010 Red River Valley Report is based upon data generated by individual farm analysis completed by farm/ranch families enrolled in the Farm and Ranch Business Management Education programs in Minnesota and North Dakota. The tables in this report were created using FINPACK and RankEm Central copyrighted software of the Center for Farm Financial Management, University of Minnesota.

You may contact Ron Dvergsten, Northland Community and Technical College, Highway 1 East, Thief River Falls, MN 56701, phone: (218) 683-8747, to order a copy of this report. This report and regional reports for north central, south central and western North Dakota can be ordered for \$5 per copy from Farm Business Management, PO Box 6022, Bismarck, ND 58506-6022, phone: (701) 224-8390. A state average book for North Dakota farms is also available. The reports are available online at www.ndfarmmanagement.com.

EXPLANATORY NOTES FOR THE FARM OPERATORS' REPORTS

The tables include the same number of farms, which were all of the farms whose records were judged to be of sufficient quality to be included in the overall report. However, the balance sheets include only sole proprietors. Partnerships and corporations are excluded because some debt is held outside of the business causing potential misinterpretations of the financial statement. The number of farms included in each of the crop tables varies because all farms do not have the same enterprises. Also, some farmers' records were complete enough to be included in the whole-farm tables, but at times, these same farmers' crop records were not complete enough to include in the respective crop and livestock tables.

Rounding of individual items for the report may have caused minor discrepancies with the printed totals which are calculated before rounding.

Farm Income Statement

This statement is a summary of income, expenses, or resultant profit or loss from farming operations during the calendar year.

The first section of the table lists cash farm income from all sources. There are three possible sources of cash income from crops. The first is income from cash sales. The second is income from crops stored under government loan programs when the loan is treated as income for the year in which the crop was stored. If the crop value has not been entered as income when it was stored, then it would be treated as cash income in the year it was sold. The third is Net Government Sales, which refers to the difference between income credited in the year a crop was stored and the actual cash income received at the time it was sold. There are two categories of cash income from livestock sales. "Raised" steer, hogs, and lambs refer to animals raised from birth to market weight on the farm. "Finished" animals refers to those purchased as feeders and fed to market weight. The "Direct & CC govt payments" are decoupled from crop production but the counter-cyclical payment is coupled to national average prices. "LDP payments" are loan deficiency payments that may be received on production when local prices are below the county loan rate for the crop. "Other government payments" refers to all other government payments such as disaster payments but not including CRP payments.

The second section of the income statement lists cash expenses. "Labor" includes only labor hired. "Interest" includes only interest actually paid. No opportunity charges on farm equity capital or unpaid labor are included.

The difference between "Gross Cash Farm Income" and "Total Cash Expense" is the "Net Cash Farm Income." This is net farm income on a cash basis.

The last two sections of the income statement deal with the non-cash changes in the farm business. The "Inventory Changes" and "Depreciation" sections are used to convert the cash income statement (Net Cash Farm Income) derived from the first two sections into an accrual income statement. The final adjustment is for "Gain or loss on capital sales." The bottom line, labeled "Net farm Income," represents the return to the operator's and family's unpaid labor, management, and equity capital (net worth). In other words, it represents the return to all of the resources that are owned by the farm family and hence, not purchased or paid a wage. However, it does not include any debt forgiveness or asset repossessions.

Inventory Changes

This is the detailed statement of inventory changes that is summarized in the income statement. It includes beginning and ending inventories and the calculated changes.

Depreciation

This is the detailed statement of depreciation and other capital adjustments that is summarized in the income statement. It includes beginning and ending inventories, and capital sales and purchases.

Profitability Measures

This table shows profitability when capital assets are valued at cost. Various measures of performance are calculated. In the previous tables no opportunity costs are used. In this table, opportunity costs for labor, capital, and management are used. The measures and their components are described below.

"Rate of return on assets" is the "Return on farm assets" divided by "Average farm assets."

"Rate of return on equity" is the "Return of farm equity" divided by "Average farm equity."

"Operating profit margin" is the "Return on farm assets" divided by "Value of farm production."

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

"Farm interest expense" is the accrual interest cost, usually it will be different from the cash interest expense.

"Value of operator's labor and management" is an opportunity cost for unpaid operator's labor and management that is used in the calculation of several financial performance measures. A value of \$20,000 per full time operator plus 5% of value of farm production is used.

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

"Average farm assets" is the average of beginning and ending total farm assets.

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

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

"Value of farm production" is gross cash farm income minus purchased feed and feeder livestock and adjusted for inventory changes in crops, market livestock, accounts receivable and breeding livestock.

Liquidity & Repayment Capacity Measures

The table shows several measures of liquidity and repayment capacity. Calculation of repayment capacity starts with net farm income from operations and adds back the non-cash expense of depreciation. Personal income is also added. Family living expenses, personal debt payments and income taxes paid are subtracted to determine the capital debt repayment capacity.

Balance Sheets

The ending balance sheet statements and solvency measures are presented for sole proprietors only. Current assets are valued at market price at the time of the inventory which is December 31. In balance sheet at cost values, intermediate and long-term assets that are depreciable are valued at cost remaining (amount remaining to be depreciated, plus salvage value). Raised breeding livestock is valued at conservative market replacement costs. Land is valued at cost or conservative market value. In balance sheet at market values, the intermediate and long term assets are listed at market value, and deferred income tax liabilities are estimated.

Statement of Cash Flows

This statement organizes cash inflows and outflows by the following three categories: Operating activities, investing activities, and financing activities.

Financial Standards Measures

The Farm Financial Standards Task Force recommended the use of these financial measures to evaluate a farm's financial position and financial performance. These measures are grouped by: Liquidity, Solvency, Profitability, Repayment Capacity, and Efficiency.

Liquidity

Liquidity is the ability of the farm business to meet financial obligations in a timely manner, without disrupting normal business operations.

Current Ratio: The current ratio shows the value of current assets relative to current liabilities. It measures the extent current farm assets, if liquidated, would cover liabilities that are due during the next 12 months. The higher the ratio, the safer the short term position.

Working Capital: Working capital shows the dollar amount that current assets can or cannot cover current liabilities. It approximates the amount of capital available to purchase crop and livestock inputs and equipment necessary to produce farm products. The amount of working capital considered adequate must be related to the size of the farm business.

Working Capital to Gross Revenues: Measures operating capital available against the size of the business.

Solvency

Solvency is important in evaluating the risk position of the farm and family and in considering future borrowing capacity. Solvency measures the ability of the business to pay off all debts if liquidated.

Farm Debt To Asset Ratio: The farm debt to asset ratio measures the financial position or solvency of the farm or ranch by comparing the total liabilities to the total assets. It measures the portion of the farm assets that have debt against them. A higher ratio is considered an indicator of greater financial risk.

Farm Equity To Asset Ratio: The farm equity to asset ratio measures the farm equity relative to the value of the farm assets. It measures the proportion of the farm assets financed by the owner's equity whereas the debt to asset ratio measured the proportion of farm assets financed by debt.

Farm Debt To Equity Ratio: The farm debt to equity ratio measures the amount of farm debt relative to the amount of farm equity. It measures the amount of debt the farm has for every dollar of equity.

Profitability

Profitability is the measure of the value of goods produced by the business in relation to the cost of resources used in the production. Profitability calculated on a cost basis does not consider changes in market valuation of capital assets such as machinery and breeding livestock.

Rate of Return on Assets: Rate of return on assets is, in effect, the interest rate your farm earned in the past year on all money invested in the business. If assets are valued at market value, the rate of return on investment can be looked at as the "opportunity cost" of investing money in the farm instead of alternative investments. If assets are valued at cost (cost less depreciation), the rate of return represents the actual return on the average dollar invested in the business.

Rate of Return on Equity: Rate of return on equity is, in effect, the interest rate your investment in the business earned in the past year. If assets are valued at market value, this return can be compared with returns available if the assets were liquidated and invested in alternative investments. If assets are valued at cost, this represents the actual return to the amount of equity capital you have invested in the farm business.

If your return on assets is higher than your average interest rate, your return on equity will be still higher, reflecting the fact that there are residual returns to equity capital after paying all interest expense. This is positive use of financial leverage. If your return on assets is lower than your average interest rate, your return on equity will be still lower, reflecting the fact that borrowed capital did not earn enough to pay its interest cost. This is negative financial leverage. Profitability becomes a key concern when substantial debt capital is used in the business.

Net Farm Income: Net farm income represents the returns to labor, management, and equity capital invested in the business. Without income from other sources, or appreciation of capital asset values, net farm income must cover family living expenses and taxes, or net worth will decrease.

Operating Profit Margin: The operating profit margin is a measure of the profit margin from the employment of assets. It measures how effectively you are employing assets relative to the value of output produced. Low prices, high operating expenses, or production problems are all possible causes of a low operating profit margin.

EBITDA: This factor stands for: Earnings Before Interest, Taxes, Depreciation and Amortization. This represents a measure of earnings available for debt repayment.

Repayment Capacity

Repayment capacity shows the borrower's ability to repay term debts (longer than one year) on time. This includes non-farm income, and is therefore not a measure of business performance alone.

Capital Debt Repayment Capacity: Measures the amount generated from farm and non-farm sources, to cover debt repayment and capital replacement.

Capital Debt Repayment Margin: The amount of money remaining after all operating expenses, taxes, family living costs, and scheduled debt payments have been made. It is the money left, after paying all expenses, which is available for purchasing/financing new machinery, equipment, land or livestock.

Replacement Margin: The replacement margin is the amount of income remaining after paying principal and interest on term loans and unfunded (cash) capital purchases.

Term Debt Coverage Ratio: The term debt coverage ratio measures the ability of the business to cover all term debt payments. A number less than 100 percent indicates that the business, plus non-farm income, is not generating sufficient cash to meet all of the debt payments, after family living expenses and taxes have been paid. A number greater than 100 indicates the business is generating sufficient cash to pay all term debt obligations with some surplus margin remaining.

Replacement Margin Coverage Ratio: This represents the ability to term debt and unfunded capital purchases. A ratio under 1.0 indicated that you did not generate enough income to cover term debt payments and unfunded capital purchases.

Efficiency

These measures reflect the relationships between expense and income items to revenue and the efficiency of the farm business with regard to the use of cash and capital assets.

Asset Turnover: Asset turnover is a measure of how efficiently assets are used in the business. A farm with good operating profit margin and asset turnover will show a strong rate of return on farm assets. If operating profit margin is low, the asset turnover rate must be strong, or vice versa, to maintain the rate of return on assets.

Operating Expense Ratio: This ratio indicates the percent of the gross farm income, which is used to pay the operating expenses. Operating expenses do not include interest or depreciation expense.

Depreciation Expense Ratio: This ratio indicates the percent of the gross farm income, which is used to cover the depreciation expense.

Interest Expense Ratio: This ratio indicates the percent of the gross farm income, which is used to pay farm interest expenses.

Net Farm Income Ratio: The ratio indicates the percent of the gross farm income, which remains after all expenses.

Crop Production and Marketing Summary

This table contains three sections. The first section reports averages for total acres owned, crop land by tenure and total pasture acres. The next two sections show average price received and average yields for major crops. These tables are sorted on the basis of "Net farm income."

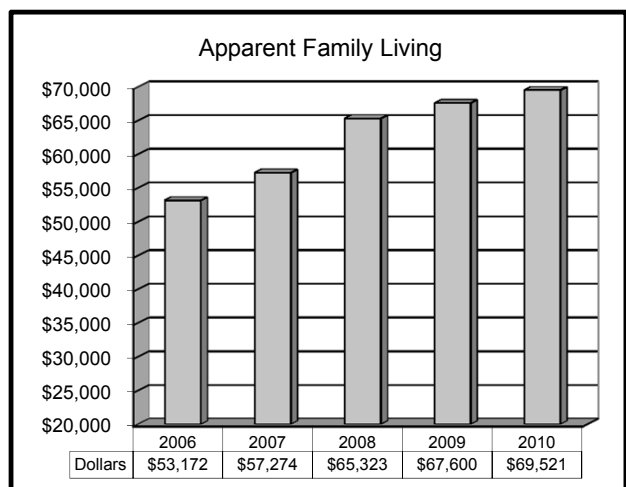
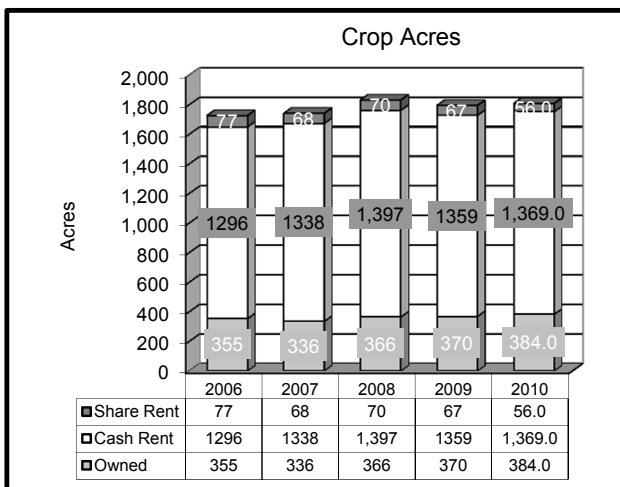
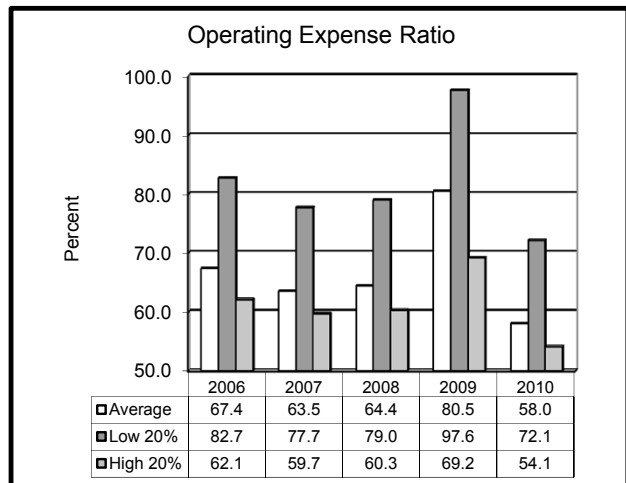
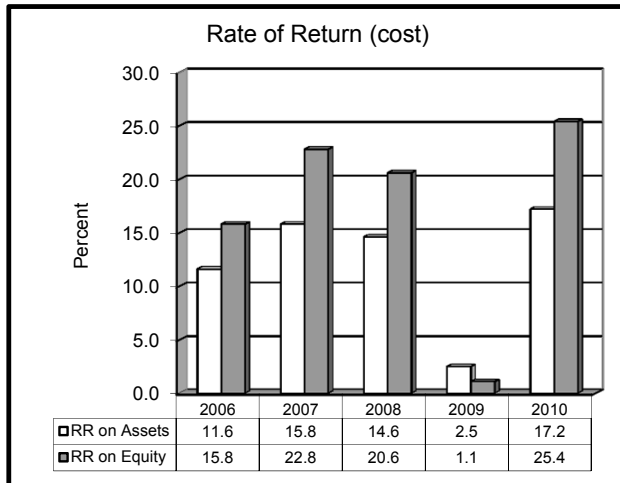
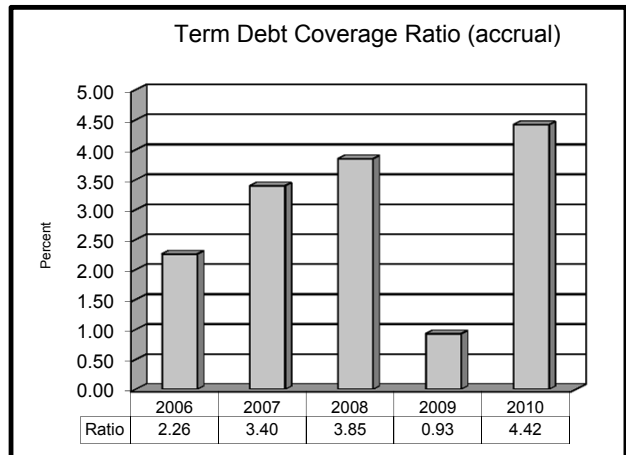
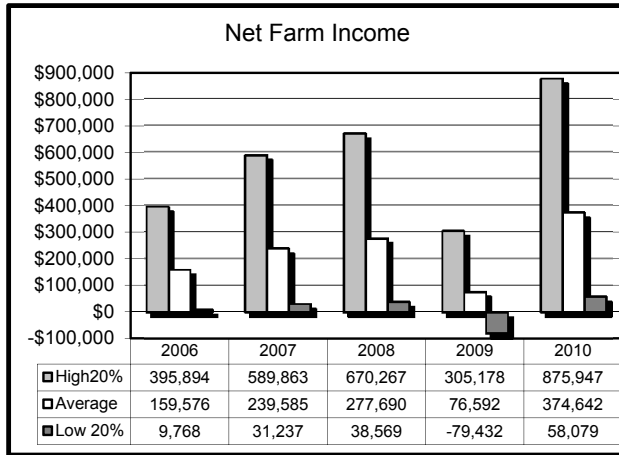
Operator and Labor Information

This table reports the average for the number of operators per farm, the operator's age, and the number of years farming.

Nonfarm Summary

This table also reports nonfarm income. The figure reported is the average over all farms not just those reporting nonfarm income.

Five Year Trend of Financial Measures Red River Valley Farm Business Management Education



Farm Income Statement
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2010
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	249	49	50	50
Cash Farm Income				
Barley	2,071	1,150	-	6,686
Beans, Black Turtle	2,814	-	6,275	2,578
Beans, Cranberry	764	-	-	3,804
Beans, Dark Red Kidney	888	415	-	4,016
Beans, Navy	5,181	1,973	4,062	12,012
Beans, Pink	189	-	-	942
Beans, Pinto	3,697	-	15,831	2,377
Canola	172	-	855	-
Corn	146,414	76,112	111,184	216,158
Corn Silage	415	-	2,067	-
Hay, Alfalfa	542	590	991	749
Potatoes	10,538	-	-	2,922
Potatoes, Seed	2,653	-	4,995	-
Soybeans	244,175	104,738	186,650	401,097
Straw	1,063	49	102	114
Sugar Beets	239,549	26,174	180,250	652,766
Sunflowers	5,207	1,441	3,602	6,801
Sunflowers, Confectionary	681	-	317	1,935
Wheat, Spring	123,867	35,686	106,861	235,715
Wheat, Winter	638	377	120	1,476
Soybeans, Organic	314	1,594	-	-
Soybeans, Food	2,492	3,484	4,050	1,977
Hay, Alfalfa, Organic	747	-	-	-
Corn, Blue, Organic	160	813	-	-
Miscellaneous crop income	200	118	-	15
Beef Cow-Calf, Beef Calves	186	-	698	230
Beef Backgrounding	561	-	-	366
Beef Finishing	1,662	-	-	7,905
Hogs, Farrow To Finish, Raised Ho	3,761	-	11,628	7,100
Cull breeding livestock	162	26	-	582
Misc. livestock income	132	-	146	-
Direct & CC govt payments	28,044	10,848	24,578	46,552
CRP payments	1,420	75	2,165	2,831
Other government payments	10,273	8,615	11,712	13,753
Custom work income	10,206	6,389	4,002	10,166
Patronage dividends, cash	12,828	3,593	8,915	29,760
Insurance income	40,639	16,925	25,677	57,192
Sale of resale items	1,317	-	66	5
Other farm income	24,655	12,110	26,372	47,012
Gross Cash Farm Income	931,278	313,295	744,170	1,777,593

Farm Income Statement (Continued)
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2010
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	249	49	50	50
Cash Farm Expense				
Seed	104,098	40,076	76,221	182,692
Fertilizer	106,082	26,112	87,829	202,216
Crop chemicals	49,273	17,331	35,971	98,804
Crop insurance	31,423	15,440	25,574	51,998
Drying expense	4,555	1,981	3,672	8,443
Storage	505	218	89	836
Irrigation energy	205	-	-	-
Crop custom hire	150	-	138	-
Crop hauling and trucking	1,610	423	103	4,752
Crop marketing	408	7	350	367
Crop miscellaneous	6,132	947	3,546	11,692
Feeder livestock purchase	541	-	7	1,487
Purchased feed	1,788	38	4,960	3,490
Breeding fees	69	-	169	177
Veterinary	144	35	241	340
Supplies	227	181	660	250
Livestock hauling and trucking	79	-	-	395
Livestock marketing	143	-	614	97
Interest	35,165	18,686	33,965	50,586
CCC buyback	11,496	5,200	12,967	23,156
Fuel & oil	46,513	19,221	36,073	83,335
Repairs	63,114	29,131	53,811	110,808
Custom hire	12,711	6,517	12,601	22,471
Hired labor	36,408	8,986	19,273	84,725
Land rent	114,019	41,103	84,629	213,391
Stock/quota lease	21,869	3,125	20,317	58,804
Machinery leases	8,932	4,055	5,751	12,732
Building leases	1,564	387	1,412	3,166
Real estate taxes	6,212	2,708	6,139	9,525
Farm insurance	11,037	4,816	8,826	19,968
Utilities	8,613	4,750	6,402	13,465
Dues & professional fees	6,111	3,966	5,311	9,424
Purchase of resale items	3,673	656	912	7,350
Miscellaneous	7,105	3,355	7,475	9,735
Total cash expense	701,977	259,453	556,008	1,300,679
Net cash farm income	229,301	53,841	188,162	476,915
Inventory Changes				
Prepays and supplies	23,444	2,643	20,259	36,050
Accounts receivable	4,916	-8,579	7,531	8,931
Hedging accounts	-12,587	-749	-12,767	-36,169
Other current assets	-1,311	-647	-5,013	-390
Crops and feed	177,398	17,612	136,929	475,594
Market livestock	-230	669	689	-2,817
Breeding livestock	232	163	1,016	-340
Other assets	5,410	78	2,273	16,118
Accounts payable	3,317	6,216	-1,071	3,003
Accrued interest	-128	-104	-522	369
Total inventory change	200,459	17,300	149,325	500,349
Net operating profit	429,759	71,142	337,487	977,264
Depreciation				
Machinery and equipment	-51,516	-11,654	-46,614	-97,622
Titled vehicles	-3,536	-1,854	-3,346	-4,660
Buildings and improvements	-3,085	-1,201	-2,240	-5,444
Total depreciation	-58,137	-14,709	-52,200	-107,726
Net farm income from operations	371,622	56,433	285,287	869,538
Gain or loss on capital sales	3,020	1,647	2,347	6,409
Net farm income	374,642	58,079	287,634	875,947

Inventory Changes
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2010
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	249	49	50	50
Net cash farm income	229,301	53,841	188,162	476,915
Crops and Feed				
Ending inventory	577,110	143,246	387,268	1,361,116
Beginning inventory	399,712	125,634	250,339	885,522
Inventory change	177,398	17,612	136,929	475,594
Market Livestock				
Ending inventory	2,252	669	4,587	2,766
Beginning inventory	2,483	-	3,898	5,582
Inventory change	-230	669	689	-2,817
Accts Receivable				
Ending inventory	56,739	15,237	46,669	94,788
Beginning inventory	51,823	23,816	39,137	85,858
Inventory change	4,916	-8,579	7,531	8,931
Prepaid Expenses and Supplies				
Ending inventory	99,313	15,863	78,313	212,011
Beginning inventory	75,869	13,221	58,054	175,960
Inventory change	23,444	2,643	20,259	36,050
Hedging Activities				
Ending inventory	5,389	64	2,934	14,565
Withdrawals	2,563	16	342	11,850
Beginning inventory	3,911	499	2,900	10,901
Deposits	16,629	331	13,143	51,683
Gain or loss	-12,587	-749	-12,767	-36,169
Other Current Assets				
Ending inventory	697	109	179	2,700
Beginning inventory	2,008	756	5,191	3,090
Inventory change	-1,311	-647	-5,013	-390
Breeding Livestock				
Ending inventory	2,033	571	1,557	2,300
Capital sales	336	-	1,027	326
Beginning inventory	2,017	-	1,568	2,966
Capital purchases	120	408	-	-
Depreciation, capital adjust	232	163	1,016	-340
Other Capital Assets				
Ending inventory	218,094	41,756	146,574	540,744
Capital sales	5,160	575	3,600	11,992
Beginning inventory	208,276	42,253	142,910	513,762
Capital purchases	9,568	-	4,990	22,856
Depreciation, capital adjust	5,410	78	2,273	16,118
Accounts Payable				
Beginning inventory	30,112	18,149	22,504	41,442
Ending inventory	26,795	11,933	23,574	38,439
Inventory change	3,317	6,216	-1,071	3,003
Accrued Interest				
Beginning inventory	15,234	9,281	14,240	22,988
Ending inventory	15,362	9,385	14,775	22,598
Inventory change	-128	-104	-522	369
Total inventory change	200,459	17,300	149,325	500,349
Net operating profit	429,759	71,142	337,487	977,264

Depreciation
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2010
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	249	49	50	50
Net operating profit	429,759	71,142	337,487	977,264
Machinery and Equipment				
Ending inventory	530,530	158,772	455,237	964,781
Capital sales	11,772	7,191	6,869	17,880
Beginning inventory	463,128	157,461	408,297	815,917
Capital purchases	130,691	20,156	100,424	264,365
Depreciation, capital adjust.	-51,516	-11,654	-46,614	-97,622
Titled Vehicles				
Ending inventory	30,174	19,562	32,263	47,428
Capital sales	481	525	-	360
Beginning inventory	26,505	15,301	24,079	42,004
Capital purchases	7,686	6,641	11,529	10,444
Depreciation, capital adjust.	-3,536	-1,854	-3,346	-4,660
Buildings and Improvements				
Ending inventory	111,489	29,740	100,243	203,717
Capital sales	326	816	24	800
Beginning inventory	98,956	28,333	87,650	172,667
Capital purchases	15,944	3,424	14,857	37,295
Depreciation, capital adjust.	-3,085	-1,201	-2,240	-5,444
Total depreciation, capital adj.	-58,137	-14,709	-52,200	-107,726
Net farm income from operations	371,622	56,433	285,287	869,538
Gain or loss on capital sales	3,020	1,647	2,347	6,409
Net farm income	374,642	58,079	287,634	875,947

Profitability Measures
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2010
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	249	49	50	50
Profitability (assets valued at cost)				
Net farm income from operations	371,622	56,433	285,287	869,538
Rate of return on assets	17.2 %	7.2 %	16.4 %	20.7 %
Rate of return on equity	25.4 %	11.4 %	25.1 %	28.6 %
Operating profit margin	30.6 %	14.4 %	29.9 %	35.4 %
Asset turnover rate	56.1 %	49.9 %	55.0 %	58.5 %
Farm interest expense	35,293	18,789	34,487	50,217
Value of operator lbr and mgmt.	70,127	28,885	58,692	131,740
Return on farm assets	336,788	46,337	261,083	788,015
Average farm assets	1,961,413	643,727	1,588,333	3,802,852
Return on farm equity	301,495	27,547	226,596	737,798
Average farm equity	1,185,119	242,438	902,492	2,578,487
Value of farm production	1,100,197	321,228	873,957	2,226,193

Liquidity & Repayment Capacity Measures
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2010
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	249	49	50	50
Liquidity				
Current ratio	2.12	1.32	1.96	2.57
Working capital	351,297	51,071	261,329	924,714
Working capital to gross inc	36.6 %	16.2 %	30.5 %	45.3 %
Current assets	665,791	211,233	534,736	1,513,659
Current liabilities	314,494	160,162	273,407	588,945
Gross revenues (accrual)	960,536	315,816	857,879	2,039,935
Repayment capacity				
Net farm income from operations	371,622	56,433	285,287	869,538
Depreciation	58,137	14,709	52,200	107,726
Personal income	19,151	27,696	18,558	19,621
Family living/owner withdrawals	-69,521	-43,752	-63,069	-108,680
Payments on personal debt	-5,733	-5,278	-7,264	-4,362
Income taxes paid	-19,674	-7,460	-17,719	-38,134
Interest on term debt	25,673	14,833	27,060	35,389
Capital debt repayment capacity	379,654	57,180	295,052	881,097
Scheduled term debt payments	-85,921	-39,424	-78,644	-140,035
Capital debt repayment margin	293,733	17,756	216,408	741,062
Cash replacement allowance	-20,086	-8,024	-18,457	-34,329
Replacement margin	273,647	9,732	197,951	706,733
Term debt coverage ratio	4.42	1.45	3.75	6.29
Replacement coverage ratio	3.58	1.21	3.04	5.05

Balance Sheet at Cost Values
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2010
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	212	46	46	31
Assets				
Current Farm Assets				
Cash and checking balance	27,846	12,717	12,594	65,663
Prepaid expenses & supplies	85,312	15,554	67,914	187,403
Growing crops	14	-	63	-
Accounts receivable	54,549	13,912	48,821	111,840
Hedging accounts	5,209	68	1,830	18,157
Crops held for sale or feed	442,296	146,307	347,854	1,003,677
Crops under government loan	47,881	21,847	50,542	122,817
Market livestock held for sale	2,081	712	4,986	980
Other current assets	604	116	131	3,122
Total current farm assets	665,791	211,233	534,736	1,513,659
Intermediate Farm Assets				
Breeding livestock	1,740	609	1,692	-
Machinery and equipment	455,021	151,584	432,305	811,366
Titled vehicles	27,029	19,360	33,038	43,177
Other intermediate assets	143,599	27,825	111,439	422,737
Total intermediate farm assets	627,390	199,377	578,473	1,277,281
Long Term Farm Assets				
Farm land	418,380	198,704	411,808	632,665
Buildings and improvements	94,083	29,271	96,033	168,297
Other long-term assets	37,795	14,015	14,343	87,756
Total long-term farm assets	550,258	241,990	522,184	888,717
Total Farm Assets	1,843,439	652,601	1,635,393	3,679,657
Total Nonfarm Assets	241,623	128,703	213,118	380,029
Total Assets	2,085,062	781,303	1,848,512	4,059,686
Liabilities				
Current Farm Liabilities				
Accrued interest	14,035	9,634	14,322	24,781
Accounts payable	23,535	10,441	23,226	44,440
Current notes	192,306	104,864	157,668	343,387
Government crop loans	20,426	9,826	21,809	53,610
Principal due on term debt	64,193	25,397	56,382	122,726
Total current farm liabilities	314,494	160,162	273,407	588,945
Total intermediate farm liabs	163,191	70,037	167,244	276,423
Total long term farm liabilities	257,522	180,293	266,004	333,210
Total farm liabilities	735,208	410,491	706,655	1,198,577
Total nonfarm liabilities	75,660	48,636	64,169	119,892
Total liabilities	810,868	459,128	770,824	1,318,470
Net worth (farm and nonfarm)	1,274,194	322,175	1,077,688	2,741,216
Net worth change	269,511	33,361	240,128	689,196
Percent net worth change	27 %	12 %	29 %	34 %
Ratio Analysis				
Current farm liabilities / assets	47 %	76 %	51 %	39 %
Intermediate farm liab. / assets	26 %	35 %	29 %	22 %
Long term farm liab. / assets	47 %	75 %	51 %	37 %
Total debt to asset ratio	39 %	59 %	42 %	32 %

Balance Sheet at Market Values
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2010
(Farms Sorted By Net Farm Income)

	<u>Avg. Of</u> <u>All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	212	46	46	31
Assets				
Current Farm Assets				
Cash and checking balance	27,846	12,717	12,594	65,663
Prepaid expenses & supplies	85,312	15,554	67,914	187,403
Growing crops	14	-	63	-
Accounts receivable	54,549	13,912	48,821	111,840
Hedging accounts	5,209	68	1,830	18,157
Crops held for sale or feed	442,296	146,307	347,854	1,003,677
Crops under government loan	47,881	21,847	50,542	122,817
Market livestock held for sale	2,081	712	4,986	980
Other current assets	604	116	131	3,122
Total current farm assets	665,791	211,233	534,736	1,513,659
Intermediate Farm Assets				
Breeding livestock	1,740	609	1,692	-
Machinery and equipment	565,495	199,335	518,628	1,031,446
Titled vehicles	31,399	21,142	37,750	57,396
Other intermediate assets	215,099	44,297	170,156	655,898
Total intermediate farm assets	813,734	265,383	728,226	1,744,740
Long Term Farm Assets				
Farm land	725,211	401,455	676,849	1,067,762
Buildings and improvements	111,784	32,922	105,432	200,319
Other long-term assets	40,608	14,223	14,673	97,192
Total long-term farm assets	877,603	448,600	796,954	1,365,273
Total Farm Assets	2,357,128	925,215	2,059,916	4,623,672
Total Nonfarm Assets	273,735	145,542	238,892	432,143
Total Assets	2,630,863	1,070,758	2,298,808	5,055,815
Liabilities				
Current Farm Liabilities				
Accrued interest	14,035	9,634	14,322	24,781
Accounts payable	23,535	10,441	23,226	44,440
Current notes	192,306	104,864	157,668	343,387
Government crop loans	20,426	9,826	21,809	53,610
Principal due on term debt	64,193	25,397	56,382	122,726
Total current farm liabilities	314,494	160,162	273,407	588,945
Total intermediate farm liab	163,191	70,037	167,244	276,423
Total long term farm liabilities	257,522	180,293	266,004	333,210
Total farm liabilities	735,208	410,491	706,655	1,198,577
Total nonfarm liabilities	75,660	48,636	64,169	119,892
Total liab excluding deferreds	810,868	459,128	770,824	1,318,470
Total deferred liabilities	263,755	90,352	214,059	598,585
Total liabilities	1,074,623	549,480	984,883	1,917,055
Retained earnings	1,274,194	322,175	1,077,688	2,741,216
Market valuation equity	282,045	199,103	236,237	397,544
Net worth (farm and nonfarm)	1,556,240	521,278	1,313,925	3,138,760
Net worth excluding deferreds	1,819,995	611,630	1,527,984	3,737,346
Net worth change	382,423	107,430	290,039	894,855
Percent net worth change	33 %	26 %	28 %	40 %
Ratio Analysis				
Current farm liabilities / assets	47 %	76 %	51 %	39 %
Intermediate farm liab. / assets	20 %	26 %	23 %	16 %
Long term farm liab. / assets	29 %	40 %	33 %	24 %
Total debt to asset ratio	41 %	51 %	43 %	38 %
Debt to assets excl deferreds	31 %	43 %	34 %	26 %

Statement Of Cash Flows
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2010
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	249	49	50	50
Beginning cash (farm & nonfarm)	40,311	10,765	14,996	87,231
Cash Provided By Operating Activities				
Gross cash farm income	931,278	313,295	744,170	1,777,593
Total cash farm expense	-701,977	-259,453	-556,008	-1,300,679
Net cash from hedging transactions	-14,066	-314	-12,801	-39,833
Cash provided by operating	215,235	53,527	175,361	437,082
Cash Provided By Investing Activities				
Sale of breeding livestock	336	-	1,027	326
Sale of machinery & equipment	12,061	7,191	6,893	18,028
Sale of titled vehicles	479	505	-	370
Sale of farm land	3,282	11,714	137	4,580
Sale of farm buildings	427	1,327	24	800
Sale of other farm assets	7,662	1,068	5,922	18,242
Sale of nonfarm assets	4,638	1,801	3,558	14,604
Purchase of breeding livestock	-120	-408	-	-
Purchase of machinery & equip.	-130,691	-20,156	-100,424	-264,365
Purchase of titled vehicles	-7,686	-6,641	-11,529	-10,444
Purchase of farm land	-30,595	-10,112	-34,483	-37,976
Purchase of farm buildings	-15,944	-3,424	-14,857	-37,295
Purchase of other farm assets	-9,568	-	-4,990	-22,856
Purchase of nonfarm assets	-23,902	-10,000	-15,602	-55,289
Cash provided by investing	-189,621	-27,135	-164,322	-371,275
Cash Provided By Financing Activities				
Money borrowed	558,685	220,472	468,138	958,390
Principal payments	-512,215	-212,667	-414,805	-895,060
Personal income	19,151	27,696	18,558	19,621
Family living/owner withdrawals	-69,521	-43,752	-63,069	-108,680
Income and social security tax	-19,674	-7,460	-17,719	-38,134
Capital contributions	119	-	-	-
Capital distributions	-164	-439	-	-387
Dividends paid	-	-	-	-
Cash gifts and inheritances	4,908	1,826	7,339	200
Gifts given	-1,669	-1,020	-249	-1,051
Other cash flows	-	-	-	-
Cash provided by financing	-20,381	-15,345	-1,807	-65,102
Net change in cash balance	5,233	11,047	9,232	705
Ending cash (farm & nonfarm)	45,544	21,812	24,228	87,936

Financial Standards Measures
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2010
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	249	49	50	50
Liquidity				
Current ratio	2.12	1.32	1.96	2.57
Working capital	351,297	51,071	261,329	924,714
Working capital to gross inc	36.6 %	16.2 %	30.5 %	45.3 %
Solvency (market)				
Farm debt to asset ratio	41 %	52 %	44 %	36 %
Farm equity to asset ratio	59 %	48 %	56 %	64 %
Farm debt to equity ratio	0.68	1.06	0.78	0.57
Profitability (cost)				
Rate of return on farm assets	17.2 %	7.2 %	16.4 %	20.7 %
Rate of return on farm equity	25.4 %	11.4 %	25.1 %	28.6 %
Operating profit margin	30.6 %	14.4 %	29.9 %	35.4 %
Net farm income	374,642	58,079	287,634	875,947
EBIDTA	465,052	89,931	371,974	1,027,481
Repayment Capacity				
Capital debt repayment capacity	379,654	57,180	295,052	881,097
Capital debt repayment margin	293,733	17,756	216,408	741,062
Replacement margin	273,647	9,732	197,951	706,733
Term debt coverage ratio	4.42	1.45	3.75	6.29
Replacement coverage ratio	3.58	1.21	3.04	5.05
Efficiency				
Asset turnover rate (cost)	56.1 %	49.9 %	55.0 %	58.5 %
Operating expense ratio	58.0 %	72.1 %	57.7 %	54.1 %
Depreciation expense ratio	5.3 %	4.6 %	5.9 %	4.8 %
Interest expense ratio	3.2 %	5.8 %	3.9 %	2.3 %
Net farm income ratio	33.9 %	18.0 %	32.7 %	39.1 %

Crop Production and Marketing Summary
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2010
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	249	49	50	50
Acreage Summary				
Total acres owned	408	201	450	526
Total crop acres	1,811	730	1,482	3,151
Crop acres owned	384	177	385	504
Crop acres cash rented	1,369	531	1,072	2,534
Crop acres share rented	58	22	25	113
Total pasture acres	4	-	-	-
Percent crop acres owned	21 %	24 %	26 %	16 %
Average Price Received (Cash Sales Only)				
Soybeans per bushel	9.57	9.41	9.51	9.49
Wheat, Spring per bushel	4.86	4.47	5.51	4.88
Corn per bushel	3.19	3.36	3.32	3.36
Sugar Beets per ton	55.55	-	-	-
Sunflowers per cwt	18.84	-	-	-
Beans, Navy per cwt	25.53	-	-	-
Beans, Black Turtle per cwt	26.51	-	-	-
Hay, Alfalfa per ton	90.69	-	-	-
Wheat, Winter per bushel	4.58	-	-	-
Soybeans, Food per bushel	11.91	-	-	-
Average Yield Per Acre				
Soybeans (bushel)	36.32	32.73	35.90	37.48
Wheat, Spring (bushel)	64.13	54.74	65.57	66.67
Sugar Beets (ton)	27.28	23.86	27.09	27.95
Corn (bushel)	148.13	137.87	145.59	155.42
Soybeans, Food (bushel)	34.64	26.10	35.29	-
Beans, Navy (cwt)	14.08	-	18.01	15.96
Beans, Pinto (cwt)	17.54	-	17.02	-
Sunflowers (cwt)	10.52	-	-	-
Sunflowers, Confectionary (cwt)	12.10	-	-	-
Wheat, Winter (bushel)	58.01	-	-	-
Hay, Alfalfa (ton)	3.61	-	-	-
Beans, Black Turtle (cwt)	15.01	-	-	-
Barley (bushel)	76.52	-	-	-
Hay, Alfalfa, Organic (ton)	3.17	-	-	-
Soybeans, Organic (bushel)	31.65	-	-	-

Operator and Labor Information
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2010
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	249	49	50	50
Operator Information				
Average number of operators	1.1	0.9	1.0	1.5
Average age of operators	45.0	40.3	47.2	47.4
Average number of years farming	22.0	16.3	23.1	25.8
Results Per Operator				
Working capital	409,036	57,566	276,553	785,037
Total assets (market)	2,588,104	1,241,372	2,385,230	3,458,999
Total liabilities	1,059,834	613,485	1,003,464	1,336,091
Net worth (market)	1,528,270	627,887	1,381,765	2,122,908
Net worth excl deferred liabs	1,806,743	727,442	1,611,496	2,570,124
Gross farm income	983,797	354,636	854,210	1,472,710
Total farm expense	653,295	292,469	577,232	900,646
Net farm income from operations	330,502	62,167	276,978	572,064
Net nonfarm income	17,032	30,510	18,017	12,909
Family living & tax withdrawals	79,326	56,417	78,435	96,589
Total acres owned	362.8	221.9	436.9	346.1
Total crop acres	1,610.4	804.1	1,439.2	2,072.9
Crop acres owned	341.3	195.4	374.2	331.5
Crop acres cash rented	1,217.7	585.0	1,040.5	1,667.3
Crop acres share rented	51.4	23.7	24.5	74.1
Total pasture acres	3.2	-	-	-
Labor Analysis				
Number of farms	248	48	50	50
Total unpaid labor hours	1,772	1,155	1,830	2,418
Total hired labor hours	1,885	633	1,027	4,390
Total labor hours per farm	3,658	1,788	2,857	6,808
Unpaid hours per operator	1,576	1,275	1,777	1,591

Nonfarm Summary
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2010
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	249	49	50	50
Nonfarm Income				
Personal wages & salary	14,855	20,524	14,802	16,126
Net nonfarm business income	1,343	3,565	1,563	410
Personal rental income	128	-	1	560
Personal interest income	167	40	223	142
Personal cash dividends	7	3	2	-
Tax refunds	487	1,116	292	260
Other nonfarm income	2,165	2,448	1,674	2,124
Total nonfarm income	19,151	27,696	18,558	19,621
Gifts and inheritances	4,908	1,826	7,339	200

Financial Summary
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2010
(Farms Sorted By Gross Farm Income)

	<u>Avg. Of All Farms</u>	<u>50,001 - 100,000</u>	<u>100,001 - 250,000</u>	<u>250,001 - 500,000</u>	<u>500,001 - 1,000,000</u>	<u>Over 1,000,000</u>
Number of farms	249	5	18	46	93	83
Income Statement						
Gross cash farm income	931,278	69,384	167,560	371,689	739,512	1,717,749
Total cash farm expense	701,977	51,120	117,494	283,097	560,375	1,291,041
Net cash farm income	229,301	18,265	50,066	88,592	179,138	426,709
Inventory change	200,459	15,574	22,378	82,701	178,933	347,868
Depreciation	-58,137	-2,884	-8,725	-19,099	-52,178	-103,213
Net farm income from operations	371,622	30,954	63,719	152,194	305,893	671,363
Gain or loss on capital sales	3,020	-	-	2,543	2,967	4,326
Average net farm income	374,642	30,954	63,719	154,736	308,860	675,688
Median net farm income	289,594	28,774	54,595	137,397	281,061	627,929
Profitability (cost)						
Rate of return on assets	17.2 %	28.0 %	15.1 %	16.5 %	16.8 %	17.5 %
Rate of return on equity	25.4 %	82.2 %	27.4 %	27.6 %	25.1 %	25.3 %
Operating profit margin	30.6 %	31.8 %	28.0 %	30.3 %	31.1 %	30.4 %
Asset turnover rate	56.1 %	87.9 %	54.0 %	54.3 %	53.9 %	57.6 %
Liquidity & Repayment (end of year)						
Current assets	665,791	55,364	110,614	312,730	647,719	1,227,425
Current liabilities	314,494	32,230	59,772	164,579	305,092	564,254
Current ratio	2.12	1.72	1.85	1.90	2.12	2.18
Working capital	351,297	23,133	50,842	148,150	342,626	663,171
Working capital to gross inc	36.6 %	27.0 %	27.2 %	33.5 %	38.0 %	36.4 %
Term debt coverage ratio	4.42	3.70	3.01	4.04	4.22	4.64
Replacement coverage ratio	3.58	3.36	2.47	3.24	3.30	3.84
Solvency (end of year at market)						
Number of sole proprietors	212	5	17	46	82	58
Total farm assets	2,357,128	154,879	587,505	1,136,222	2,338,074	4,193,786
Total farm liabilities	957,784	83,114	226,612	507,541	960,980	1,648,313
Total assets	2,630,863	267,152	670,618	1,306,710	2,591,326	4,661,827
Total liabilities	1,074,623	162,554	269,604	568,243	1,047,379	1,882,846
Net worth	1,556,240	104,597	401,014	738,467	1,543,947	2,778,981
Net worth change	382,423	63,889	110,755	199,407	340,067	715,408
Farm debt to asset ratio	41 %	54 %	39 %	45 %	41 %	39 %
Total debt to asset ratio	41 %	61 %	40 %	43 %	40 %	40 %
Nonfarm Information						
Net nonfarm income	19,151	52,357	25,301	23,152	15,000	16,729
Crop Acres						
Total acres owned	408	32	105	248	418	587
Total crop acres	1,811	167	377	901	1,524	3,126
Total crop acres owned	384	27	104	235	384	560
Total crop acres cash rented	1,369	140	249	637	1,106	2,451
Total crop acres share rented	58	-	24	29	33	115

Financial Summary
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2010
(Farms Sorted By Age Of Operator)

	<u>Avg. Of All Farms</u>	<u>Less Than 31</u>	<u>31 - 40</u>	<u>41 - 50</u>	<u>51 - 60</u>	<u>Over 60</u>
Number of farms	249	29	66	60	76	18
Income Statement						
Gross cash farm income	931,278	433,833	887,747	1,056,776	1,031,719	1,049,917
Total cash farm expense	701,977	340,991	674,373	806,125	763,236	778,975
Net cash farm income	229,301	92,843	213,374	250,651	268,483	270,941
Inventory change	200,459	84,542	175,992	238,592	241,287	177,425
Depreciation	-58,137	-19,996	-46,564	-67,370	-74,466	-62,298
Net farm income from operations	371,622	157,389	342,803	421,873	435,304	386,068
Gain or loss on capital sales	3,020	828	2,776	739	6,583	-
Average net farm income	374,642	158,216	345,578	422,613	441,887	386,068
Median net farm income	289,594	124,190	266,403	360,493	358,939	238,719
Profitability (cost)						
Rate of return on assets	17.2 %	20.9 %	20.5 %	17.2 %	15.6 %	14.6 %
Rate of return on equity	25.4 %	46.7 %	34.1 %	25.8 %	21.7 %	18.9 %
Operating profit margin	30.6 %	28.4 %	29.4 %	30.8 %	32.2 %	28.3 %
Asset turnover rate	56.1 %	73.5 %	69.7 %	55.8 %	48.6 %	51.4 %
Liquidity & Repayment (end of year)						
Current assets	665,791	255,761	629,376	757,426	815,364	559,566
Current liabilities	314,494	151,376	313,712	365,795	360,213	230,630
Current ratio	2.12	1.69	2.01	2.07	2.26	2.43
Working capital	351,297	104,385	315,663	391,632	455,151	328,936
Working capital to gross inc	36.6 %	22.8 %	33.9 %	35.5 %	40.7 %	41.8 %
Term debt coverage ratio	4.42	4.23	4.91	4.22	4.15	5.42
Replacement coverage ratio	3.58	3.83	4.17	3.43	3.31	3.78
Solvency (end of year at market)						
Number of sole proprietors	212	25	60	47	65	15
Total farm assets	2,357,128	802,554	1,838,654	2,703,571	3,188,953	2,331,887
Total farm liabilities	957,784	481,150	820,787	1,124,982	1,204,869	705,577
Total assets	2,630,863	860,365	2,005,457	3,091,629	3,532,945	2,730,561
Total liabilities	1,074,623	534,207	954,799	1,291,646	1,290,725	838,167
Net worth	1,556,240	326,158	1,050,658	1,799,984	2,242,220	1,892,393
Net worth change	382,423	130,939	313,472	395,425	519,939	440,719
Farm debt to asset ratio	41 %	60 %	45 %	42 %	38 %	30 %
Total debt to asset ratio	41 %	62 %	48 %	42 %	37 %	31 %
Nonfarm Information						
Net nonfarm income	19,151	12,523	24,779	14,475	21,118	16,472
Crop Acres						
Total acres owned	408	118	237	451	615	483
Total crop acres	1,811	827	1,718	2,170	1,928	2,039
Total crop acres owned	384	81	214	479	558	438
Total crop acres cash rented	1,369	723	1,474	1,617	1,295	1,512
Total crop acres share rented	58	24	30	74	75	89

Financial Summary
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2010
(Farms Sorted By County)

	Avg. Of All Farms	Clay	Marshall	Norman	Polk	Wilkin	Cass	Richland	Walsh
Number of farms	249	42	12	36	35	46	17	37	5
Income Statement									
Gross cash farm income	931,278	1,134,932	713,642	1,096,096	1,231,507	688,990	757,872	803,593	264,880
Total cash farm expense	701,977	863,750	569,725	822,759	904,801	527,810	551,448	595,884	204,642
Net cash farm income	229,301	271,181	143,918	273,337	326,706	161,179	206,424	207,709	60,238
Inventory change	200,459	258,096	75,661	194,509	306,847	180,344	101,933	199,972	20,030
Depreciation	-58,137	-64,914	-44,398	-56,395	-86,765	-44,629	-53,196	-56,635	-10,684
Net farm income from operations	371,622	464,363	175,181	411,451	546,788	296,894	255,160	351,046	69,583
Gain or loss on capital sales	3,020	2,452	-	11,664	2,766	669	-	2,740	-
Average net farm income	374,642	466,815	175,181	423,116	549,554	297,563	255,160	353,786	69,583
Median net farm income	289,594	334,641	136,120	330,570	440,725	283,951	216,552	295,072	43,545
Profitability (cost)									
Rate of return on assets	17.2 %	17.9 %	11.3 %	18.0 %	18.0 %	18.4 %	15.8 %	16.8 %	12.8 %
Rate of return on equity	25.4 %	25.5 %	18.9 %	29.9 %	25.6 %	28.2 %	22.1 %	23.5 %	43.2 %
Operating profit margin	30.6 %	31.4 %	20.8 %	30.9 %	31.8 %	31.6 %	27.7 %	32.7 %	20.9 %
Asset turnover rate	56.1 %	57.1 %	54.2 %	58.3 %	56.6 %	58.0 %	57.1 %	51.3 %	61.1 %
Liquidity & Repayment (end of year)									
Current assets	665,791	808,471	416,351	840,642	720,022	519,247	596,579	657,375	-
Current liabilities	314,494	405,052	222,350	449,311	327,642	254,143	219,412	248,685	-
Current ratio	2.12	2.00	1.87	1.87	2.20	2.04	2.72	2.64	1.53
Working capital	351,297	403,420	194,001	391,331	392,380	265,104	377,167	408,690	-
Working capital to gross inc	36.6 %	32.4 %	34.6 %	34.3 %	37.9 %	31.5 %	44.1 %	47.3 %	30.9 %
Term debt coverage ratio	4.42	4.44	2.85	4.60	5.17	4.17	4.28	4.70	2.50
Replacement coverage ratio	3.58	3.52	2.20	3.76	4.51	3.41	3.46	3.59	2.14
Solvency (end of year at market)									
Number of sole proprietors	212	36	10	35	22	45	15	32	3
Total farm assets	2,357,128	3,299,916	1,487,409	3,081,060	1,927,372	1,970,264	1,816,146	2,176,569	-
Total farm liabilities	957,784	1,255,570	845,748	1,146,534	983,966	804,178	700,541	847,089	-
Total assets	2,630,863	3,780,012	1,643,906	3,360,851	2,166,373	2,183,607	2,028,522	2,423,427	-
Total liabilities	1,074,623	1,561,101	886,989	1,358,806	1,062,528	856,878	730,881	869,271	-
Net worth	1,556,240	2,218,911	756,917	2,002,044	1,103,845	1,326,729	1,297,641	1,554,156	-
Net worth change	382,423	553,310	129,029	730,802	254,234	252,481	224,895	319,914	-
Farm debt to asset ratio	41 %	38 %	57 %	37 %	51 %	41 %	39 %	39 %	- %
Total debt to asset ratio	41 %	41 %	54 %	40 %	49 %	39 %	36 %	36 %	- %
Nonfarm Information									
Net nonfarm income	19,151	24,821	17,688	20,895	8,536	23,904	23,421	13,456	34,519
Crop Acres									
Total acres owned	408	435	417	484	430	327	286	429	123
Total crop acres	1,811	2,042	1,656	2,190	2,265	1,241	1,786	1,621	407
Total crop acres owned	384	383	464	438	437	340	223	376	111
Total crop acres cash rented	1,369	1,622	1,192	1,697	1,802	825	1,538	1,132	296
Total crop acres share rented	58	37	-	55	26	76	25	113	-

EXPLANATORY NOTES FOR CROPS TABLES

The "Crop Enterprise Analysis" tables show the average physical production, gross return, direct costs, overhead costs, and net returns per acre. The "Net Return per Acre" is the "Gross Return per Acre" minus the direct and overhead costs. "Net Return" represents the return to the operator's and family's unpaid labor, management, and equity. It represents the return to all of the resources which are owned by the farm family and hence, not purchased or paid a wage. Net returns are also calculated after a charge for unpaid operator labor and management and after an allocation of direct government payments. The last section of each crop table contains breakeven yield measures which provide useful standards or goals for the individual managers.

There are potentially three tables for each crop depending on the farmer's tenure on the land. The crop tables may be for (1) owned land, (2) cash rented land, and (3) share rented land. Individual farms may have data in all three tables if all three land tenure categories are represented in that farm business. When there are less than five farms with a particular crop and tenure, that table is not included in the report. Farms may be classified into the low 20%, the mid 20%, or the high 20% on the basis of net return per acre. The classification is done separately for each table, i.e., an individual farm may be in the low 20% for one crop, the high 20% for a second, and the middle 20% for a third crop. When there are less than 25 total farms with any particular crop and farmer's tenure, only overall averages are presented.

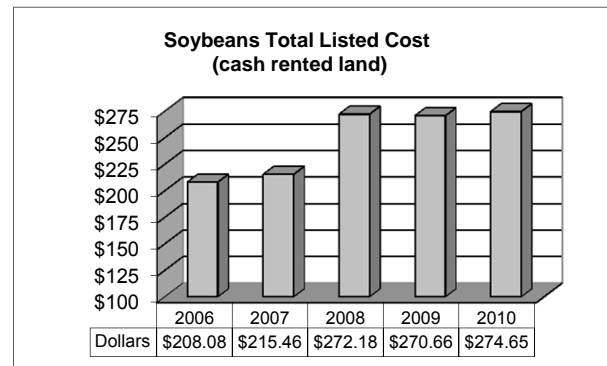
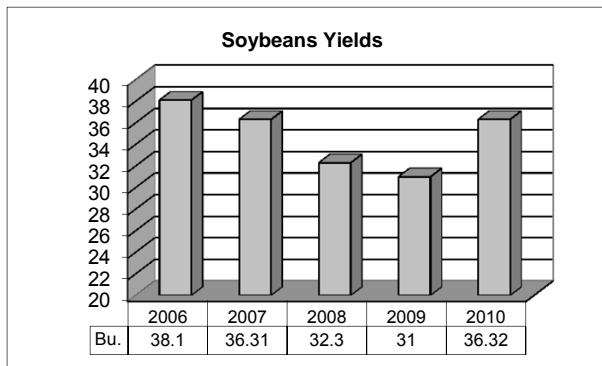
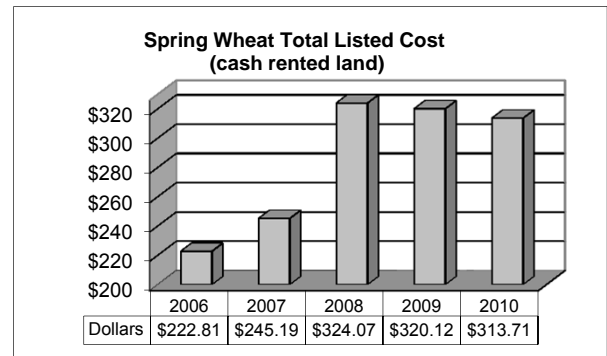
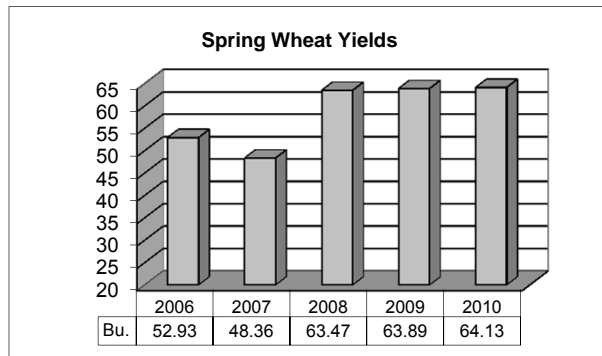
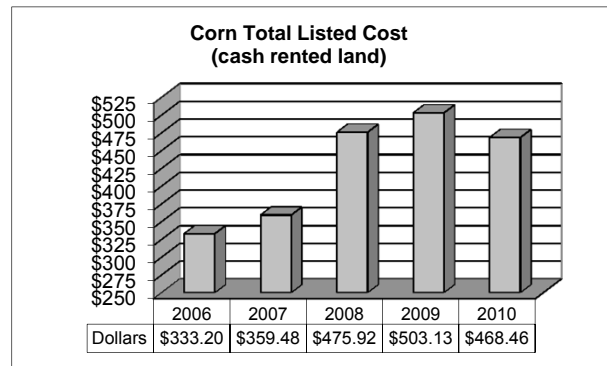
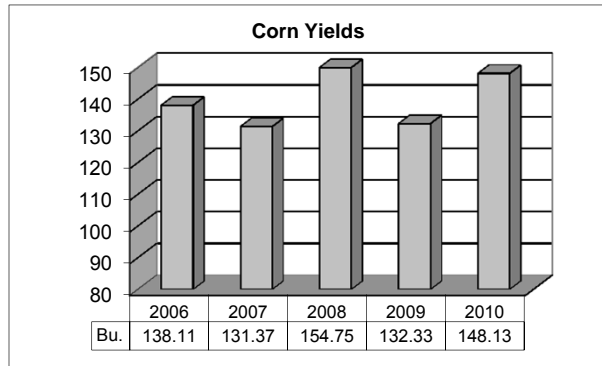
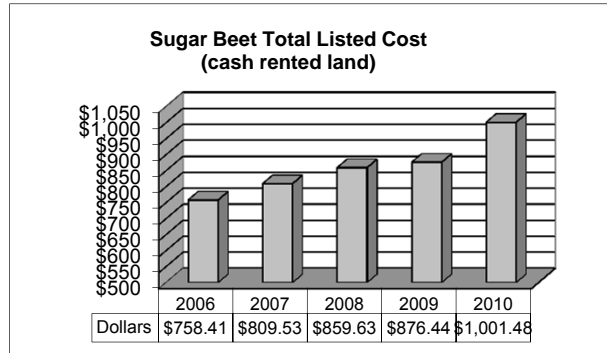
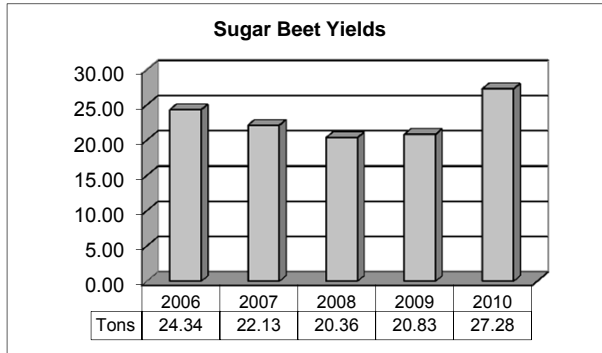
Several cost items, such as "utilities," "hired labor," and "interest paid," are listed under both "direct" and "overhead" costs because some of these costs are specific to that crop whereas others are general overhead costs of the farm. For example, "Direct Lease Payments" refers to non-land inputs or resources leased and used only in that crop enterprise and not listed elsewhere under direct costs; the most common example is the lease of equipment that is crop specific. However, cost of leasing machinery that is used for the entire farm operation is listed as an overhead cost. Interest payments are likewise divided into those incurred directly for a specific crop and those that are not. "Land Rent" is listed as a direct cost for each crop enterprise on cash rented land. In the case of double cropping, one-half of the rent is charged to each crop.

"Total direct expense per unit" and "Total dir & ovhd exp per unit" are calculated by dividing "Total direct expense per acre" and "Total dir & ovhd expenses per acre," respectively, by "Yield per acre." "With labor & management" is the breakeven yield after direct, overhead and a labor and management charge are considered. "Total exp less govt & oth income" is the breakeven yield after all costs (including a labor and management charge) are reduced by government payments and miscellaneous income.

In the last section of the crop table, "machinery cost per acre" is the sum of fuel, repairs, all custom hire and machinery leases, machinery depreciation and interest on intermediate debt.

Rounding of individual items for the report may have caused minor discrepancies with the calculated totals.

Five Year Crop History of Yields and Cost of Production Red River Valley Farm Business Management Education



Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2010
(Farms Sorted By Net Return)

Beans, Black Turtle on Cash Rent

	Avg. Of All Farms
Number of fields	5
Number of farms	5
Acres	289.52
Yield per acre (cwt.)	14.93
Operators share of yield %	100.00
Value per cwt.	27.01
Total product return per acre	403.32
Crop insurance per acre	16.60
Gross return per acre	419.93
Direct Expenses	
Seed	42.60
Fertilizer	59.18
Crop chemicals	58.83
Crop insurance	29.30
Drying expense	0.72
Fuel & oil	20.20
Repairs	26.71
Custom hire	1.91
Hired labor	2.04
Land rent	77.37
Operating interest	8.67
Miscellaneous	2.56
Total direct expenses per acre	330.09
Return over direct exp per acre	89.84
Overhead Expenses	
Custom hire	7.69
Hired labor	12.41
Farm insurance	6.04
Utilities	4.12
Dues & professional fees	1.55
Interest	10.17
Mach & bldg depreciation	29.04
Miscellaneous	4.35
Total overhead expenses per acre	75.38
Total dir & ovhd expenses per acre	405.46
Net return per acre	14.46
Government payments	-
Net return with govt pmts	14.46
Labor & management charge	35.99
Net return over lbr & mgt	-21.53
Cost of Production	
Total direct expense per cwt.	22.10
Total dir & ovhd exp per cwt.	27.15
Less govt & other income	26.04
With labor & management	28.45
Net value per unit	27.01
Machinery cost per acre	93.26
Est. labor hours per acre	1.67

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2010
(Farms Sorted By Net Return)

Beans, Navy on Cash Rent

	<u>Avg. Of All Farms</u>
Number of fields	15
Number of farms	12
Acres	206.30
Yield per acre (cwt.)	13.42
Operators share of yield %	100.00
Value per cwt.	26.06
Total product return per acre	349.69
Crop insurance per acre	47.53
Other crop income per acre	1.13
Gross return per acre	398.36
Direct Expenses	
Seed	38.73
Fertilizer	32.33
Crop chemicals	52.25
Crop insurance	28.88
Fuel & oil	31.53
Repairs	31.92
Custom hire	2.54
Hired labor	0.97
Land rent	75.99
Operating interest	4.15
Miscellaneous	0.71
Total direct expenses per acre	300.01
Return over direct exp per acre	98.36
Overhead Expenses	
Custom hire	4.37
Hired labor	15.56
Machinery leases	11.16
Building leases	0.45
Farm insurance	6.24
Utilities	5.49
Dues & professional fees	2.91
Interest	4.23
Mach & bldg depreciation	26.03
Miscellaneous	2.22
Total overhead expenses per acre	78.67
Total dir & ovhd expenses per acre	378.68
Net return per acre	19.68
Government payments	-
Net return with govt pmts	19.68
Labor & management charge	33.10
Net return over lbr & mgt	-13.42
Cost of Production	
Total direct expense per cwt.	22.36
Total dir & ovhd exp per cwt.	28.22
Less govt & other income	24.60
With labor & management	27.06
Net value per unit	26.06
Machinery cost per acre	110.06
Est. labor hours per acre	1.84

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2010
(Farms Sorted By Net Return)

Beans, Pinto on Cash Rent

	Avg. Of All Farms
Number of fields	8
Number of farms	6
Acres	181.66
Yield per acre (cwt.)	17.60
Operators share of yield %	100.00
Value per cwt.	21.67
Total product return per acre	381.33
Crop insurance per acre	1.23
Gross return per acre	382.56
Direct Expenses	
Seed	51.19
Fertilizer	49.59
Crop chemicals	53.83
Crop insurance	31.03
Fuel & oil	23.39
Repairs	33.18
Custom hire	0.75
Land rent	74.70
Operating interest	4.77
Miscellaneous	0.91
Total direct expenses per acre	323.35
Return over direct exp per acre	59.21
Overhead Expenses	
Custom hire	6.58
Hired labor	8.76
Machinery leases	1.94
Building leases	0.69
Farm insurance	3.85
Utilities	2.89
Dues & professional fees	3.12
Interest	3.14
Mach & bldg depreciation	39.01
Miscellaneous	10.20
Total overhead expenses per acre	80.18
Total dir & ovhd expenses per acre	403.52
Net return per acre	-20.97
Government payments	-
Net return with govt pmts	-20.97
Labor & management charge	38.44
Net return over lbr & mgt	-59.41
Cost of Production	
Total direct expense per cwt.	18.37
Total dir & ovhd exp per cwt.	22.93
Less govt & other income	22.86
With labor & management	25.04
Net value per unit	21.67
Machinery cost per acre	106.52
Est. labor hours per acre	1.53

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2010
(Farms Sorted By Net Return)

Corn on Owned Land

	<u>Avg. Of</u> <u>All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	77	13	13	16
Number of farms	68	13	13	14
Acres	172.26	173.15	191.23	248.32
Yield per acre (bu.)	145.44	122.47	143.98	156.80
Operators share of yield %	100.00	100.00	100.00	100.00
Value per bu.	4.54	4.07	4.58	4.90
Total product return per acre	659.79	498.12	659.84	768.98
Crop insurance per acre	3.76	5.89	3.47	1.44
Other crop income per acre	0.07	-	0.03	0.22
Gross return per acre	663.62	504.00	663.34	770.64
Direct Expenses				
Seed	79.39	82.13	83.62	75.98
Fertilizer	94.46	97.51	94.97	88.58
Crop chemicals	16.15	11.37	21.01	15.01
Crop insurance	17.49	22.31	18.47	11.57
Drying expense	7.55	9.27	10.69	5.38
Fuel & oil	26.50	25.02	28.50	27.85
Repairs	38.15	46.27	46.33	34.86
Custom hire	4.21	10.89	2.92	0.74
Hired labor	0.54	-	0.11	0.58
Operating interest	6.83	8.95	10.19	3.21
Miscellaneous	0.73	0.01	2.38	0.17
Total direct expenses per acre	292.01	313.73	319.17	263.94
Return over direct exp per acre	371.61	190.28	344.17	506.70
Overhead Expenses				
Custom hire	2.31	3.45	2.43	1.78
Hired labor	18.20	13.93	15.27	21.99
Machinery leases	3.06	2.35	3.38	4.42
Building leases	0.71	0.19	3.06	0.09
RE & pers. property taxes	14.27	12.82	12.28	16.97
Farm insurance	5.82	6.42	5.98	4.83
Utilities	5.23	7.11	5.27	4.31
Dues & professional fees	4.14	6.71	3.18	2.86
Interest	38.62	50.26	41.77	26.26
Mach & bldg depreciation	40.25	38.84	37.53	46.33
Miscellaneous	3.42	4.34	2.24	3.10
Total overhead expenses per acre	136.02	146.41	132.38	132.94
Total dir & ovhd expenses per acre	428.03	460.14	451.56	396.88
Net return per acre	235.59	43.86	211.78	373.76
Government payments	14.55	14.00	15.20	12.90
Net return with govt pmts	250.14	57.87	226.98	386.66
Labor & management charge	43.23	43.19	40.21	42.82
Net return over lbr & mgt	206.92	14.67	186.77	343.84
Cost of Production				
Total direct expense per bu.	2.01	2.56	2.22	1.68
Total dir & ovhd exp per bu.	2.94	3.76	3.14	2.53
Less govt & other income	2.82	3.59	3.01	2.44
With labor & management	3.11	3.95	3.29	2.71
Net value per unit	4.54	4.07	4.58	4.90
Machinery cost per acre	118.99	130.43	130.36	119.01
Est. labor hours per acre	2.07	2.36	2.11	1.92

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2010
(Farms Sorted By Net Return)

Corn on Cash Rent

	<u>Avg. Of</u> <u>All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	157	30	39	35
Number of farms	116	23	23	24
Acres	341.39	254.94	258.36	395.01
Yield per acre (bu.)	148.73	123.78	149.78	162.74
Operators share of yield %	100.00	100.00	100.00	100.00
Value per bu.	4.59	4.15	4.38	4.99
Total product return per acre	683.18	513.73	655.73	811.56
Hedging gains/losses per acre	3.19	0.33	-	12.66
Crop insurance per acre	5.46	8.50	4.37	7.07
Other crop income per acre	0.53	-	1.62	0.02
Gross return per acre	692.37	522.56	661.72	831.32
Direct Expenses				
Seed	81.98	90.93	83.03	79.62
Fertilizer	95.03	91.70	92.36	91.89
Crop chemicals	17.53	15.31	16.71	20.36
Crop insurance	19.21	22.49	22.31	14.49
Drying expense	7.57	9.44	9.35	5.09
Fuel & oil	28.28	25.43	25.58	32.80
Repairs	34.35	40.96	34.16	32.36
Custom hire	2.84	3.31	7.86	1.33
Hired labor	0.50	0.65	1.69	0.06
Land rent	87.05	91.49	86.32	83.47
Operating interest	6.62	7.01	9.66	4.80
Miscellaneous	1.24	1.52	2.33	1.52
Total direct expenses per acre	382.22	400.24	391.34	367.79
Return over direct exp per acre	310.15	122.32	270.39	463.53
Overhead Expenses				
Custom hire	1.71	0.56	1.11	3.34
Hired labor	18.50	20.18	16.48	18.95
Machinery leases	8.48	3.52	3.76	14.78
Building leases	0.64	0.48	1.51	0.24
Farm insurance	5.38	5.73	5.84	4.74
Utilities	4.79	4.97	4.31	4.97
Dues & professional fees	3.17	4.04	2.92	2.07
Interest	6.12	8.32	5.10	4.19
Mach & bldg depreciation	34.42	39.31	31.68	30.48
Miscellaneous	3.02	3.60	3.78	2.28
Total overhead expenses per acre	86.24	90.70	76.49	86.02
Total dir & ovhd expenses per acre	468.46	490.94	467.83	453.81
Net return per acre	223.91	31.62	193.90	377.51
Government payments	14.01	13.09	15.34	14.70
Net return with govt pmts	237.92	44.71	209.23	392.22
Labor & management charge	41.04	43.24	43.60	37.01
Net return over lbr & mgt	196.89	1.47	165.64	355.20
Cost of Production				
Total direct expense per bu.	2.57	3.23	2.61	2.26
Total dir & ovhd exp per bu.	3.15	3.97	3.12	2.79
Less govt & other income	2.99	3.79	2.98	2.58
With labor & management	3.27	4.14	3.27	2.80
Net value per unit	4.61	4.15	4.38	5.06
Machinery cost per acre	113.63	117.11	107.68	116.75
Est. labor hours per acre	2.00	2.54	1.83	1.79

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2010
(Farms Sorted By Net Return)

Corn on Share Rent

	Avg. Of All Farms
Number of fields	13
Number of farms	10
Acres	146.66
Yield per acre (bu.)	150.24
Operators share of yield %	71.54
Value per bu.	4.44
Total product return per acre	476.96
Crop insurance per acre	1.67
Gross return per acre	478.62
Direct Expenses	
Seed	69.98
Fertilizer	85.41
Crop chemicals	9.67
Crop insurance	14.20
Drying expense	11.88
Fuel & oil	25.96
Repairs	33.51
Custom hire	2.56
Hired labor	2.27
Operating interest	3.24
Miscellaneous	0.36
Total direct expenses per acre	259.04
Return over direct exp per acre	219.59
Overhead Expenses	
Custom hire	0.81
Hired labor	19.47
Machinery leases	2.41
Building leases	0.51
Farm insurance	5.75
Utilities	4.10
Dues & professional fees	2.90
Interest	2.30
Mach & bldg depreciation	30.90
Miscellaneous	2.44
Total overhead expenses per acre	71.58
Total dir & ovhd expenses per acre	330.62
Net return per acre	148.00
Government payments	11.36
Net return with govt pmts	159.36
Labor & management charge	39.06
Net return over lbr & mgt	120.30
Cost of Production	
Total direct expense per bu.	2.41
Total dir & ovhd exp per bu.	3.08
Less govt & other income	2.95
With labor & management	3.32
Net value per unit	4.44
Machinery cost per acre	97.09
Est. labor hours per acre	2.07

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2010
(Farms Sorted By Net Return)

Soybeans on Owned Land

	<u>Avg. Of</u> <u>All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	165	30	30	38
Number of farms	137	27	28	28
Acres	216.52	212.33	260.93	134.19
Yield per acre (bu.)	36.33	31.62	36.60	40.78
Operators share of yield %	100.00	100.00	100.00	100.00
Value per bu.	10.76	9.73	10.52	11.12
Total product return per acre	391.07	307.72	385.12	453.62
Hedging gains/losses per acre	0.07	-	-	-
Crop insurance per acre	3.66	6.88	7.15	0.83
Other crop income per acre	0.10	0.11	-	-
Gross return per acre	394.91	314.71	392.27	454.45
Direct Expenses				
Seed	52.60	54.16	54.33	51.00
Fertilizer	5.24	3.18	6.23	3.18
Crop chemicals	14.03	13.60	11.09	13.59
Crop insurance	16.82	17.38	19.21	16.75
Drying expense	0.08	0.02	-	0.51
Fuel & oil	16.92	16.54	15.12	14.95
Repairs	21.66	22.56	23.48	17.55
Custom hire	2.47	6.91	1.60	0.58
Hired labor	0.39	1.48	-	0.30
Operating interest	4.09	6.32	5.70	2.61
Miscellaneous	0.80	1.05	1.19	0.68
Total direct expenses per acre	135.09	143.22	137.95	121.71
Return over direct exp per acre	259.81	171.48	254.31	332.74
Overhead Expenses				
Custom hire	1.86	3.81	2.63	0.34
Hired labor	10.70	5.80	11.28	10.34
Machinery leases	3.24	3.29	1.41	0.92
Building leases	0.28	0.35	0.73	0.08
RE & pers. property taxes	13.83	13.86	13.87	12.09
Farm insurance	5.17	5.57	5.40	4.37
Utilities	3.81	4.49	3.61	3.40
Dues & professional fees	3.34	4.35	4.62	2.65
Interest	38.05	57.29	31.94	25.62
Mach & bldg depreciation	24.35	20.44	23.78	21.37
Miscellaneous	3.65	3.04	4.08	2.37
Total overhead expenses per acre	108.29	122.28	103.35	83.54
Total dir & ovhd expenses per acre	243.39	265.51	241.30	205.25
Net return per acre	151.52	49.20	150.96	249.20
Government payments	15.04	14.03	15.46	16.81
Net return with govt pmts	166.56	63.23	166.43	266.01
Labor & management charge	25.57	25.97	24.60	26.14
Net return over lbr & mgt	140.99	37.25	141.83	239.87
Cost of Production				
Total direct expense per bu.	3.72	4.53	3.77	2.98
Total dir & ovhd exp per bu.	6.70	8.40	6.59	5.03
Less govt & other income	6.18	7.73	5.98	4.60
With labor & management	6.88	8.55	6.65	5.24
Net value per unit	10.77	9.73	10.52	11.12
Machinery cost per acre	73.33	77.31	71.67	57.50
Est. labor hours per acre	1.29	1.32	1.35	1.26

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2010
(Farms Sorted By Net Return)

Soybeans on Cash Rent

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	318	70	64	67
Number of farms	187	37	38	38
Acres	400.24	337.47	470.03	366.52
Yield per acre (bu.)	36.22	31.22	36.91	39.98
Operators share of yield %	100.00	100.00	100.00	100.00
Value per bu.	10.59	9.69	10.60	11.51
Total product return per acre	383.62	302.60	391.37	460.16
Hedging gains/losses per acre	0.64	0.46	-	4.56
Crop insurance per acre	5.58	6.48	8.27	0.93
Other crop income per acre	0.43	0.07	0.49	-
Gross return per acre	390.27	309.61	400.12	465.66
Direct Expenses				
Seed	52.55	52.12	54.60	51.22
Fertilizer	6.19	5.96	5.99	7.12
Crop chemicals	15.02	15.25	15.98	14.40
Crop insurance	17.26	17.51	17.66	15.73
Fuel & oil	15.76	16.99	16.13	15.49
Repairs	20.87	21.05	22.38	19.17
Custom hire	2.20	0.90	2.42	1.11
Land rent	84.71	84.63	86.37	76.70
Operating interest	4.20	5.44	5.11	3.20
Miscellaneous	1.46	1.42	1.72	1.34
Total direct expenses per acre	220.22	221.26	228.35	205.48
Return over direct exp per acre	170.05	88.35	171.77	260.18
Overhead Expenses				
Custom hire	1.41	2.36	1.99	1.12
Hired labor	10.24	9.21	10.02	11.89
Machinery leases	3.43	4.08	4.03	3.07
Building leases	0.52	0.37	0.97	0.27
Farm insurance	5.00	4.48	4.59	4.62
Utilities	3.43	3.35	3.42	3.12
Dues & professional fees	2.91	3.07	2.73	2.15
Interest	4.05	5.53	4.74	3.19
Mach & bldg depreciation	20.49	19.73	21.53	20.08
Miscellaneous	2.95	2.97	3.41	2.17
Total overhead expenses per acre	54.42	55.16	57.42	51.68
Total dir & ovhd expenses per acre	274.65	276.43	285.77	257.16
Net return per acre	115.63	33.18	114.35	208.49
Government payments	14.98	14.84	14.01	14.87
Net return with govt pmts	130.61	48.02	128.36	223.36
Labor & management charge	25.75	26.90	25.51	25.45
Net return over lbr & mgt	104.87	21.12	102.84	197.91
Cost of Production				
Total direct expense per bu.	6.08	7.09	6.19	5.14
Total dir & ovhd exp per bu.	7.58	8.85	7.74	6.43
Less govt & other income	6.98	8.15	7.13	5.92
With labor & management	7.70	9.02	7.82	6.56
Net value per unit	10.61	9.71	10.60	11.62
Machinery cost per acre	67.02	69.30	71.98	62.49
Est. labor hours per acre	1.31	1.43	1.24	1.32

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2010
(Farms Sorted By Net Return)

Soybeans on Share Rent

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	47	7	10	15
Number of farms	25	5	5	5
Acres	134.27	169.16	111.66	120.06
Yield per acre (bu.)	38.32	26.53	40.23	45.59
Operators share of yield %	69.34	65.70	65.97	75.37
Value per bu.	10.46	9.71	10.74	10.32
Total product return per acre	277.82	169.32	284.92	354.50
Crop insurance per acre	2.62	13.97	-	-
Other crop income per acre	2.31	-	-	-
Gross return per acre	282.75	183.30	284.92	354.50
Direct Expenses				
Seed	55.27	56.22	60.69	56.66
Fertilizer	1.72	-	0.85	0.92
Crop chemicals	15.90	16.16	20.57	14.58
Crop insurance	15.29	16.71	17.78	16.74
Fuel & oil	16.74	19.35	15.38	15.82
Repairs	23.09	30.38	20.69	22.42
Custom hire	2.65	3.69	0.81	3.76
Operating interest	3.13	5.83	1.53	2.98
Miscellaneous	0.44	0.72	0.09	-
Total direct expenses per acre	134.22	149.06	138.38	133.88
Return over direct exp per acre	148.53	34.24	146.54	220.61
Overhead Expenses				
Custom hire	0.24	0.52	0.03	-
Hired labor	10.09	9.73	4.21	15.53
Machinery leases	1.51	3.39	1.50	1.62
Building leases	0.66	-	0.17	0.95
Farm insurance	5.14	4.83	4.62	5.65
Utilities	3.56	3.83	4.33	2.99
Dues & professional fees	2.92	3.93	3.05	3.73
Interest	4.22	4.23	5.72	5.24
Mach & bldg depreciation	19.13	15.64	21.76	21.15
Miscellaneous	3.56	5.08	4.19	3.26
Total overhead expenses per acre	51.05	51.18	49.58	60.12
Total dir & ovhd expenses per acre	185.27	200.24	187.95	194.01
Net return per acre	97.48	-16.94	96.96	160.49
Government payments	13.48	10.86	15.82	15.31
Net return with govt pmnts	110.96	-6.09	112.78	175.80
Labor & management charge	24.77	23.39	22.02	24.82
Net return over lbr & mgt	86.19	-29.47	90.76	150.98
Cost of Production				
Total direct expense per bu.	5.05	8.55	5.21	3.90
Total dir & ovhd exp per bu.	6.97	11.49	7.08	5.65
Less govt & other income	6.28	10.06	6.49	5.20
With labor & management	7.21	11.40	7.32	5.92
Net value per unit	10.46	9.71	10.74	10.32
Machinery cost per acre	66.71	75.60	65.26	69.54
Est. labor hours per acre	1.25	1.48	0.78	1.09

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2010
(Farms Sorted By Net Return)

Soybeans, Food on Cash Rent

	<u>Avg. Of All Farms</u>
Number of fields	27
Number of farms	11
Acres	138.33
Yield per acre (bu.)	34.21
Operators share of yield %	100.00
Value per bu.	12.69
Total product return per acre	434.04
Gross return per acre	434.04
Direct Expenses	
Seed	20.73
Fertilizer	3.09
Crop chemicals	38.66
Crop insurance	21.04
Fuel & oil	14.62
Repairs	25.54
Custom hire	3.35
Land rent	80.25
Operating interest	4.63
Miscellaneous	0.82
Total direct expenses per acre	212.73
Return over direct exp per acre	221.32
Overhead Expenses	
Custom hire	0.91
Hired labor	6.27
Machinery leases	2.45
Building leases	1.06
Farm insurance	3.22
Utilities	3.69
Dues & professional fees	4.14
Interest	2.62
Mach & bldg depreciation	19.71
Miscellaneous	1.99
Total overhead expenses per acre	46.05
Total dir & ovhd expenses per acre	258.78
Net return per acre	175.26
Government payments	11.59
Net return with govt pmts	186.85
Labor & management charge	25.82
Net return over lbr & mgt	161.03
Cost of Production	
Total direct expense per bu.	6.22
Total dir & ovhd exp per bu.	7.56
Less govt & other income	7.23
With labor & management	7.98
Net value per unit	12.69
Machinery cost per acre	67.25
Est. labor hours per acre	1.32

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2010
(Farms Sorted By Net Return)

Sugar Beets on Owned Land Excluding Joint venture

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	51	11	15	9
Number of farms	40	8	8	8
Acres	109.40	112.75	89.05	83.98
Yield per acre (ton)	26.85	22.52	27.01	30.80
Operators share of yield %	100.00	100.00	100.00	100.00
Value per ton	53.52	50.30	54.21	56.23
Total product return per acre	1,437.12	1,132.64	1,464.29	1,731.60
Crop insurance per acre	2.84	12.79	-	-
Other crop income per acre	8.10	7.04	16.83	16.47
Gross return per acre	1,448.07	1,152.47	1,481.12	1,748.08
Direct Expenses				
Seed	154.90	168.64	154.38	164.10
Fertilizer	80.20	86.81	81.44	73.22
Crop chemicals	67.22	55.65	58.43	82.14
Crop insurance	23.65	29.16	22.84	24.86
Fuel & oil	66.31	66.82	76.94	70.12
Repairs	100.04	121.61	116.19	90.90
Custom hire	15.11	6.19	17.40	9.33
Hired labor	37.32	37.81	38.18	42.67
Hauling and trucking	12.85	1.87	13.55	4.39
Operating interest	13.36	14.33	13.80	7.74
Miscellaneous	3.72	1.12	2.95	8.97
Total direct expenses per acre	574.68	590.00	596.12	578.45
Return over direct exp per acre	873.39	562.47	885.00	1,169.63
Overhead Expenses				
Custom hire	4.18	4.56	0.93	5.55
Hired labor	39.24	34.28	36.24	16.68
Machinery leases	2.44	2.00	2.98	0.49
Building leases	2.15	1.31	0.34	1.38
RE & pers. property taxes	14.61	18.44	11.04	13.14
Farm insurance	11.57	9.36	13.79	13.87
Utilities	7.80	8.16	6.63	7.11
Dues & professional fees	5.81	6.77	6.44	3.66
Interest	41.75	27.33	40.24	10.85
Mach & bldg depreciation	110.24	107.30	109.72	105.41
Miscellaneous	5.71	7.12	5.36	7.38
Total overhead expenses per acre	245.50	226.63	233.71	185.51
Total dir & ovhd expenses per acre	820.18	816.64	829.83	763.96
Net return per acre	627.89	335.83	651.29	984.12
Government payments	17.28	18.77	13.54	23.24
Net return with govt pmts	645.17	354.60	664.83	1,007.36
Labor & management charge	120.09	108.08	129.94	143.73
Net return over lbr & mgt	525.08	246.52	534.88	863.62
Cost of Production				
Total direct expense per ton	21.40	26.20	22.07	18.78
Total dir & ovhd exp per ton	30.55	36.27	30.72	24.81
Less govt & other income	29.50	34.56	29.60	23.52
With labor & management	33.97	39.36	34.41	28.19
Net value per unit	53.52	50.30	54.21	56.23
Machinery cost per acre	311.32	313.09	341.12	280.55
Est. labor hours per acre	5.78	5.74	5.59	5.45

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2010
(Farms Sorted By Net Return)

Sugar Beets on Owned Land Including Joint venture

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	28	5	6	6
Number of farms	27	5	6	6
Acres	83.51	51.68	81.82	97.13
Yield per acre (ton)	26.80	21.81	25.42	29.02
Operators share of yield %	100.00	100.00	100.00	100.00
Value per ton	52.84	53.21	50.78	55.53
Total product return per acre	1,416.25	1,160.21	1,290.90	1,611.57
Crop insurance per acre	0.54	-	2.56	-
Other crop income per acre	7.27	-	31.37	2.75
Gross return per acre	1,424.06	1,160.21	1,324.83	1,614.32
Direct Expenses				
Seed	163.62	182.24	173.72	174.09
Fertilizer	91.13	70.69	95.52	97.36
Crop chemicals	66.82	67.37	57.09	60.58
Crop insurance	23.15	21.98	23.14	18.68
Fuel & oil	65.22	70.52	61.33	56.87
Repairs	81.71	97.05	95.36	72.40
Custom hire	15.01	15.10	17.89	11.84
Hired labor	29.72	37.40	30.35	27.65
Stock/quota lease	262.76	253.86	227.32	245.50
Hauling and trucking	9.82	13.58	3.45	14.96
Operating interest	15.95	9.69	15.31	16.04
Miscellaneous	3.33	0.12	3.14	-
Total direct expenses per acre	828.23	839.59	803.62	795.98
Return over direct exp per acre	595.82	320.62	521.20	818.34
Overhead Expenses				
Custom hire	6.12	7.50	2.97	5.74
Hired labor	39.12	47.25	32.55	35.11
Machinery leases	6.11	3.70	2.92	0.90
Building leases	1.20	0.14	0.54	0.89
RE & pers. property taxes	12.98	9.72	15.06	8.58
Farm insurance	8.18	8.39	9.32	7.84
Utilities	7.07	10.86	4.42	7.14
Dues & professional fees	5.58	5.79	4.15	7.42
Interest	52.12	38.07	52.18	42.98
Mach & bldg depreciation	84.26	63.94	69.98	73.84
Miscellaneous	7.56	14.33	3.93	5.01
Total overhead expenses per acre	230.29	209.69	198.02	195.45
Total dir & ovhd expenses per acre	1,058.53	1,049.28	1,001.65	991.43
Net return per acre	365.53	110.93	323.18	622.89
Government payments	19.00	18.98	18.29	15.83
Net return with govt pmts	384.53	129.91	341.47	638.72
Labor & management charge	100.84	97.72	93.86	107.93
Net return over lbr & mgt	283.68	32.19	247.61	530.79
Cost of Production				
Total direct expense per ton	30.90	38.50	31.61	27.43
Total dir & ovhd exp per ton	39.49	48.12	39.40	34.16
Less govt & other income	38.49	47.25	37.35	33.52
With labor & management	42.26	51.73	41.04	37.24
Net value per unit	52.84	53.21	50.78	55.53
Machinery cost per acre	268.20	262.62	258.98	228.48
Est. labor hours per acre	4.94	4.93	4.76	5.25

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2010
(Farms Sorted By Net Return)

Sugar Beets on Cash Rent Excluding Joint venture

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	107	21	25	15
Number of farms	70	14	14	14
Acres	134.83	120.21	139.93	148.31
Yield per acre (ton)	27.31	23.20	27.33	31.14
Operators share of yield %	100.00	100.00	100.00	100.00
Value per ton	53.54	49.17	55.75	56.77
Total product return per acre	1,462.26	1,140.63	1,523.49	1,768.07
Crop insurance per acre	0.30	1.33	0.26	-
Other crop income per acre	3.86	6.60	3.58	1.60
Gross return per acre	1,466.42	1,148.56	1,527.33	1,769.68
Direct Expenses				
Seed	153.78	168.32	135.61	152.33
Fertilizer	73.99	75.06	70.00	68.86
Crop chemicals	75.61	63.83	84.24	77.39
Crop insurance	25.03	29.52	23.06	22.32
Fuel & oil	70.78	65.43	83.98	64.27
Repairs	100.44	133.00	102.75	80.91
Custom hire	11.21	2.91	5.99	14.90
Hired labor	32.60	30.95	32.72	34.31
Land rent	91.01	92.88	84.96	98.23
Hauling and trucking	11.85	4.15	31.68	2.58
Operating interest	14.20	21.02	11.40	9.32
Miscellaneous	4.11	4.30	1.55	8.11
Total direct expenses per acre	664.61	691.38	667.94	633.52
Return over direct exp per acre	801.81	457.18	859.39	1,136.16
Overhead Expenses				
Custom hire	4.32	2.22	5.19	2.90
Hired labor	59.71	50.13	82.73	41.47
Machinery leases	12.85	23.77	8.35	5.60
Building leases	1.97	0.45	5.21	0.45
Farm insurance	13.48	7.07	14.72	13.73
Utilities	10.46	12.67	13.58	7.22
Dues & professional fees	6.54	7.88	8.71	3.74
Interest	15.59	14.70	16.69	12.85
Mach & bldg depreciation	97.83	78.48	85.65	78.70
Miscellaneous	7.21	5.89	7.73	9.09
Total overhead expenses per acre	229.95	203.25	248.56	175.75
Total dir & ovhd expenses per acre	894.56	894.63	916.50	809.27
Net return per acre	571.85	253.93	610.83	960.41
Government payments	17.22	15.67	18.64	20.22
Net return with govt pmts	589.07	269.60	629.47	980.63
Labor & management charge	119.88	95.37	119.76	137.82
Net return over lbr & mgt	469.19	174.23	509.71	842.81
Cost of Production				
Total direct expense per ton	24.33	29.80	24.44	20.34
Total dir & ovhd exp per ton	32.75	38.57	33.54	25.98
Less govt & other income	31.97	37.55	32.71	25.28
With labor & management	36.36	41.66	37.09	29.71
Net value per unit	53.54	49.17	55.75	56.77
Machinery cost per acre	308.33	316.12	302.41	253.15
Est. labor hours per acre	6.62	5.24	7.82	5.65

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2010
(Farms Sorted By Net Return)

Sugar Beets on Cash Rent Including Joint venture

	<u>Avg. Of</u> <u>All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	105	18	33	19
Number of farms	69	13	14	14
Acres	165.29	184.23	122.14	173.05
Yield per acre (ton)	27.54	24.40	26.62	30.41
Operators share of yield %	100.00	100.00	100.00	100.00
Value per ton	53.26	50.50	53.97	54.62
Total product return per acre	1,466.88	1,232.33	1,436.43	1,661.16
Crop insurance per acre	0.42	0.55	-	0.41
Other crop income per acre	4.24	4.06	-	4.19
Gross return per acre	1,471.55	1,236.94	1,436.43	1,665.76
Direct Expenses				
Seed	158.47	165.52	168.89	145.69
Fertilizer	80.53	80.44	75.74	77.08
Crop chemicals	63.36	61.79	59.25	58.48
Crop insurance	22.13	23.20	19.64	21.35
Fuel & oil	65.03	76.09	66.02	62.03
Repairs	92.87	125.16	94.11	73.29
Custom hire	16.34	6.40	23.15	2.61
Hired labor	28.80	35.17	28.26	31.02
Land rent	96.20	86.75	94.97	94.36
Stock/quota lease	258.26	233.64	270.67	239.85
Hauling and trucking	6.75	13.70	7.43	9.44
Operating interest	18.44	26.64	22.05	16.27
Miscellaneous	3.94	2.35	4.61	0.81
Total direct expenses per acre	911.13	936.85	934.78	832.27
Return over direct exp per acre	560.42	300.09	501.65	833.49
Overhead Expenses				
Custom hire	4.46	7.91	7.58	3.57
Hired labor	39.61	42.13	39.11	29.88
Machinery leases	15.41	28.76	9.08	16.17
Building leases	0.99	0.18	0.80	0.69
Farm insurance	8.36	8.60	7.26	9.47
Utilities	6.65	12.56	5.75	4.29
Dues & professional fees	4.79	6.56	4.06	3.97
Interest	14.47	13.84	17.26	11.84
Mach & bldg depreciation	77.97	81.43	77.64	70.25
Miscellaneous	6.51	7.14	7.50	3.16
Total overhead expenses per acre	179.22	209.11	176.04	153.29
Total dir & ovhd expenses per acre	1,090.35	1,145.96	1,110.83	985.57
Net return per acre	381.20	90.99	325.61	680.19
Government payments	15.26	15.88	14.50	16.88
Net return with govt pmts	396.46	106.86	340.11	697.07
Labor & management charge	100.91	93.05	94.80	104.90
Net return over lbr & mgt	295.54	13.81	245.31	592.17
Cost of Production				
Total direct expense per ton	33.08	38.39	35.12	27.36
Total dir & ovhd exp per ton	39.59	46.96	41.73	32.41
Less govt & other income	38.87	46.12	41.19	31.70
With labor & management	42.53	49.94	44.75	35.15
Net value per unit	53.26	50.50	53.97	54.62
Machinery cost per acre	285.49	336.55	292.00	237.44
Est. labor hours per acre	5.03	4.72	5.55	4.95

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2010
(Farms Sorted By Net Return)

Sunflowers on Cash Rent

	<u>Avg. Of All Farms</u>
Number of fields	9
Number of farms	9
Acres	337.74
Yield per acre (cwt.)	10.34
Operators share of yield %	100.00
Value per cwt.	18.07
Total product return per acre	186.88
Crop insurance per acre	55.90
Gross return per acre	242.77
Direct Expenses	
Seed	33.93
Fertilizer	38.88
Crop chemicals	25.76
Crop insurance	17.63
Fuel & oil	27.34
Repairs	21.68
Custom hire	1.16
Land rent	78.37
Operating interest	3.83
Miscellaneous	0.76
Total direct expenses per acre	249.35
Return over direct exp per acre	-6.57
Overhead Expenses	
Custom hire	2.26
Hired labor	14.76
Machinery leases	14.56
Farm insurance	4.53
Utilities	3.83
Dues & professional fees	1.78
Interest	3.48
Mach & bldg depreciation	18.26
Miscellaneous	2.76
Total overhead expenses per acre	66.22
Total dir & ovhd expenses per acre	315.57
Net return per acre	-72.79
Government payments	14.55
Net return with govt pmts	-58.24
Labor & management charge	26.32
Net return over lbr & mgt	-84.56
Cost of Production	
Total direct expense per cwt.	24.11
Total dir & ovhd exp per cwt.	30.51
Less govt & other income	23.70
With labor & management	26.25
Net value per unit	18.07
Machinery cost per acre	87.40
Est. labor hours per acre	1.19

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2010
(Farms Sorted By Net Return)

Sunflowers, Confectionary on Cash Rent

	Avg. Of All Farms
Number of fields	7
Number of farms	7
Acres	228.85
Yield per acre (cwt.)	10.52
Operators share of yield %	100.00
Value per cwt.	23.40
Total product return per acre	246.29
Crop insurance per acre	52.74
LDP income per acre	3.48
Gross return per acre	302.52
Direct Expenses	
Seed	40.84
Fertilizer	55.71
Crop chemicals	51.51
Crop insurance	16.35
Fuel & oil	19.76
Repairs	25.75
Custom hire	15.56
Land rent	85.17
Operating interest	3.15
Miscellaneous	0.14
Total direct expenses per acre	313.94
Return over direct exp per acre	-11.43
Overhead Expenses	
Custom hire	0.29
Hired labor	12.55
Machinery leases	2.51
Farm insurance	8.00
Utilities	4.97
Dues & professional fees	6.23
Interest	3.87
Mach & bldg depreciation	20.69
Miscellaneous	2.67
Total overhead expenses per acre	61.79
Total dir & ovhd expenses per acre	375.73
Net return per acre	-73.21
Government payments	15.27
Net return with govt pmts	-57.94
Labor & management charge	32.23
Net return over lbr & mgt	-90.17
Cost of Production	
Total direct expense per cwt.	29.83
Total dir & ovhd exp per cwt.	35.70
Less govt & other income	28.91
With labor & management	31.97
Net value per unit	23.73
Machinery cost per acre	88.08
Est. labor hours per acre	1.34

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2010
(Farms Sorted By Net Return)

Wheat, Spring on Owned Land

	<u>Avg. Of</u> <u>All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	115	19	23	28
Number of farms	96	19	19	20
Acres	187.76	245.14	183.27	194.27
Yield per acre (bu.)	63.74	57.82	63.80	70.51
Operators share of yield %	100.00	100.00	100.00	100.00
Value per bu.	6.42	5.32	6.18	7.27
Total product return per acre	409.33	307.50	394.05	512.70
Crop insurance per acre	2.82	9.50	0.56	0.55
Other crop income per acre	0.20	-	0.35	0.29
Gross return per acre	412.35	317.00	394.95	513.54
Direct Expenses				
Seed	17.35	20.47	16.14	16.53
Fertilizer	71.30	69.73	72.86	70.65
Crop chemicals	28.33	29.89	24.90	30.94
Crop insurance	15.66	17.44	15.67	14.36
Drying expense	0.36	-	0.07	0.78
Fuel & oil	16.12	17.30	15.38	15.48
Repairs	22.42	30.45	18.57	17.80
Custom hire	3.26	5.01	3.71	2.32
Hired labor	0.23	0.44	0.72	-
Machinery leases	0.43	-	0.98	-
Operating interest	4.27	5.50	5.21	2.60
Miscellaneous	1.85	0.50	1.10	5.21
Total direct expenses per acre	181.59	196.72	175.30	176.68
Return over direct exp per acre	230.76	120.27	219.66	336.85
Overhead Expenses				
Custom hire	2.87	0.24	3.04	1.08
Hired labor	9.14	6.45	12.25	10.01
Machinery leases	2.74	5.22	1.11	1.72
Building leases	0.43	0.21	0.14	0.76
RE & pers. property taxes	13.64	16.14	13.00	13.38
Farm insurance	5.24	5.58	4.15	4.64
Utilities	3.29	3.70	2.81	3.26
Dues & professional fees	3.19	5.23	2.38	1.59
Interest	31.62	36.37	44.13	22.36
Mach & bldg depreciation	22.88	20.30	21.59	21.01
Miscellaneous	3.64	4.28	2.78	3.51
Total overhead expenses per acre	98.69	103.71	107.40	83.30
Total dir & ovhd expenses per acre	280.28	300.44	282.69	259.99
Net return per acre	132.07	16.56	112.26	253.55
Government payments	17.28	15.11	19.18	15.92
Net return with govt pmts	149.35	31.67	131.44	269.47
Labor & management charge	25.79	25.52	23.40	27.64
Net return over lbr & mgt	123.56	6.14	108.03	241.82
Cost of Production				
Total direct expense per bu.	2.85	3.40	2.75	2.51
Total dir & ovhd exp per bu.	4.40	5.20	4.43	3.69
Less govt & other income	4.08	4.77	4.12	3.45
With labor & management	4.48	5.21	4.48	3.84
Net value per unit	6.42	5.32	6.18	7.27
Machinery cost per acre	73.31	82.30	69.45	60.33
Est. labor hours per acre	1.34	1.16	1.26	1.39

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2010
(Farms Sorted By Net Return)

Wheat, Spring on Cash Rent

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	203	33	39	44
Number of farms	137	27	28	28
Acres	284.40	281.58	251.42	322.80
Yield per acre (bu.)	64.60	57.68	60.94	69.03
Operators share of yield %	100.00	100.00	100.00	100.00
Value per bu.	6.39	5.13	6.26	7.36
Total product return per acre	412.57	296.08	381.23	507.80
Hedging gains/losses per acre	-0.10	-0.49	-1.37	0.69
Crop insurance per acre	4.30	15.45	1.68	0.94
Other crop income per acre	0.14	-	0.18	-
Gross return per acre	416.91	311.05	381.71	509.43
Direct Expenses				
Seed	16.96	18.92	15.18	18.36
Fertilizer	74.54	86.01	68.77	73.11
Crop chemicals	28.37	24.66	26.72	29.49
Crop insurance	14.72	15.61	14.16	13.86
Drying expense	0.52	1.61	0.17	0.27
Fuel & oil	16.60	16.97	17.37	15.88
Repairs	20.68	22.17	21.09	18.99
Custom hire	3.89	4.24	3.19	2.26
Land rent	78.74	90.43	77.49	77.21
Operating interest	3.40	3.27	4.52	2.36
Miscellaneous	1.74	1.79	1.06	1.31
Total direct expenses per acre	260.17	285.69	249.72	253.11
Return over direct exp per acre	156.74	25.36	131.99	256.33
Overhead Expenses				
Custom hire	2.07	1.15	2.63	2.00
Hired labor	10.96	10.92	8.72	9.13
Machinery leases	3.00	5.98	1.77	1.87
Building leases	0.53	0.63	0.58	0.10
Farm insurance	4.72	5.72	4.70	4.45
Utilities	3.17	3.58	3.24	2.91
Dues & professional fees	2.37	3.60	2.81	1.81
Interest	3.60	3.42	3.73	2.89
Mach & bldg depreciation	19.91	16.93	20.17	18.14
Miscellaneous	3.21	4.08	3.69	3.10
Total overhead expenses per acre	53.54	56.02	52.06	46.40
Total dir & ovhd expenses per acre	313.71	341.70	301.78	299.51
Net return per acre	103.20	-30.66	79.93	209.93
Government payments	16.64	15.47	15.92	18.09
Net return with govt pmts	119.84	-15.19	95.85	228.02
Labor & management charge	25.10	25.13	24.08	25.01
Net return over lbr & mgt	94.75	-40.32	71.77	203.01
Cost of Production				
Total direct expense per bu.	4.03	4.95	4.10	3.67
Total dir & ovhd exp per bu.	4.86	5.92	4.95	4.34
Less govt & other income	4.53	5.40	4.68	4.05
With labor & management	4.92	5.83	5.08	4.42
Net value per unit	6.38	5.12	6.23	7.37
Machinery cost per acre	68.99	70.02	69.08	60.77
Est. labor hours per acre	1.33	1.17	1.29	1.27

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2010
(Farms Sorted By Net Return)

Wheat, Spring on Share Rent

	Avg. Of All Farms
Number of fields	22
Number of farms	17
Acres	122.12
Yield per acre (bu.)	59.40
Operators share of yield %	70.69
Value per bu.	5.87
Total product return per acre	246.60
Crop insurance per acre	0.10
Other crop income per acre	2.05
Gross return per acre	248.75
Direct Expenses	
Seed	16.78
Fertilizer	74.00
Crop chemicals	21.51
Crop insurance	9.40
Fuel & oil	16.62
Repairs	22.58
Custom hire	1.99
Machinery leases	1.08
Operating interest	2.31
Miscellaneous	0.64
Total direct expenses per acre	166.90
Return over direct exp per acre	81.85
Overhead Expenses	
Custom hire	0.70
Hired labor	9.76
Machinery leases	1.51
Building leases	0.87
Farm insurance	4.43
Utilities	3.27
Dues & professional fees	2.83
Interest	3.58
Mach & bldg depreciation	17.79
Miscellaneous	3.09
Total overhead expenses per acre	47.82
Total dir & ovhd expenses per acre	214.72
Net return per acre	34.03
Government payments	12.64
Net return with govt pmts	46.68
Labor & management charge	25.78
Net return over lbr & mgt	20.90
Cost of Production	
Total direct expense per bu.	3.97
Total dir & ovhd exp per bu.	5.11
Less govt & other income	4.76
With labor & management	5.37
Net value per unit	5.87
Machinery cost per acre	65.07
Est. labor hours per acre	1.24

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2010
(Farms Sorted By Net Return)

Wheat, Winter on Cash Rent

	Avg. Of All Farms
Number of fields	6
Number of farms	5
Acres	180.08
Yield per acre (bu.)	57.95
Operators share of yield %	100.00
Value per bu.	5.92
Total product return per acre	342.86
Crop insurance per acre	17.35
Gross return per acre	360.21
Direct Expenses	
Seed	13.51
Fertilizer	59.82
Crop chemicals	19.42
Crop insurance	9.59
Storage	0.13
Fuel & oil	16.95
Repairs	18.17
Custom hire	3.72
Land rent	71.97
Operating interest	1.80
Miscellaneous	0.29
Total direct expenses per acre	215.36
Return over direct exp per acre	144.84
Overhead Expenses	
Custom hire	0.71
Hired labor	9.50
Machinery leases	2.49
Building leases	0.62
Farm insurance	6.07
Utilities	3.74
Dues & professional fees	2.61
Interest	2.68
Mach & bldg depreciation	10.88
Miscellaneous	1.27
Total overhead expenses per acre	40.58
Total dir & ovhd expenses per acre	255.94
Net return per acre	104.26
Government payments	19.29
Net return with govt pmts	123.56
Labor & management charge	16.23
Net return over lbr & mgt	107.33
Cost of Production	
Total direct expense per bu.	3.72
Total dir & ovhd exp per bu.	4.42
Less govt & other income	3.78
With labor & management	4.06
Net value per unit	5.92
Machinery cost per acre	55.24
Est. labor hours per acre	1.34

MyFarm Financial Scorecard

Year: _____

Name: _____

	This Year	5-Year Ave	Strong		Vulnerable
Liquidity					
Current ratio			1.7		1.1
Working capital					
Working cap to gross revenue			25%		10%
Solvency (market)	Note: These solvency ratios include deferred liabilities				
Farm debt/asset ratio			30%		60%
Farm equity/asset ratio			70%		40%
Farm debt/equity ratio			0.43		1.50
Profitability (Cost)					
Rate of return on farm assets			8%		4%
Rate of return on farm equity			10%		3%
Operating profit margin			25%		15%
Net farm income					
EBITDA					
Repayment Capacity (Accrual)					
Capital debt repay capacity					
Capital debt repay margin					
Replacement margin					
Term-debt coverage ratio			1.50		1.20
Replacement margin ratio			1.40		1.10
Financial Efficiency					
Asset-turnover rate (market)			45%		30%
Operating-expense ratio			60%		80%
Depreciation-expense ratio			5%		15%
Interest-expense ratio			5%		10%
Net farm income ratio			20%		10%