



# Farm Business Management

## Northern Minnesota 2021 ANNUAL REPORT



April, 2022



MINNESOTA STATE



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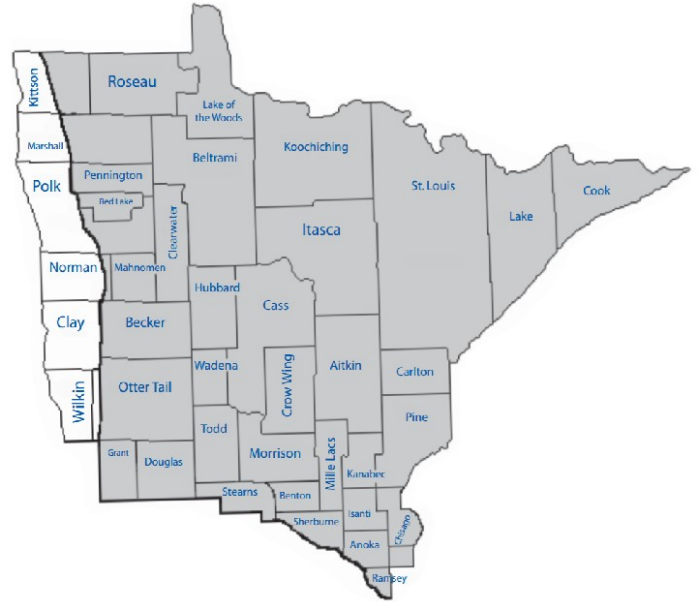
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# Northern Minnesota Annual Report Instructors and Locations



## MINNESOTA STATE



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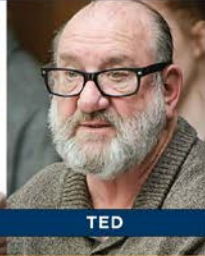
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## MENTAL HEALTH OUTREACH PROGRAM



**MONICA**



**TED**

- Assist** in Meeting Farm Business and Personal Goals
- Direct** Effective Financial Management
- Support** Rural Mental Health
- Guide** Sound Business Decisions
- Advise** Farm Transition and Succession Planning
- Develop** Farm Efficiency and Risk Management
- Increase** Access to Lending Opportunities

**Rural Mental Health Support**

FARM INFO LINE  
1-800-232-9077

MN FARM & RURAL HELPLINE  
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**MN Mental Health Outreach Program**

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### Colleges Supporting Farm Business Management

Alexandria Technical College  
Central Lakes College  
Minnesota West Community and Technical College  
Northland Community and Technical College

Riverland Community College  
South Central College  
St. Cloud Technical and Community College



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**Serving Minnesota's Farmers Through  
Farm Business Management**

The 2021 farm year was the highest net farm income in the past eight years for Northern Minnesota, however many producers faced various challenges in 2021. Drought conditions were a major factors for the majority of the Northern Minnesota crop farms and you can see the evidence in the lower yields for corn, soybeans and spring wheat in the past 3 years. One of the advantages the crop producers saw was the higher selling prices for their crops from 2020 and 2021, which in addition was a challenge for livestock producers buying feeds and forages. Livestock producers were also affected by the drought conditions which created problems in pastures, sourcing replacement forages and also water issues.

In 2021, Average Net Farm Income for the 572 farms in the Northern Minnesota database was \$189,843. This was up from the \$156,841 reported in 2020 and the highest number since 2012. Median Net Farm Income was up as well, increasing to \$100,804 in 2021, compared to \$85,468 in 2020.

| Financial Factors       | 2014      | 2015     | 2016     | 2017     | 2018     | 2019     | 2020      | 2021      |
|-------------------------|-----------|----------|----------|----------|----------|----------|-----------|-----------|
| Average Net Farm Income | \$114,095 | \$37,182 | \$59,480 | \$54,021 | \$59,306 | \$72,208 | \$156,941 | \$189,843 |
| Median Net Farm Income  | \$46,104  | \$46,104 | \$25,654 | \$23,489 | \$25,857 | \$29,325 | \$85,468  | \$100,804 |

Some key financial measures showed increases compared to 2020. Working Capital increased to \$307,815 at the end of 2021 compared to \$240,631 at the end of 2020; an increase of 27.9%. Working Capital represents the dollar amount remaining after subtracting current liabilities from current assets. The 2021 Northern Minnesota term debt coverage average was 2.69 compared to 2.38 in 2020. With increases in profitability in 2021, the Operating Expense Ratio came in at 69.1%.

The Dairy industry showed some large decreases in net return per cow due to lower average milk price in 2021 and high cost of production compared to 2020 and 2019. The Beef Industry was challenged again in 2021 with a negative \$166 net return per cow. This continued lack of profitability in Beef results from high costs in relationship to the revenue generated. Cattle producers were challenge with feed sources due to dry conditions and increase costs of purchased feeds.

| Statewide FBM Data               | Dairy (Excluding Organic & Organic Transition) |         |         | Beef Cow-Calf (Excluding backgrounding) |          |          |
|----------------------------------|--|---------|---------|---|----------|----------|
|                                  | 2019   | 2020    | 2021    | 2019                                    | 2020     | 2021     |
| Feed Cost / Cow                  | \$2,010  | \$2,180 | \$2,424 | \$469                                   | \$434    | \$550    |
| Dir & Ovhd Expense/Cow           | \$3,835  | \$4,183 | \$4,316 | \$828                                   | \$778    | \$930    |
| Net Return / Cow                 | \$403  | \$964   | \$208   | (\$223)                                 | (\$29)   | (\$166)  |
| Average Milk Price               | \$18.64  | \$19.77 | \$18.41 | xxx                                     | xxx      | xxx      |
| Cost of Prod per CWT w/LaborMgmt | \$17.65  | \$16.65 | \$18.23 | xxx                                     | xxx      | xxx      |
| Average Price per CWT Calf Sold  | xxx  | xxx     | xxx     | \$146.00                                | \$159.00 | \$154.00 |

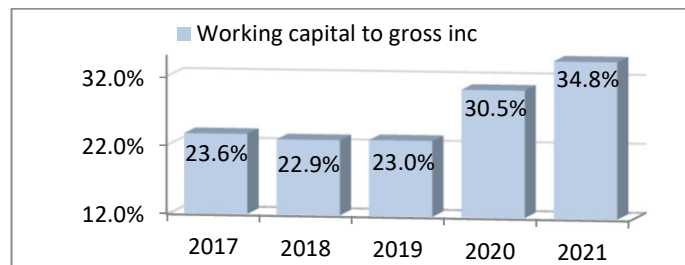
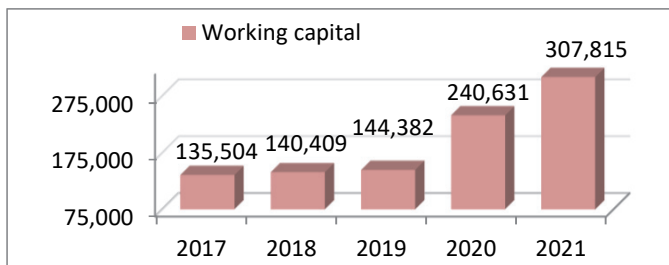
2021 showed a strong decrease in yields for the northern half of Minnesota, with an average yield per acre of 124.6 bushels for corn, 30.3 bushels for soybeans, and 49.5 bushels for spring wheat. Net returns showed profitability on all three crops for the third consecutive year. The chart below displays the 3-year history of selected factors for these crops.

| Rented Land  |      | Yield per Acre | Value per Unit | Gross Revenue /Acre | Dir & Ovhd Expense /Acre | Net Return /Acre | Dir & Ovhd Expense /Unit |
|--------------|------|----------------|----------------|---------------------|--------------------------|------------------|--------------------------|
| Corn         | 2019 | 156.7          | \$3.42         | \$605.07            | \$593.49                 | \$11.58          | \$3.79                   |
|              | 2020 | 172.2          | \$3.85         | \$710.99            | \$592.09                 | \$118.90         | \$3.44                   |
|              | 2021 | 124.6          | \$5.30         | \$760.77            | \$595.92                 | \$164.85         | \$4.78                   |
| Soybeans     | 2019 | 37.1           | \$8.22         | \$370.04            | \$334.72                 | \$35.32          | \$9.01                   |
|              | 2020 | 40.3           | \$10.01        | \$446.10            | \$339.38                 | \$106.71         | \$8.43                   |
|              | 2021 | 30.3           | \$12.21        | \$433.62            | \$350.45                 | \$83.17          | \$11.54                  |
| Spring Wheat | 2019 | 60.7           | \$5.09         | \$383.13            | \$346.31                 | \$36.82          | \$5.70                   |
|              | 2020 | 56.5           | \$5.49         | \$366.60            | \$343.07                 | \$23.53          | \$6.07                   |
|              | 2021 | 49.5           | \$8.55         | \$471.75            | \$344.24                 | \$127.50         | \$6.96                   |

Trend information for the 2017-2021 Financial Summary can be found on page 4 of this report. A quick look at 2021 can be found on page 5 as the “Year at a Glance”. The impact of spending on the farm economy of Northern Minnesota by the average farmer can be found on page 8.

**Financial Trend Summary**  
**Northern Minnesota Farm Business Management Data**

|  | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|--|-------------|-------------|-------------|-------------|-------------|
| <b>Income Statement</b>                        |             |             |             |             |             |
| Gross Cash Farm Income                         | 562,001     | 585,946     | 605,725     | 756,236     | 827,310     |
| Total Cash Farm Expense                        | 470,535     | 505,816     | 511,025     | 613,229     | 659,356     |
| Net Cash Farm Income                           | 91,466      | 80,130      | 94,700      | 143,007     | 167,954     |
| Inventory change                               | 7,106       | 21,774      | 16,031      | 60,809      | 70,834      |
| Depreciation                                   | -44,668     | -42,395     | -45,887     | -49,447     | -51,218     |
| Net Farm Income From Operations                | 53,905      | 59,509      | 64,844      | 154,368     | 187,570     |
| Gain or loss on capital sales                  | 116         | -202        | 7364        | 2,573       | 2,272       |
| Average Net Farm Income                        | 54,021      | 59,306      | 72,208      | 156,941     | 189,843     |
| Median Net Farm Income                         | 23,489      | 25,857      | 29,325      | 85,468      | 100,804     |
| <b>Profitability (Cost)</b>                    |             |             |             |             |             |
| Rate of Return on Assets                       | 2.5%        | 3.1%        | 3.4%        | 7.5%        | 8.6%        |
| Rate of Return on Equity                       | 1.2%        | 2.0%        | 2.4%        | 10.4%       | 12.6%       |
| Operating Profit Margin                        | 8.4%        | 10.0%       | 10.9%       | 21.6%       | 23.3%       |
| Asset Turnover Rate                            | 30.1%       | 30.6%       | 30.8%       | 34.8%       | 37.1%       |
| <b>Liquidity &amp; Repayment (end of year)</b> |             |             |             |             |             |
| Current Assets                                 | 372,786     | 413,286     | 414,578     | 508,521     | 565,640     |
| Current Liabilities                            | 237,282     | 272,877     | 270,196     | 267,890     | 257,825     |
| Current Ratio                                  | 1.57        | 1.51        | 1.53        | 1.90        | 2.19        |
| Working capital                                | 135,504     | 140,409     | 144,382     | 240,631     | 307,815     |
| Change in working capital                      | -           | 5,184       | 11,194      | 88,962      | 89,894      |
| Working capital to gross inc                   | 23.6%       | 22.9%       | 23.0%       | 30.5%       | 34.8%       |
| Term Debt Coverage Ratio                       | 1.18        | 1.27        | 1.35        | 2.38        | 2.69        |
| Replacement coverage ratio                     | 0.96        | 1.02        | 1.07        | 1.87        | 2.11        |
| Term debt to EBITDA                            | 3.85        | 3.80        | 3.55        | 2.41        | 2.21        |
| <b>Solvency (Market)</b>                       |             |             |             |             |             |
| Number of Farms                                | 622         | 615         | 572         | 577         | 572         |
| Total Assets                                   | 1,837,006   | 2,267,883   | 2,290,635   | 2,572,803   | 2,779,321   |
| Total Liabilities                              | 794,024     | 1,026,167   | 1,029,465   | 1,128,308   | 1,205,480   |
| Net Worth                                      | 1,042,982   | 1,241,716   | 1,261,170   | 1,444,495   | 1,573,841   |
| Net Worth Change                               | 38,476      | 48,792      | 57,514      | 169,349     | 210,368     |
| Farm Debt to Asset Ratio                       | 46%         | 48%         | 47%         | 46%         | 46%         |
| Total Debt to Asset Ratio                      | 43%         | 45%         | 45%         | 44%         | 43%         |
| Change in total net worth %                    | 4%          | 4%          | 5%          | 13%         | 15%         |
| <b>Nonfarm Information</b>                     |             |             |             |             |             |
| Net Nonfarm Income                             | 28,846      | 31,318      | 33,283      | 39,596      | 40,553      |
| Farms Reporting Liv Expenses                   | 76          | 75          | 70          | 74          | 77          |
| Total Family Living Expense                    | 50,678      | 50,802      | 51,527      | 55,350      | 55,816      |
| Total Living, Invest, & Cap Purch              | 65,631      | 63,149      | 74,591      | 62,491      | 86,705      |
| <b>Crop Acres</b>                              |             |             |             |             |             |
| Total Crop Acres                               | 755         | 754         | 798         | 828         | 831         |
| Total Crop Acres Owned                         | 257         | 251         | 245         | 246         | 247         |
| Total Crop Acres Cash Rented                   | 492         | 497         | 545         | 576         | 575         |
| Total Crop Acres Share Rent                    | 6           | 6           | 8           | 7           | 8           |
| Machinery value per crop acre                  | 596         | 531         | 580         | 608         | 652         |



| <u><b>Year at a Glance</b></u>               |                     |                     |              | <b>State</b> |             | <b>Your</b> | <b>Your</b> |
|--|---------------------|---------------------|--------------|--------------|-------------|-------------|-------------|
| <i>Data for the Average Farm</i>             | <b>Northern</b>     | <b>State</b>        | <b>Local</b> | <b>FBM</b>   | <b>Area</b> | <b>Farm</b> | <b>Farm</b> |
|  | <b>Minnesota</b>    |                     |              |              | <b>Data</b> | <b>Data</b> | <b>Goal</b> |
|  | <b>572</b>          | <b>2293</b>         |              |              |             |             |             |
|  | <b><u>Farms</u></b> | <b><u>Farms</u></b> |              |              |             |             |             |
| <b><u>Income Statement</u></b>               |                     |                     |              |              |             |             |             |
| Gross Cash Farm Income                       | \$827,310           | \$960,023           | _____        | _____        | _____       | _____       | _____       |
| Total Cash Operating Expense                 | \$659,356           | \$777,556           | _____        | _____        | _____       | _____       | _____       |
| Net Cash Farm Income                         | \$167,954           | \$182,467           | _____        | _____        | _____       | _____       | _____       |
| Net Operating Profit                         | \$238,788           | \$319,878           | _____        | _____        | _____       | _____       | _____       |
| Net Farm Income                              | \$189,843           | \$267,379           | _____        | _____        | _____       | _____       | _____       |
| Median Farm Income                           | \$100,804           | \$158,294           | _____        | _____        | _____       | _____       | _____       |
| <b><u>Balance Sheet (Market)</u></b>         |                     |                     |              |              |             |             |             |
| Total Assets - 12/31                         | \$2,779,321         | \$3,361,681         | _____        | _____        | _____       | _____       | _____       |
| Total Liabilities - 12/31                    | \$1,205,480         | \$1,399,648         | _____        | _____        | _____       | _____       | _____       |
| Net Worth - 12/31                            | \$1,573,841         | \$1,962,033         | _____        | _____        | _____       | _____       | _____       |
| Change in Net Worth                          | \$210,368           | \$278,019           | _____        | _____        | _____       | _____       | _____       |
| <b><u>Financial Standards Measures</u></b>   |                     |                     |              |              |             |             |             |
| Working Capital - 12/31                      | \$307,815           | \$423,102           | _____        | _____        | _____       | _____       | _____       |
| Debt to Asset Ratio - 12/31                  | 46%                 | 44%                 | _____        | _____        | _____       | _____       | _____       |
| Rate of Return on Farm Assets - Cost         | 8.6%                | 10.7%               | _____        | _____        | _____       | _____       | _____       |
| Rate of Return on Farm Equity - Cost         | 12.6%               | 16.4%               | _____        | _____        | _____       | _____       | _____       |
| Term Debt Coverage Ratio                     | 2.69                | 3.59                | _____        | _____        | _____       | _____       | _____       |
| Asset Turnover Rate                          | 37.7%               | 40.8%               | _____        | _____        | _____       | _____       | _____       |
| Operating Expense Ratio                      | 69.1%               | 67.0%               | _____        | _____        | _____       | _____       | _____       |
| Interest Expense Ratio                       | 3.9%                | 3.2%                | _____        | _____        | _____       | _____       | _____       |
| <b><u>Operator Information</u></b>           |                     |                     |              |              |             |             |             |
| Average Age of the Farmer                    | 46.9                | 47.0                | _____        | _____        | _____       | _____       | _____       |
| Average Years Farming                        | 22.2                | 22.8                | _____        | _____        | _____       | _____       | _____       |
| <b><u>Personal Spending &amp; Income</u></b> |                     |                     |              |              |             |             |             |
| Total Cash Family Living Expense             | \$55,382            | \$65,250            | _____        | _____        | _____       | _____       | _____       |
| Total Non Farm Income                        | \$40,533            | \$44,586            | _____        | _____        | _____       | _____       | _____       |

Net Farm Income dollars are used to pay for Family Living, Social Security and Income Tax, Retirement Accounts, Medical and Health expenses, and loan principle payments. A positive balance indicates revenue for other uses, while a negative balance indicates a need for revenue from other sources.

The following list shows expenses for the year:

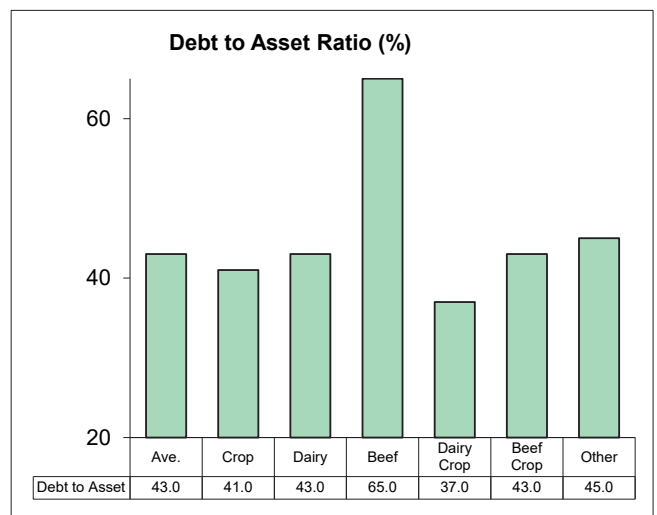
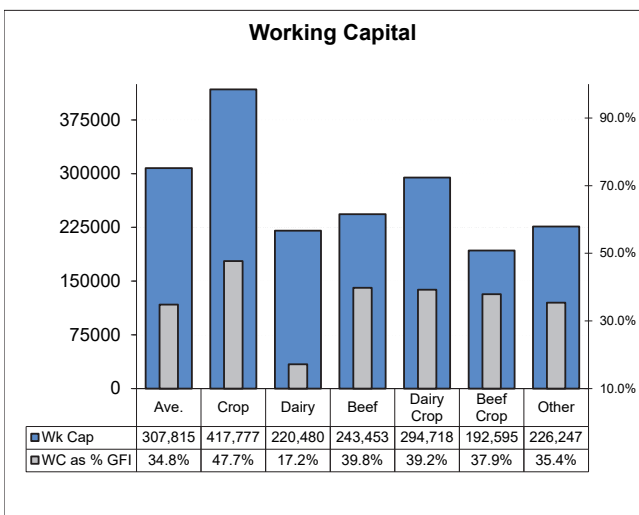
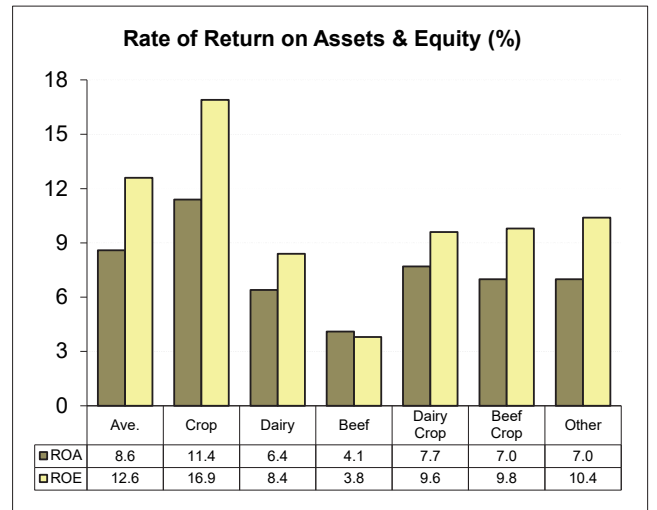
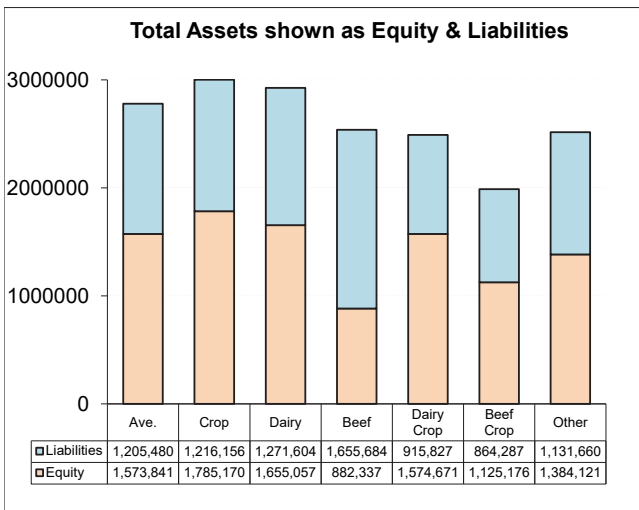
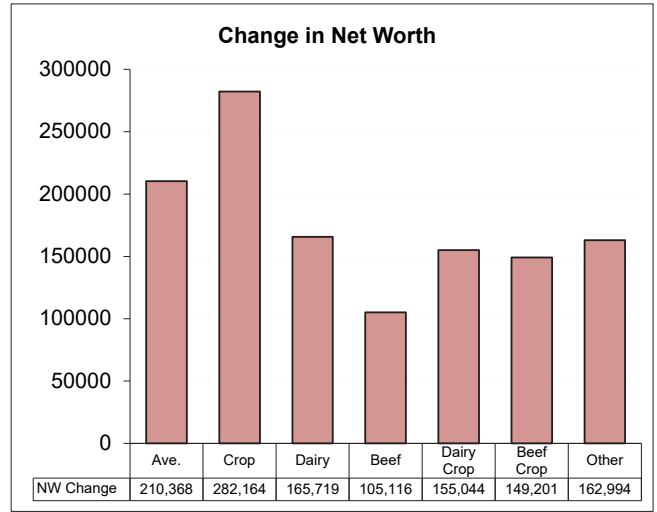
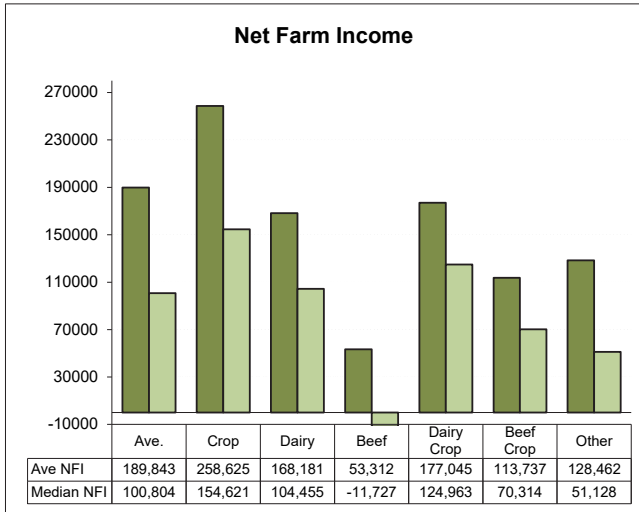
|                                 |     | <u>Northern Minnesota</u> | <u>State Data</u> |
|---------------------------------|-----|---------------------------|-------------------|
| Net Farm Income                 | (+) | \$189,843                 | \$267,379         |
| Depreciation                    | (+) | \$51,218                  | \$55,493          |
| Family Living (Excl Health/Med) | (-) | \$48,135                  | \$55,425          |
| Social Security and Income Tax  | (-) | \$8,744                   | \$15,453          |
| Health and Medical Expense      | (-) | \$7,247                   | \$9,825           |
| Retirement Accounts             | (-) | \$8,348                   | \$9,437           |
| Principal Payments              | (-) | \$68,592                  | \$67,903          |
| Balance                         | (=) | \$99,995                  | \$164,829         |

**Financial Summary**  
**Northern Minnesota Farm Business Management Data**  
**(Farms Sorted By Farm Type)**

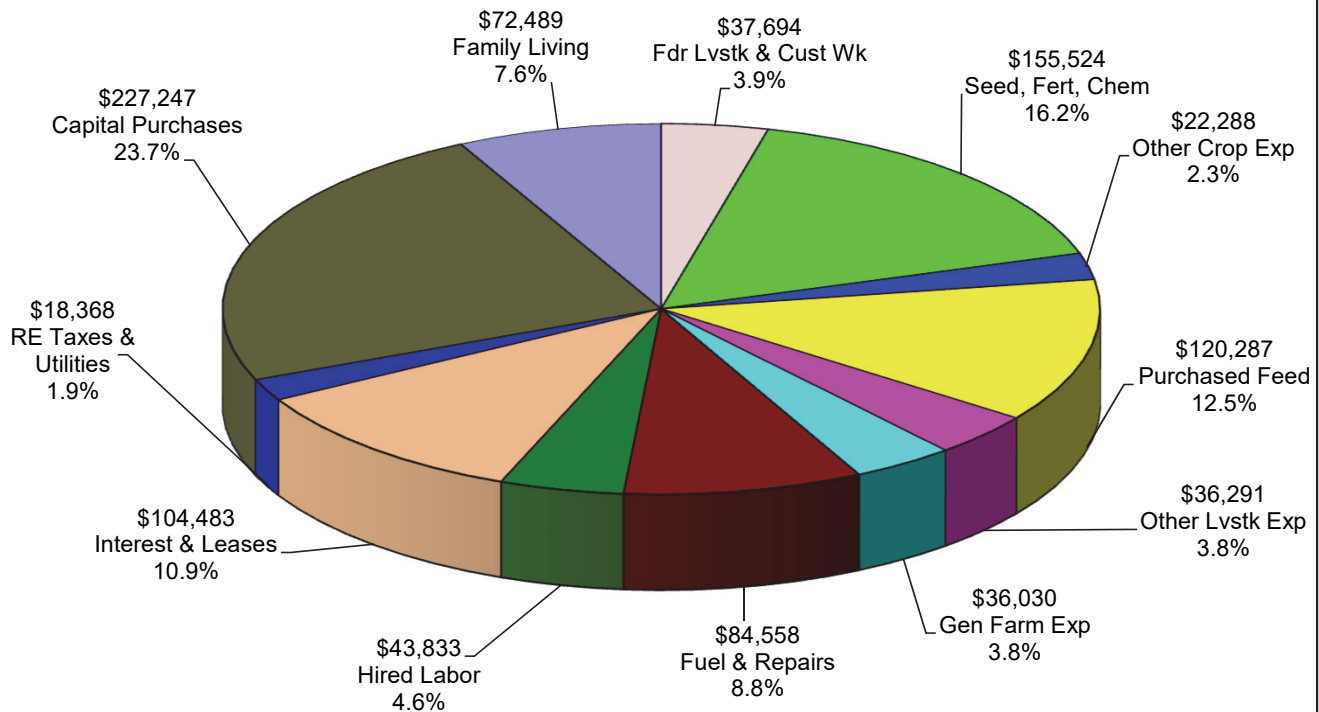
|  | <u>Avg. Of<br/>All Farms</u> | <u>Crop</u> | <u>Dairy</u> | <u>Beef</u> | <u>Crop and<br/>Dairy</u> | <u>Crop and<br/>Beef</u> | <u>Other</u> |
|--|------------------------------|-------------|--------------|-------------|---------------------------|--------------------------|--------------|
| Number of farms                                | 572                          | 249         | 133          | 35          | 22                        | 43                       | 85           |
| <b>Income Statement</b>                        |                              |             |              |             |                           |                          |              |
| Gross cash farm income                         | 827,310                      | 823,311     | 1,208,947    | 490,136     | 731,760                   | 489,407                  | 586,626      |
| Total cash farm expense                        | 659,356                      | 606,894     | 1,019,374    | 513,063     | 536,872                   | 379,800                  | 487,620      |
| Net cash farm income                           | 167,954                      | 216,417     | 189,573      | -22,927     | 194,889                   | 109,607                  | 99,006       |
| Inventory change                               | 70,834                       | 93,611      | 44,531       | 106,916     | 28,302                    | 32,973                   | 63,786       |
| Depreciation                                   | -51,218                      | -53,087     | -66,887      | -30,682     | -48,594                   | -34,996                  | -39,269      |
| Net farm income from operations                | 187,570                      | 256,940     | 167,217      | 53,306      | 174,596                   | 107,584                  | 123,523      |
| Gain or loss on capital sales                  | 2,272                        | 1,685       | 963          | 6           | 2,449                     | 6,153                    | 4,939        |
| Average net farm income                        | 189,843                      | 258,625     | 168,181      | 53,312      | 177,045                   | 113,737                  | 128,462      |
| Median net farm income                         | 100,804                      | 154,621     | 104,455      | -11,727     | 124,963                   | 70,314                   | 51,128       |
| <b>Profitability (cost)</b>                    |                              |             |              |             |                           |                          |              |
| Rate of return on assets                       | 8.6 %                        | 11.4 %      | 6.4 %        | 4.1 %       | 7.7 %                     | 7.0 %                    | 7.0 %        |
| Rate of return on equity                       | 12.6 %                       | 16.9 %      | 8.4 %        | 3.8 %       | 9.6 %                     | 9.8 %                    | 10.4 %       |
| Operating profit margin                        | 23.3 %                       | 27.1 %      | 16.7 %       | 19.5 %      | 23.2 %                    | 23.9 %                   | 24.5 %       |
| Asset turnover rate                            | 37.1 %                       | 41.9 %      | 38.6 %       | 21.1 %      | 33.1 %                    | 29.3 %                   | 28.6 %       |
| <b>Profitability (market)</b>                  |                              |             |              |             |                           |                          |              |
| Rate of return on assets                       | 7.8 %                        | 10.0 %      | 6.1 %        | 3.1 %       | 7.4 %                     | 6.1 %                    | 6.0 %        |
| Rate of return on equity                       | 11.8 %                       | 15.7 %      | 8.5 %        | 2.1 %       | 9.9 %                     | 8.6 %                    | 9.0 %        |
| Operating profit margin                        | 25.0 %                       | 29.2 %      | 18.0 %       | 16.5 %      | 26.3 %                    | 25.4 %                   | 26.8 %       |
| Asset turnover rate                            | 31.0 %                       | 34.3 %      | 33.9 %       | 19.0 %      | 28.3 %                    | 24.0 %                   | 22.4 %       |
| <b>Liquidity &amp; Repayment (end of year)</b> |                              |             |              |             |                           |                          |              |
| Current assets                                 | 565,640                      | 712,485     | 399,646      | 761,232     | 421,396                   | 390,234                  | 447,939      |
| Current liabilities                            | 257,825                      | 294,708     | 179,166      | 517,779     | 126,678                   | 197,638                  | 221,692      |
| Current ratio                                  | 2.19                         | 2.42        | 2.23         | 1.47        | 3.33                      | 1.97                     | 2.02         |
| Working capital                                | 307,815                      | 417,777     | 220,480      | 243,453     | 294,718                   | 192,595                  | 226,247      |
| Change in working capital                      | 89,894                       | 146,273     | 16,943       | 45,516      | 56,181                    | 72,527                   | 79,841       |
| Working capital to gross inc                   | 34.8 %                       | 47.7 %      | 17.2 %       | 39.8 %      | 39.2 %                    | 37.9 %                   | 35.4 %       |
| Term debt coverage ratio                       | 2.69                         | 3.70        | 1.94         | 1.57        | 2.40                      | 2.50                     | 2.24         |
| Replacement coverage ratio                     | 2.11                         | 2.61        | 1.69         | 1.46        | 1.75                      | 1.90                     | 1.87         |
| Term debt to EBITDA                            | 2.21                         | 1.57        | 2.93         | 5.11        | 2.10                      | 2.62                     | 2.92         |
| <b>Solvency (end of year at cost)</b>          |                              |             |              |             |                           |                          |              |
| Number of farms                                | 572                          | 249         | 133          | 35          | 22                        | 43                       | 85           |
| Total assets                                   | 2,337,001                    | 2,475,624   | 2,588,744    | 2,281,055   | 2,100,245                 | 1,649,252                | 2,004,130    |
| Total liabilities                              | 967,461                      | 939,118     | 1,069,885    | 1,374,853   | 721,199                   | 712,360                  | 911,880      |
| Net worth                                      | 1,369,539                    | 1,536,505   | 1,518,859    | 906,202     | 1,379,046                 | 936,892                  | 1,092,250    |
| Net worth change                               | 192,178                      | 256,849     | 152,018      | 111,736     | 132,622                   | 141,288                  | 144,281      |
| Farm debt to asset ratio                       | 44 %                         | 40 %        | 44 %         | 64 %        | 35 %                      | 45 %                     | 49 %         |
| Total debt to asset ratio                      | 41 %                         | 38 %        | 41 %         | 60 %        | 34 %                      | 43 %                     | 46 %         |
| Change in earned net worth %                   | 16 %                         | 20 %        | 11 %         | 14 %        | 11 %                      | 18 %                     | 15 %         |
| <b>Solvency (end of year at market)</b>        |                              |             |              |             |                           |                          |              |
| Number of farms                                | 572                          | 249         | 133          | 35          | 22                        | 43                       | 85           |
| Total assets                                   | 2,779,321                    | 3,001,326   | 2,926,661    | 2,538,021   | 2,490,498                 | 1,989,463                | 2,515,781    |
| Total liabilities                              | 1,205,480                    | 1,216,156   | 1,271,604    | 1,655,684   | 915,827                   | 864,287                  | 1,131,660    |
| Net worth                                      | 1,573,841                    | 1,785,170   | 1,655,057    | 882,336     | 1,574,671                 | 1,125,176                | 1,384,121    |
| Total net worth change                         | 210,368                      | 282,164     | 165,719      | 105,116     | 155,044                   | 149,201                  | 162,994      |
| Farm debt to asset ratio                       | 46 %                         | 43 %        | 46 %         | 69 %        | 38 %                      | 45 %                     | 48 %         |
| Total debt to asset ratio                      | 43 %                         | 41 %        | 43 %         | 65 %        | 37 %                      | 43 %                     | 45 %         |
| Change in total net worth %                    | 15 %                         | 19 %        | 11 %         | 14 %        | 11 %                      | 15 %                     | 13 %         |
| <b>Nonfarm Information</b>                     |                              |             |              |             |                           |                          |              |
| Net nonfarm income                             | 40,553                       | 48,467      | 20,842       | 78,394      | 20,296                    | 35,096                   | 42,681       |
| Farms reporting living expenses                | 77                           | 30          | 25           | 3           | 1                         | 3                        | 15           |
| Total family living expense                    | 55,816                       | 64,204      | 50,188       | -           | -                         | -                        | 53,713       |
| Total living, invest, cap. purch               | 86,705                       | 99,724      | 79,863       | -           | -                         | -                        | 79,715       |
| <b>Crop Acres</b>                              |                              |             |              |             |                           |                          |              |
| Total crop acres                               | 831                          | 1,333       | 426          | 390         | 535                       | 575                      | 377          |
| Total crop acres owned                         | 247                          | 359         | 145          | 158         | 205                       | 199                      | 150          |
| Total crop acres cash rented                   | 575                          | 960         | 278          | 215         | 330                       | 371                      | 228          |
| Total crop acres share rented                  | 8                            | 14          | 4            | 17          | -                         | 4                        | -            |
| Machinery value per crop acre                  | 652                          | 509         | 1,186        | 764         | 930                       | 736                      | 1,003        |



## Selected Factors by Type of Farm



**Each farmer, on average, spent \$959,092 in the Greater Community in 2021**



**Average Money Spent by Each Farmer in the Greater Community: \$959,092**

**Average Money Spent by Each Farmer in a 40 Yr Career: \$38,363,680**

**Money Spent in Community by 572 Farmers: \$548,600,624**

### Report Overview

*Farm Business Management Education has been a part of agricultural education programs in Minnesota since 1953. FBM Programs are now an integral part of the Minnesota State System, delivered through eight two-year colleges. The 2021 Northern Minnesota Annual Report includes data from Farm Business Management programs administered by: Northland Community & Technical College, Central Lakes College, Alexandria Technical & Community College, and St. Cloud Technical & Community Colleges.*

*This report was prepared under the direction of Ron Dvergsten, Josh Tjosaas, Nate Converse, and DelRay Lecy through AgCentric, the Northern Center of Excellence for Agriculture. A special thank you goes to Keith Olander, AgCentric Executive Director, for his leadership.*

**Report tables were created using FINPACK and RankEm Central, copyrighted software of the Center for Farm Financial Management, University of Minnesota. The Center also shared the Financial Scorecard on the back cover.**

*The financial portion of the report, found in the first 26 pages, uses a standard format for each table. Data from the analysis system is printed in a four column format, which includes: Average, Low, Middle, & High. The High, Middle, & Low ranges are calculated based on a 20% slice of the farms in the total group.*

*The enterprise tables begin on page 30. Each of these tables consist of: a size indicator, a total & per unit income, direct & overhead expenses, and other information. Costs which are considered operating, whether easily assigned or are allocated, are listed as Direct Expenses. Costs which are general in nature, whether fixed or variable, are listed as Overhead Expenses.*

*The criteria for determining the 20% categories in each area are listed below:*

| <u>Analysis Section</u> | <u>Criteria to determine the "20%" categories</u> |
|-------------------------|---|
| Financial               | Net Farm Income                                   |
| Crops                   | Return to Overhead                                |
| Statewide Livestock     | Return to Overhead                                |

**Financial Summary**  
**Northern Minnesota Farm Business Management Data**  
**(Farms Sorted By Number of Years Farming)**

|  | <u>Avg. Of<br/>All Farms</u> | <u>10 or Less</u> | <u>11 - 20</u> | <u>21 - 30</u> | <u>31 - 40</u> | <u>Over 40</u> |
|--|------------------------------|-------------------|----------------|----------------|----------------|----------------|
| Number of farms                                | 572                          | 159               | 137            | 76             | 81             | 119            |
| <b>Income Statement</b>                        |                              |                   |                |                |                |                |
| Gross cash farm income                         | 827,310                      | 476,694           | 1,068,785      | 941,218        | 1,008,898      | 821,429        |
| Total cash farm expense                        | 659,356                      | 393,049           | 880,951        | 718,729        | 791,351        | 632,299        |
| Net cash farm income                           | 167,954                      | 83,644            | 187,834        | 222,489        | 217,547        | 189,130        |
| Inventory change                               | 70,834                       | 50,071            | 104,090        | 41,782         | 102,449        | 57,325         |
| Depreciation                                   | -51,218                      | -27,078           | -60,731        | -54,107        | -71,398        | -56,937        |
| Net farm income from operations                | 187,570                      | 106,638           | 231,192        | 210,164        | 248,597        | 189,518        |
| Gain or loss on capital sales                  | 2,272                        | 4,885             | 3,012          | -1,713         | 5,381          | -1,641         |
| Average net farm income                        | 189,843                      | 111,522           | 234,204        | 208,451        | 253,979        | 187,877        |
| Median net farm income                         | 100,804                      | 59,765            | 109,844        | 111,910        | 164,070        | 104,863        |
| <b>Profitability (cost)</b>                    |                              |                   |                |                |                |                |
| Rate of return on assets                       | 8.6 %                        | 9.0 %             | 9.5 %          | 8.8 %          | 8.6 %          | 7.3 %          |
| Rate of return on equity                       | 12.6 %                       | 14.7 %            | 15.9 %         | 12.5 %         | 11.8 %         | 9.3 %          |
| Operating profit margin                        | 23.3 %                       | 21.2 %            | 23.6 %         | 23.7 %         | 25.8 %         | 22.1 %         |
| Asset turnover rate                            | 37.1 %                       | 42.4 %            | 40.4 %         | 37.1 %         | 33.3 %         | 33.1 %         |
| <b>Profitability (market)</b>                  |                              |                   |                |                |                |                |
| Rate of return on assets                       | 7.8 %                        | 8.4 %             | 9.0 %          | 7.6 %          | 7.7 %          | 6.3 %          |
| Rate of return on equity                       | 11.8 %                       | 14.0 %            | 16.3 %         | 11.2 %         | 11.2 %         | 8.4 %          |
| Operating profit margin                        | 25.0 %                       | 21.9 %            | 25.2 %         | 24.5 %         | 27.7 %         | 25.3 %         |
| Asset turnover rate                            | 31.0 %                       | 38.2 %            | 35.6 %         | 30.9 %         | 27.7 %         | 25.1 %         |
| <b>Liquidity &amp; Repayment (end of year)</b> |                              |                   |                |                |                |                |
| Current assets                                 | 565,640                      | 276,356           | 708,900        | 661,987        | 713,291        | 625,198        |
| Current liabilities                            | 257,825                      | 131,587           | 405,544        | 265,848        | 303,148        | 220,456        |
| Current ratio                                  | 2.19                         | 2.10              | 1.75           | 2.49           | 2.35           | 2.84           |
| Working capital                                | 307,815                      | 144,768           | 303,357        | 396,139        | 410,143        | 404,742        |
| Change in working capital                      | 89,894                       | 47,775            | 72,798         | 143,587        | 116,543        | 113,420        |
| Working capital to gross inc                   | 34.8 %                       | 27.8 %            | 25.9 %         | 41.2 %         | 37.7 %         | 47.5 %         |
| Term debt coverage ratio                       | 2.69                         | 3.28              | 2.41           | 2.86           | 2.62           | 2.69           |
| Replacement coverage ratio                     | 2.11                         | 2.67              | 2.11           | 2.09           | 2.04           | 1.87           |
| Term debt to EBITDA                            | 2.21                         | 2.19              | 2.41           | 2.18           | 2.13           | 2.05           |
| <b>Solvency (end of year at cost)</b>          |                              |                   |                |                |                |                |
| Number of farms                                | 572                          | 159               | 137            | 76             | 81             | 119            |
| Total assets                                   | 2,337,001                    | 1,272,672         | 2,688,930      | 2,598,899      | 3,120,881      | 2,653,096      |
| Total liabilities                              | 967,461                      | 599,781           | 1,333,576      | 1,020,127      | 1,161,764      | 871,347        |
| Net worth                                      | 1,369,539                    | 672,892           | 1,355,354      | 1,578,772      | 1,959,117      | 1,781,749      |
| Net worth change                               | 192,178                      | 135,124           | 228,658        | 215,503        | 256,207        | 167,935        |
| Farm debt to asset ratio                       | 44 %                         | 49 %              | 51 %           | 42 %           | 40 %           | 37 %           |
| Total debt to asset ratio                      | 41 %                         | 47 %              | 50 %           | 39 %           | 37 %           | 33 %           |
| Change in earned net worth %                   | 16 %                         | 25 %              | 20 %           | 16 %           | 15 %           | 10 %           |
| <b>Solvency (end of year at market)</b>        |                              |                   |                |                |                |                |
| Number of farms                                | 572                          | 159               | 137            | 76             | 81             | 119            |
| Total assets                                   | 2,779,321                    | 1,405,737         | 3,056,277      | 3,093,272      | 3,740,665      | 3,440,899      |
| Total liabilities                              | 1,205,480                    | 673,145           | 1,617,471      | 1,273,026      | 1,509,006      | 1,192,704      |
| Net worth                                      | 1,573,841                    | 732,593           | 1,438,806      | 1,820,246      | 2,231,659      | 2,248,194      |
| Total net worth change                         | 210,368                      | 140,805           | 246,541        | 230,580        | 278,677        | 202,262        |
| Farm debt to asset ratio                       | 46 %                         | 50 %              | 55 %           | 43 %           | 43 %           | 38 %           |
| Total debt to asset ratio                      | 43 %                         | 48 %              | 53 %           | 41 %           | 40 %           | 35 %           |
| Change in total net worth %                    | 15 %                         | 24 %              | 21 %           | 15 %           | 14 %           | 10 %           |
| <b>Nonfarm Information</b>                     |                              |                   |                |                |                |                |
| Net nonfarm income                             | 40,553                       | 48,174            | 38,244         | 47,385         | 33,067         | 33,759         |
| Farms reporting living expenses                | 77                           | 15                | 23             | 12             | 12             | 15             |
| Total family living expense                    | 55,816                       | 39,274            | 57,087         | 65,006         | 63,501         | 56,908         |
| Total living, invest, cap. purch               | 86,705                       | 72,320            | 73,383         | 97,351         | 110,696        | 93,809         |
| <b>Crop Acres</b>                              |                              |                   |                |                |                |                |
| Total crop acres                               | 831                          | 525               | 900            | 964            | 980            | 972            |
| Total crop acres owned                         | 247                          | 107               | 207            | 263            | 282            | 447            |
| Total crop acres cash rented                   | 575                          | 409               | 693            | 688            | 695            | 506            |
| Total crop acres share rented                  | 8                            | 8                 | -              | 12             | 4              | 20             |
| Machinery value per crop acre                  | 652                          | 516               | 599            | 704            | 748            | 706            |

**Financial Summary**  
**Northern Minnesota Farm Business Management Data**  
**(Farms Sorted By Gross Farm Income)**

|  | <u>Avg. Of<br/>All Farms</u> | <u>Less than<br/>100,000</u> | <u>100,001 -<br/>250,000</u> | <u>250,001 -<br/>500,000</u> | <u>500,001 -<br/>1,000,000</u> | <u>1,000,001 -<br/>2,000,000</u> | <u>Over<br/>2,000,000</u> |
|--|------------------------------|------------------------------|------------------------------|------------------------------|--------------------------------|----------------------------------|---------------------------|
| Number of farms                                | 572                          | 70                           | 100                          | 113                          | 147                            | 95                               | 47                        |
| <b>Income Statement</b>                        |                              |                              |                              |                              |                                |                                  |                           |
| Gross cash farm income                         | 827,310                      | 49,769                       | 177,081                      | 374,346                      | 701,002                        | 1,352,979                        | 3,790,380                 |
| Total cash farm expense                        | 659,356                      | 58,744                       | 142,565                      | 289,184                      | 535,527                        | 1,076,435                        | 3,087,689                 |
| Net cash farm income                           | 167,954                      | -8,975                       | 34,516                       | 85,162                       | 165,475                        | 276,544                          | 702,691                   |
| Inventory change                               | 70,834                       | 5,543                        | 15,524                       | 25,559                       | 61,139                         | 130,743                          | 303,841                   |
| Depreciation                                   | -51,218                      | -8,934                       | -16,366                      | -23,951                      | -49,149                        | -86,469                          | -189,121                  |
| Net farm income from operations                | 187,570                      | -12,366                      | 33,674                       | 86,770                       | 177,466                        | 320,818                          | 817,411                   |
| Gain or loss on capital sales                  | 2,272                        | 2,330                        | -501                         | 630                          | 1,190                          | 1,942                            | 16,090                    |
| Average net farm income                        | 189,843                      | -10,036                      | 33,173                       | 87,399                       | 178,656                        | 322,760                          | 833,501                   |
| Median net farm income                         | 100,804                      | -4,399                       | 37,363                       | 87,243                       | 162,293                        | 305,991                          | 648,309                   |
| <b>Profitability (cost)</b>                    |                              |                              |                              |                              |                                |                                  |                           |
| Rate of return on assets                       | 8.6 %                        | -4.0 %                       | 4.0 %                        | 6.5 %                        | 8.5 %                          | 9.5 %                            | 10.8 %                    |
| Rate of return on equity                       | 12.6 %                       | -11.8 %                      | 3.9 %                        | 9.3 %                        | 12.0 %                         | 14.4 %                           | 15.7 %                    |
| Operating profit margin                        | 23.3 %                       | -36.0 %                      | 16.5 %                       | 20.7 %                       | 24.1 %                         | 24.2 %                           | 24.8 %                    |
| Asset turnover rate                            | 37.1 %                       | 11.2 %                       | 24.2 %                       | 31.6 %                       | 35.4 %                         | 39.2 %                           | 43.4 %                    |
| <b>Profitability (market)</b>                  |                              |                              |                              |                              |                                |                                  |                           |
| Rate of return on assets                       | 7.8 %                        | -0.5 %                       | 5.2 %                        | 5.2 %                        | 8.6 %                          | 8.1 %                            | 9.2 %                     |
| Rate of return on equity                       | 11.8 %                       | -3.6 %                       | 6.9 %                        | 7.1 %                        | 12.9 %                         | 12.7 %                           | 14.9 %                    |
| Operating profit margin                        | 25.0 %                       | -5.5 %                       | 29.9 %                       | 21.2 %                       | 29.4 %                         | 25.5 %                           | 23.0 %                    |
| Asset turnover rate                            | 31.0 %                       | 9.3 %                        | 17.5 %                       | 24.7 %                       | 29.2 %                         | 31.7 %                           | 39.9 %                    |
| <b>Liquidity &amp; Repayment (end of year)</b> |                              |                              |                              |                              |                                |                                  |                           |
| Current assets                                 | 565,640                      | 55,018                       | 133,490                      | 275,433                      | 496,933                        | 967,227                          | 2,346,514                 |
| Current liabilities                            | 257,825                      | 29,688                       | 60,024                       | 108,340                      | 198,587                        | 480,324                          | 1,113,396                 |
| Current ratio                                  | 2.19                         | 1.85                         | 2.22                         | 2.54                         | 2.50                           | 2.01                             | 2.11                      |
| Working capital                                | 307,815                      | 25,329                       | 73,466                       | 167,093                      | 298,346                        | 486,903                          | 1,233,119                 |
| Change in working capital                      | 89,894                       | 7,120                        | 21,638                       | 43,129                       | 76,200                         | 147,884                          | 396,448                   |
| Working capital to gross inc                   | 34.8 %                       | 42.7 %                       | 39.1 %                       | 42.5 %                       | 40.0 %                         | 34.0 %                           | 30.0 %                    |
| Term debt coverage ratio                       | 2.69                         | 1.48                         | 1.91                         | 2.12                         | 2.77                           | 2.67                             | 3.19                      |
| Replacement coverage ratio                     | 2.11                         | 1.26                         | 1.53                         | 1.70                         | 2.18                           | 2.03                             | 2.53                      |
| Term debt to EBITDA                            | 2.21                         | 50.70                        | 4.56                         | 2.95                         | 2.16                           | 2.10                             | 1.61                      |
| <b>Solvency (end of year at cost)</b>          |                              |                              |                              |                              |                                |                                  |                           |
| Number of farms                                | 572                          | 70                           | 100                          | 113                          | 147                            | 95                               | 47                        |
| Total assets                                   | 2,337,001                    | 648,573                      | 900,441                      | 1,356,976                    | 2,149,863                      | 3,590,700                        | 8,315,650                 |
| Total liabilities                              | 967,461                      | 285,482                      | 429,920                      | 580,887                      | 819,039                        | 1,578,248                        | 3,285,951                 |
| Net worth                                      | 1,369,539                    | 363,091                      | 470,521                      | 776,089                      | 1,330,824                      | 2,012,452                        | 5,029,700                 |
| Net worth change                               | 192,178                      | 30,551                       | 51,131                       | 96,088                       | 184,879                        | 297,142                          | 774,699                   |
| Farm debt to asset ratio                       | 44 %                         | 53 %                         | 54 %                         | 47 %                         | 41 %                           | 46 %                             | 41 %                      |
| Total debt to asset ratio                      | 41 %                         | 44 %                         | 48 %                         | 43 %                         | 38 %                           | 44 %                             | 40 %                      |
| Change in earned net worth %                   | 16 %                         | 9 %                          | 12 %                         | 14 %                         | 16 %                           | 17 %                             | 18 %                      |
| <b>Solvency (end of year at market)</b>        |                              |                              |                              |                              |                                |                                  |                           |
| Number of farms                                | 572                          | 70                           | 100                          | 113                          | 147                            | 95                               | 47                        |
| Total assets                                   | 2,779,321                    | 766,537                      | 1,197,411                    | 1,707,968                    | 2,586,030                      | 4,411,107                        | 9,024,915                 |
| Total liabilities                              | 1,205,480                    | 315,770                      | 510,862                      | 696,182                      | 1,020,483                      | 2,012,532                        | 4,180,311                 |
| Net worth                                      | 1,573,841                    | 450,767                      | 686,549                      | 1,011,787                    | 1,565,548                      | 2,398,575                        | 4,844,604                 |
| Total net worth change                         | 210,368                      | 51,089                       | 81,760                       | 104,914                      | 221,923                        | 320,003                          | 717,017                   |
| Farm debt to asset ratio                       | 46 %                         | 49 %                         | 47 %                         | 44 %                         | 42 %                           | 47 %                             | 48 %                      |
| Total debt to asset ratio                      | 43 %                         | 41 %                         | 43 %                         | 41 %                         | 39 %                           | 46 %                             | 46 %                      |
| Change in total net worth %                    | 15 %                         | 13 %                         | 14 %                         | 12 %                         | 17 %                           | 15 %                             | 17 %                      |
| <b>Nonfarm Information</b>                     |                              |                              |                              |                              |                                |                                  |                           |
| Net nonfarm income                             | 40,553                       | 69,719                       | 49,889                       | 40,773                       | 34,261                         | 24,889                           | 28,057                    |
| Farms reporting living expenses                | 77                           | 7                            | 12                           | 22                           | 21                             | 12                               | 3                         |
| Total family living expense                    | 55,816                       | 17,118                       | 44,678                       | 62,817                       | 66,835                         | 58,709                           | -                         |
| Total living, invest, cap. purch               | 86,705                       | 79,791                       | 55,688                       | 100,538                      | 104,248                        | 70,859                           | -                         |
| <b>Crop Acres</b>                              |                              |                              |                              |                              |                                |                                  |                           |
| Total crop acres                               | 831                          | 118                          | 249                          | 516                          | 789                            | 1,537                            | 2,590                     |
| Total crop acres owned                         | 247                          | 62                           | 121                          | 188                          | 263                            | 433                              | 512                       |
| Total crop acres cash rented                   | 575                          | 55                           | 122                          | 321                          | 515                            | 1,086                            | 2,078                     |
| Total crop acres share rented                  | 8                            | 1                            | 6                            | 7                            | 11                             | 19                               | -                         |
| Machinery value per crop acre                  | 652                          | 750                          | 695                          | 541                          | 617                            | 656                              | 717                       |

**Financial Summary**  
**Northern Minnesota Farm Business Management Data**  
**(Farms Sorted By Total Acres)**

|  | <u>Avg. Of<br/>All Farms</u> | <u>Less than<br/>100</u> | <u>101 -<br/>250</u> | <u>251 -<br/>500</u> | <u>501 -<br/>1,000</u> | <u>1,001 -<br/>1,500</u> | <u>1,501 -<br/>2,000</u> | <u>2,001 -<br/>5,000</u> |
|--|------------------------------|--------------------------|----------------------|----------------------|------------------------|--------------------------|--------------------------|--------------------------|
| Number of farms                                | 572                          | 83                       | 104                  | 114                  | 114                    | 62                       | 33                       | 58                       |
| <b>Income Statement</b>                        |                              |                          |                      |                      |                        |                          |                          |                          |
| Gross cash farm income                         | 827,310                      | 513,937                  | 279,715              | 452,108              | 731,912                | 1,019,321                | 1,417,823                | 2,371,649                |
| Total cash farm expense                        | 659,356                      | 440,934                  | 228,972              | 363,169              | 556,434                | 810,326                  | 1,183,035                | 1,896,486                |
| Net cash farm income                           | 167,954                      | 73,002                   | 50,743               | 88,939               | 175,479                | 208,995                  | 234,788                  | 475,162                  |
| Inventory change                               | 70,834                       | 11,019                   | 18,953               | 25,784               | 45,489                 | 102,245                  | 222,638                  | 275,036                  |
| Depreciation                                   | -51,218                      | -19,758                  | -20,306              | -35,736              | -49,470                | -77,103                  | -76,916                  | -134,924                 |
| Net farm income from operations                | 187,570                      | 64,263                   | 49,390               | 78,987               | 171,498                | 234,137                  | 380,509                  | 615,274                  |
| Gain or loss on capital sales                  | 2,272                        | 954                      | -390                 | 1,475                | 2,780                  | -198                     | 474                      | 14,060                   |
| Average net farm income                        | 189,843                      | 65,218                   | 49,000               | 80,463               | 174,278                | 233,939                  | 380,983                  | 629,335                  |
| Median net farm income                         | 100,804                      | 21,801                   | 48,231               | 73,069               | 140,495                | 170,744                  | 330,690                  | 438,140                  |
| <b>Profitability (cost)</b>                    |                              |                          |                      |                      |                        |                          |                          |                          |
| Rate of return on assets                       | 8.6 %                        | 5.8 %                    | 5.0 %                | 5.3 %                | 7.8 %                  | 8.0 %                    | 10.8 %                   | 11.5 %                   |
| Rate of return on equity                       | 12.6 %                       | 8.5 %                    | 6.0 %                | 6.7 %                | 10.6 %                 | 11.1 %                   | 15.6 %                   | 17.8 %                   |
| Operating profit margin                        | 23.3 %                       | 15.7 %                   | 18.2 %               | 18.6 %               | 23.2 %                 | 22.1 %                   | 25.4 %                   | 26.3 %                   |
| Asset turnover rate                            | 37.1 %                       | 36.7 %                   | 27.2 %               | 28.7 %               | 33.8 %                 | 36.1 %                   | 42.4 %                   | 43.7 %                   |
| <b>Profitability (market)</b>                  |                              |                          |                      |                      |                        |                          |                          |                          |
| Rate of return on assets                       | 7.8 %                        | 6.4 %                    | 7.0 %                | 5.0 %                | 7.6 %                  | 7.8 %                    | 7.0 %                    | 9.6 %                    |
| Rate of return on equity                       | 11.8 %                       | 9.9 %                    | 10.3 %               | 6.6 %                | 10.9 %                 | 11.8 %                   | 10.3 %                   | 16.2 %                   |
| Operating profit margin                        | 25.0 %                       | 22.4 %                   | 33.4 %               | 21.4 %               | 27.1 %                 | 25.4 %                   | 19.6 %                   | 25.7 %                   |
| Asset turnover rate                            | 31.0 %                       | 28.8 %                   | 20.8 %               | 23.4 %               | 28.2 %                 | 30.9 %                   | 35.8 %                   | 37.4 %                   |
| <b>Liquidity &amp; Repayment (end of year)</b> |                              |                          |                      |                      |                        |                          |                          |                          |
| Current assets                                 | 565,640                      | 186,229                  | 148,249              | 270,112              | 470,219                | 720,161                  | 1,078,724                | 1,957,523                |
| Current liabilities                            | 257,825                      | 117,569                  | 66,442               | 123,782              | 172,121                | 309,558                  | 423,109                  | 1,014,164                |
| Current ratio                                  | 2.19                         | 1.58                     | 2.23                 | 2.18                 | 2.73                   | 2.33                     | 2.55                     | 1.93                     |
| Working capital                                | 307,815                      | 68,661                   | 81,807               | 146,330              | 298,098                | 410,603                  | 655,615                  | 943,359                  |
| Change in working capital                      | 89,894                       | -2,010                   | 26,340               | 22,387               | 76,431                 | 130,816                  | 279,408                  | 284,810                  |
| Working capital to gross inc                   | 34.8 %                       | 12.8 %                   | 27.5 %               | 30.7 %               | 39.0 %                 | 37.2 %                   | 42.2 %                   | 36.2 %                   |
| Term debt coverage ratio                       | 2.69                         | 1.87                     | 2.00                 | 1.88                 | 2.65                   | 2.83                     | 3.32                     | 3.19                     |
| Replacement coverage ratio                     | 2.11                         | 1.67                     | 1.68                 | 1.53                 | 2.07                   | 2.19                     | 2.62                     | 2.43                     |
| Term debt to EBITDA                            | 2.21                         | 3.62                     | 3.95                 | 3.55                 | 2.29                   | 2.16                     | 1.49                     | 1.59                     |
| <b>Solvency (end of year at cost)</b>          |                              |                          |                      |                      |                        |                          |                          |                          |
| Number of farms                                | 572                          | 83                       | 104                  | 114                  | 114                    | 62                       | 33                       | 58                       |
| Total assets                                   | 2,337,001                    | 1,094,688                | 1,032,154            | 1,551,821            | 2,207,481              | 3,190,631                | 3,781,177                | 5,988,120                |
| Total liabilities                              | 967,461                      | 585,499                  | 468,761              | 676,219              | 838,742                | 1,200,221                | 1,374,861                | 2,611,500                |
| Net worth                                      | 1,369,539                    | 509,188                  | 563,393              | 875,602              | 1,368,740              | 1,990,410                | 2,406,316                | 3,376,620                |
| Net worth change                               | 192,178                      | 54,259                   | 69,238               | 93,719               | 181,062                | 271,056                  | 411,283                  | 552,156                  |
| Farm debt to asset ratio                       | 44 %                         | 56 %                     | 53 %                 | 48 %                 | 40 %                   | 42 %                     | 38 %                     | 45 %                     |
| Total debt to asset ratio                      | 41 %                         | 53 %                     | 45 %                 | 44 %                 | 38 %                   | 38 %                     | 36 %                     | 44 %                     |
| Change in earned net worth %                   | 16 %                         | 12 %                     | 14 %                 | 12 %                 | 15 %                   | 16 %                     | 21 %                     | 20 %                     |
| <b>Solvency (end of year at market)</b>        |                              |                          |                      |                      |                        |                          |                          |                          |
| Number of farms                                | 572                          | 83                       | 104                  | 114                  | 114                    | 62                       | 33                       | 58                       |
| Total assets                                   | 2,779,321                    | 1,388,682                | 1,317,888            | 1,886,540            | 2,630,702              | 3,704,977                | 4,400,579                | 6,970,853                |
| Total liabilities                              | 1,205,480                    | 680,149                  | 554,839              | 815,351              | 1,036,593              | 1,502,976                | 1,776,824                | 3,356,240                |
| Net worth                                      | 1,573,841                    | 708,533                  | 763,049              | 1,071,189            | 1,594,110              | 2,202,001                | 2,623,754                | 3,614,613                |
| Total net worth change                         | 210,368                      | 86,409                   | 105,563              | 111,015              | 208,884                | 307,808                  | 335,701                  | 545,151                  |
| Farm debt to asset ratio                       | 46 %                         | 51 %                     | 48 %                 | 47 %                 | 41 %                   | 44 %                     | 43 %                     | 49 %                     |
| Total debt to asset ratio                      | 43 %                         | 49 %                     | 42 %                 | 43 %                 | 39 %                   | 41 %                     | 40 %                     | 48 %                     |
| Change in total net worth %                    | 15 %                         | 14 %                     | 16 %                 | 12 %                 | 15 %                   | 16 %                     | 15 %                     | 18 %                     |
| <b>Nonfarm Information</b>                     |                              |                          |                      |                      |                        |                          |                          |                          |
| Net nonfarm income                             | 40,553                       | 38,807                   | 50,582               | 39,945               | 36,852                 | 44,424                   | 44,278                   | 29,838                   |
| Farms reporting living expenses                | 77                           | 11                       | 21                   | 17                   | 10                     | 10                       | 1                        | 7                        |
| Total family living expense                    | 55,816                       | 29,654                   | 51,331               | 61,204               | 67,968                 | 65,626                   | -                        | 69,777                   |
| Total living, invest, cap. purch               | 86,705                       | 91,878                   | 74,298               | 72,654               | 120,565                | 96,761                   | -                        | 95,605                   |
| <b>Crop Acres</b>                              |                              |                          |                      |                      |                        |                          |                          |                          |
| Total crop acres                               | 831                          | 22                       | 180                  | 369                  | 715                    | 1,212                    | 1,737                    | 2,882                    |
| Total crop acres owned                         | 247                          | 12                       | 97                   | 152                  | 277                    | 389                      | 378                      | 741                      |
| Total crop acres cash rented                   | 575                          | 9                        | 82                   | 212                  | 433                    | 816                      | 1,308                    | 2,117                    |
| Total crop acres share rented                  | 8                            | -                        | 1                    | 6                    | 5                      | 7                        | 51                       | 24                       |
| Machinery value per crop acre                  | 652                          | 2,317                    | 1,128                | 893                  | 741                    | 631                      | 579                      | 558                      |

**Farm Income Statement**  
**Northern Minnesota Farm Business Management Data**  
**(Farms Sorted By Net Farm Income)**

|  | <u>Avg. Of</u><br><u>All Farms</u> | <u>Low 20%</u> | <u>40 - 60%</u> | <u>High 20%</u>  |
|--|------------------------------------|----------------|-----------------|------------------|
| Number of farms                            | 572                                | 114            | 115             | 115              |
| <b>Sale of Crops</b>                       |                                    |                |                 |                  |
| Barley                                     | 2,224                              | -              | 2,757           | 6,267            |
| Beans, Edible                              | 11,143                             | 8,246          | 12,431          | 17,733           |
| Corn                                       | 116,943                            | 17,421         | 61,928          | 344,160          |
| Corn Silage                                | 2,662                              | 328            | 3,388           | 7,653            |
| Hay, Alfalfa                               | 1,888                              | 233            | 4,897           | 1,283            |
| Hay, Mixed                                 | 4,818                              | 6,442          | 4,728           | 4,757            |
| Organic Crop Enterprises                   | 328                                | 235            | 120             | -                |
| Potatoes                                   | 10,708                             | 886            | 5,996           | 43,709           |
| Soybeans                                   | 104,404                            | 19,666         | 73,991          | 263,345          |
| Soybeans, Seed                             | 3,697                              | -              | 523             | 15,736           |
| Sunflowers                                 | 2,403                              | -              | 4,052           | 2,603            |
| Oats                                       | 1,684                              | 518            | 622             | 5,830            |
| Rye  | 972                                | 780            | 43              | 2,761            |
| Wheat, Spring                              | 50,638                             | 6,417          | 21,843          | 151,013          |
| Grass Seed                                 | 11,781                             | 3,821          | 1,285           | 50,302           |
| Other Crop Enterprises                     | 3,842                              | 698            | 3,073           | 14,481           |
| Miscellaneous crop income                  | 4,903                              | 2,291          | 2,182           | 12,594           |
| <b>Total Crop Sales</b>                    | <b>335,038</b>                     | <b>67,982</b>  | <b>203,859</b>  | <b>944,227</b>   |
| <b>Sale of Livestock</b>                   |                                    |                |                 |                  |
| Beef Cow-Calf, Beef Calves                 | 16,182                             | 9,291          | 4,360           | 53,248           |
| Beef, Backgrounding                        | 7,880                              | 3,797          | 3,840           | 19,642           |
| Beef, Finishing                            | 13,961                             | 13,180         | 8,825           | 20,354           |
| Other Beef Enterprises                     | 1,932                              | 1,820          | 490             | 847              |
| Dairy, Milk                                | 241,757                            | 95,697         | 169,484         | 624,499          |
| Dairy Calves                               | 2,511                              | 830            | 1,279           | 6,871            |
| Dairy Heifers (for sale)                   | 772                                | 426            | 273             | 2,275            |
| Dairy Feeders & Backgrounding              | 3,039                              | 1,770          | 2,742           | 1,727            |
| Dairy Finishing                            | 21,088                             | 12,688         | 7,399           | 55,189           |
| Hog and Pig Sales                          | 734                                | 657            | 535             | 1,399            |
| Other Livestock Enterprises                | 995                                | 3,084          | 173             | -                |
| Cull breeding livestock                    | 15,177                             | 8,593          | 11,565          | 33,634           |
| Misc. livestock income                     | 1,087                              | 648            | 409             | 1,779            |
| <b>Total Livestock &amp; Product Sales</b> | <b>327,115</b>                     | <b>152,481</b> | <b>211,374</b>  | <b>821,464</b>   |
| <b>Other farm income</b>                   |                                    |                |                 |                  |
| Crop government payments                   | 3,696                              | 741            | 2,711           | 10,154           |
| Conservation govt payments                 | 4,551                              | 810            | 3,085           | 12,077           |
| Livestock govt payments                    | 15,432                             | 10,015         | 15,175          | 23,966           |
| Other government payments                  | 40,146                             | 16,987         | 28,216          | 90,632           |
| Custom work income                         | 13,980                             | 22,109         | 5,941           | 15,529           |
| Patronage dividends, cash                  | 7,255                              | 3,459          | 4,421           | 17,713           |
| Insurance income                           | 47,534                             | 13,650         | 35,161          | 115,531          |
| Contract livestock income                  | 10,911                             | 1,902          | 3,557           | 44,053           |
| Other farm income                          | 21,652                             | 12,149         | 17,735          | 43,166           |
| <b>Total Other Farm Income</b>             | <b>165,157</b>                     | <b>81,822</b>  | <b>116,002</b>  | <b>372,821</b>   |
| <b>Gross Cash Farm Income</b>              | <b>827,310</b>                     | <b>302,285</b> | <b>531,235</b>  | <b>2,138,512</b> |

**Farm Income Statement**  
**Northern Minnesota Farm Business Management Data**  
**(Farms Sorted By Net Farm Income)**

|  | <u>Average</u> | <u>Low 20%</u> | <u>40 - 60%</u> | <u>High 20%</u>  |
|--|----------------|----------------|-----------------|------------------|
| <b>Number of farms</b>                 | 572            | 114            | 115             | 115              |
| <b>Direct Crop Expense</b>             |                |                |                 |                  |
| Seed                                   | 47,192         | 13,904         | 36,068          | 112,432          |
| Fertilizer                             | 80,274         | 19,852         | 47,555          | 217,481          |
| Crop chemicals                         | 28,058         | 7,397          | 18,839          | 74,538           |
| Crop insurance                         | 13,229         | 2,405          | 8,972           | 34,039           |
| Drying Expense                         | 1,870          | 394            | 1,071           | 5,103            |
| Other direct crop expenses             | 7,189          | 2,448          | 5,240           | 17,561           |
| <b>Total Direct Crop Expense</b>       | <b>177,812</b> | <b>46,400</b>  | <b>117,745</b>  | <b>461,154</b>   |
| <b>Direct Livestock Expense</b>        |                |                |                 |                  |
| Feeder livestock purchase              | 21,738         | 15,378         | 8,013           | 54,799           |
| Purchased feed                         | 120,287        | 71,588         | 82,252          | 304,019          |
| Breeding fees                          | 3,456          | 1,491          | 2,003           | 9,799            |
| Veterinary                             | 8,008          | 4,091          | 5,127           | 20,639           |
| Supplies                               | 10,573         | 5,354          | 8,680           | 26,644           |
| Contract production exp.               | 6,846          | 2,544          | 1,061           | 22,147           |
| Livestock hauling and trucking         | 7,996          | 3,623          | 4,245           | 20,565           |
| Livestock marketing                    | 4,711          | 2,810          | 3,932           | 9,478            |
| Bedding                                | 4,942          | 2,499          | 3,870           | 10,721           |
| Other livestock expenses               | 2,466          | 1,146          | 1,587           | 6,020            |
| <b>Total Direct Livestock Expense</b>  | <b>191,023</b> | <b>110,524</b> | <b>120,770</b>  | <b>484,831</b>   |
| <b>Other Farm Expense</b>              |                |                |                 |                  |
| Interest                               | 34,018         | 21,316         | 25,287          | 75,874           |
| Fuel & oil                             | 27,157         | 11,962         | 20,196          | 59,168           |
| Repairs                                | 57,401         | 29,550         | 38,073          | 133,157          |
| Custom hire                            | 15,956         | 8,150          | 9,930           | 36,387           |
| Hired labor                            | 43,833         | 22,824         | 20,063          | 132,715          |
| Land rent                              | 60,813         | 13,583         | 36,026          | 181,680          |
| Machinery & bldg leases                | 9,652          | 3,576          | 4,913           | 22,482           |
| Real estate taxes                      | 5,809          | 3,264          | 4,266           | 11,745           |
| Farm insurance                         | 11,920         | 6,375          | 8,126           | 25,592           |
| Utilities                              | 12,559         | 7,614          | 10,365          | 23,823           |
| Dues & professional fees               | 4,099          | 3,003          | 2,805           | 6,952            |
| Miscellaneous                          | 7,304          | 3,627          | 5,745           | 12,858           |
| <b>Total Other Farm Expense</b>        | <b>290,521</b> | <b>134,844</b> | <b>185,795</b>  | <b>722,433</b>   |
| <b>Total cash expense</b>              | <b>659,356</b> | <b>291,768</b> | <b>424,310</b>  | <b>1,668,418</b> |
| <b>Net cash farm income</b>            | <b>167,954</b> | <b>10,517</b>  | <b>106,925</b>  | <b>470,094</b>   |
| <b>Inventory Changes</b>               |                |                |                 |                  |
| Prepays and supplies                   | 18,533         | 4,900          | 12,323          | 53,993           |
| Accounts receivable                    | 6,184          | -2,426         | 5,896           | 27,749           |
| Hedging acct. & Oth Cur Assets         | -2,020         | 720            | 1,065           | -13,287          |
| Crops and feed                         | 38,944         | -12,565        | 4,771           | 171,753          |
| Market livestock                       | 9,986          | 6,769          | 10,917          | 14,523           |
| Breeding livestock                     | 4,037          | -8,280         | -6,198          | 36,336           |
| Accounts payable                       | -5,203         | -1,542         | 1,063           | -25,477          |
| Accrued Interest & other assets        | -4,829         | -10,744        | 1,090           | -15,463          |
| <b>Total inventory change</b>          | <b>70,834</b>  | <b>-21,626</b> | <b>29,864</b>   | <b>275,605</b>   |
| <b>Net operating profit</b>            | <b>238,788</b> | <b>-11,109</b> | <b>136,789</b>  | <b>745,699</b>   |
| <b>Depreciation</b>                    |                |                |                 |                  |
| Machinery and equipment                | -37,189        | -18,998        | -25,640         | -86,992          |
| Titled vehicles                        | -4,558         | -2,906         | -3,551          | -8,399           |
| Buildings and improvements             | -9,471         | -5,007         | -7,725          | -19,985          |
| <b>Total depreciation</b>              | <b>-51,218</b> | <b>-26,910</b> | <b>-36,916</b>  | <b>-115,377</b>  |
| <b>Net farm income from operations</b> | <b>187,570</b> | <b>-38,019</b> | <b>99,873</b>   | <b>630,322</b>   |
| Gain or loss on capital sales          | 2,272          | -1,267         | 797             | 10,385           |
| <b>Net farm income</b>                 | <b>189,842</b> | <b>-39,286</b> | <b>100,670</b>  | <b>640,707</b>   |

**Balance Sheet at Cost Values**  
**Farm Business Management Statewide Data**  
**(Farms Sorted By Net Farm Income)**

|                                   | <u>Avg. Of<br/>All Farms</u> | <u>Low 20%</u> | <u>40 - 60%</u> | <u>High 20%</u> |
|-----------------------------------|------------------------------|----------------|-----------------|-----------------|
| Number of farms                   | 572                          | 114            | 115             | 115             |
| <b>Assets</b>                     |                              |                |                 |                 |
| <b>Current Farm Assets</b>        |                              |                |                 |                 |
| Cash and checking balance         | 52,447                       | 21,001         | 52,720          | 121,085         |
| Prepaid expenses & supplies       | 61,588                       | 13,869         | 31,592          | 172,761         |
| Growing crops                     | 2,953                        | 2,366          | 929             | 9,570           |
| Accounts receivable               | 37,332                       | 19,305         | 26,864          | 90,638          |
| Hedging accounts                  | 2,418                        | 122            | 789             | 9,787           |
| Crops held for sale or feed       | 331,440                      | 65,631         | 159,709         | 1,015,664       |
| Crops under government loan       | -                            | -              | -               | -               |
| Market livestock held for sale    | 76,236                       | 41,289         | 37,028          | 209,779         |
| Other current assets              | 1,226                        | 1,581          | 1,965           | 928             |
| Total current farm assets         | 565,640                      | 165,163        | 311,597         | 1,630,212       |
| <b>Intermediate Farm Assets</b>   |                              |                |                 |                 |
| Breeding livestock                | 175,851                      | 96,561         | 112,519         | 438,426         |
| Machinery and equipment           | 461,718                      | 223,780        | 279,493         | 1,078,682       |
| Titled vehicles                   | 40,561                       | 24,278         | 29,238          | 82,678          |
| Other intermediate assets         | 28,912                       | 24,152         | 15,875          | 70,544          |
| Total intermediate farm assets    | 707,043                      | 368,771        | 437,125         | 1,670,330       |
| <b>Long Term Farm Assets</b>      |                              |                |                 |                 |
| Farm land                         | 540,998                      | 292,733        | 429,466         | 1,093,299       |
| Buildings and improvements        | 261,959                      | 134,924        | 186,158         | 596,756         |
| Other long-term assets            | 41,471                       | 27,042         | 16,296          | 102,579         |
| Total long-term farm assets       | 844,429                      | 454,699        | 631,920         | 1,792,635       |
| Total Farm Assets                 | 2,117,112                    | 988,633        | 1,380,642       | 5,093,177       |
| Total Nonfarm Assets              | 219,889                      | 191,154        | 192,397         | 313,517         |
| Total Assets                      | 2,337,001                    | 1,179,787      | 1,573,039       | 5,406,694       |
| <b>Liabilities</b>                |                              |                |                 |                 |
| <b>Current Farm Liabilities</b>   |                              |                |                 |                 |
| Accrued interest                  | 7,988                        | 5,198          | 5,273           | 16,030          |
| Accounts payable                  | 24,788                       | 14,440         | 14,531          | 65,689          |
| Current notes                     | 156,456                      | 56,920         | 77,268          | 445,795         |
| Government crop loans             | -                            | -              | -               | -               |
| Principal due on term debt        | 68,592                       | 34,324         | 49,374          | 154,161         |
| Total current farm liabilities    | 257,825                      | 110,882        | 146,447         | 681,675         |
| Total intermediate farm liabs     | 185,264                      | 117,703        | 128,494         | 413,864         |
| Total long term farm liabilities  | 487,836                      | 362,160        | 407,071         | 895,462         |
| Total farm liabilities            | 930,924                      | 590,744        | 682,012         | 1,991,001       |
| Total nonfarm liabilities         | 36,537                       | 36,052         | 43,325          | 38,400          |
| Total liabilities                 | 967,461                      | 626,796        | 725,336         | 2,029,401       |
| Net worth (farm and nonfarm)      | 1,369,539                    | 552,991        | 847,703         | 3,377,293       |
| Net worth change                  | 192,178                      | 7,616          | 92,289          | 605,650         |
| Percent net worth change          | 16 %                         | 1 %            | 12 %            | 22 %            |
| <b>Ratio Analysis</b>             |                              |                |                 |                 |
| Current farm liabilities / assets | 46 %                         | 67 %           | 47 %            | 42 %            |
| Intermediate farm liab. / assets  | 26 %                         | 32 %           | 29 %            | 25 %            |
| Long term farm liab. / assets     | 58 %                         | 80 %           | 64 %            | 50 %            |
| Total debt to asset ratio         | 41 %                         | 53 %           | 46 %            | 38 %            |



**Balance Sheet at Market Values**  
**Farm Business Management Statewide Data**  
**(Farms Sorted By Net Farm Income)**

|   | <u>Avg. Of<br/>All Farms</u> | <u>Low 20%</u>   | <u>40 - 60%</u>  | <u>High 20%</u>  |
|---|------------------------------|------------------|------------------|------------------|
| Number of farms                         | 572                          | 114              | 115              | 115              |
| <b>Assets</b>                           |                              |                  |                  |                  |
| <b>Current Farm Assets</b>              |                              |                  |                  |                  |
| Cash and checking balance               | 52,447                       | 21,001           | 52,720           | 121,085          |
| Prepaid expenses & supplies             | 61,588                       | 13,869           | 31,592           | 172,761          |
| Growing crops                           | 2,953                        | 2,366            | 929              | 9,570            |
| Accounts receivable                     | 37,332                       | 19,305           | 26,864           | 90,638           |
| Hedging accounts                        | 2,418                        | 122              | 789              | 9,787            |
| Crops held for sale or feed             | 331,440                      | 65,631           | 159,709          | 1,015,664        |
| Crops under government loan             | -                            | -                | -                | -                |
| Market livestock held for sale          | 76,236                       | 41,289           | 37,028           | 209,779          |
| Other current assets                    | 1,226                        | 1,581            | 1,965            | 928              |
| <b>Total current farm assets</b>        | <b>565,640</b>               | <b>165,163</b>   | <b>311,597</b>   | <b>1,630,212</b> |
| <b>Intermediate Farm Assets</b>         |                              |                  |                  |                  |
| Breeding livestock                      | 179,807                      | 97,860           | 114,652          | 451,438          |
| Machinery and equipment                 | 546,627                      | 278,735          | 323,352          | 1,250,560        |
| Titled vehicles                         | 47,457                       | 30,084           | 33,286           | 94,254           |
| Other intermediate assets               | 29,378                       | 24,260           | 16,726           | 72,002           |
| <b>Total intermediate farm assets</b>   | <b>803,268</b>               | <b>430,939</b>   | <b>488,017</b>   | <b>1,868,253</b> |
| <b>Long Term Farm Assets</b>            |                              |                  |                  |                  |
| Farm land                               | 828,100                      | 527,007          | 635,820          | 1,622,492        |
| Buildings and improvements              | 292,079                      | 167,251          | 217,793          | 635,315          |
| Other long-term assets                  | 44,729                       | 27,891           | 16,585           | 112,310          |
| <b>Total long-term farm assets</b>      | <b>1,164,907</b>             | <b>722,148</b>   | <b>870,197</b>   | <b>2,370,118</b> |
| <b>Total Farm Assets</b>                | <b>2,533,815</b>             | <b>1,318,250</b> | <b>1,669,811</b> | <b>5,868,583</b> |
| <b>Total Nonfarm Assets</b>             | <b>245,506</b>               | <b>207,865</b>   | <b>228,294</b>   | <b>338,275</b>   |
| <b>Total Assets</b>                     | <b>2,779,321</b>             | <b>1,526,116</b> | <b>1,898,106</b> | <b>6,206,858</b> |
| <b>Liabilities</b>                      |                              |                  |                  |                  |
| <b>Current Farm Liabilities</b>         |                              |                  |                  |                  |
| Accrued interest                        | 7,988                        | 5,198            | 5,273            | 16,030           |
| Accounts payable                        | 24,788                       | 14,440           | 14,531           | 65,689           |
| Current notes                           | 156,456                      | 56,920           | 77,268           | 445,795          |
| Government crop loans                   | -                            | -                | -                | -                |
| Principal due on term debt              | 68,592                       | 34,324           | 49,374           | 154,161          |
| <b>Total current farm liabilities</b>   | <b>257,825</b>               | <b>110,882</b>   | <b>146,447</b>   | <b>681,675</b>   |
| <b>Total intermediate farm liab</b>     | <b>185,264</b>               | <b>117,703</b>   | <b>128,494</b>   | <b>413,864</b>   |
| <b>Total long term farm liabilities</b> | <b>487,836</b>               | <b>362,160</b>   | <b>407,071</b>   | <b>895,462</b>   |
| <b>Total farm liabilities</b>           | <b>930,924</b>               | <b>590,744</b>   | <b>682,012</b>   | <b>1,991,001</b> |
| <b>Total nonfarm liabilities</b>        | <b>36,537</b>                | <b>36,052</b>    | <b>43,325</b>    | <b>38,400</b>    |
| <b>Total liab excluding deferreds</b>   | <b>967,461</b>               | <b>626,796</b>   | <b>725,336</b>   | <b>2,029,401</b> |
| <b>Total deferred liabilities</b>       | <b>238,019</b>               | <b>104,397</b>   | <b>125,618</b>   | <b>632,566</b>   |
| <b>Total liabilities</b>                | <b>1,205,480</b>             | <b>731,193</b>   | <b>850,955</b>   | <b>2,661,967</b> |
| <b>Retained earnings</b>                | <b>1,369,539</b>             | <b>552,991</b>   | <b>847,703</b>   | <b>3,377,293</b> |
| <b>Market valuation equity</b>          | <b>204,302</b>               | <b>241,932</b>   | <b>199,448</b>   | <b>167,598</b>   |
| <b>Net worth (farm and nonfarm)</b>     | <b>1,573,841</b>             | <b>794,923</b>   | <b>1,047,151</b> | <b>3,544,891</b> |
| <b>Net worth excluding deferreds</b>    | <b>1,811,860</b>             | <b>899,320</b>   | <b>1,172,769</b> | <b>4,177,457</b> |
| <b>Net worth change</b>                 | <b>210,368</b>               | <b>41,135</b>    | <b>123,341</b>   | <b>582,164</b>   |
| <b>Percent net worth change</b>         | <b>15 %</b>                  | <b>5 %</b>       | <b>13 %</b>      | <b>20 %</b>      |
| <b>Ratio Analysis</b>                   |                              |                  |                  |                  |
| Current farm liabilities / assets       | 46 %                         | 67 %             | 47 %             | 42 %             |
| Intermediate farm liab. / assets        | 23 %                         | 27 %             | 26 %             | 22 %             |
| Long term farm liab. / assets           | 42 %                         | 50 %             | 47 %             | 38 %             |
| Total debt to asset ratio               | 43 %                         | 48 %             | 45 %             | 43 %             |
| Debt to assets excl deferreds           | 35 %                         | 41 %             | 38 %             | 33 %             |

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## ***Financial Guideline Measures***

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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.

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## ***Financial Guideline Measures***

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**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.

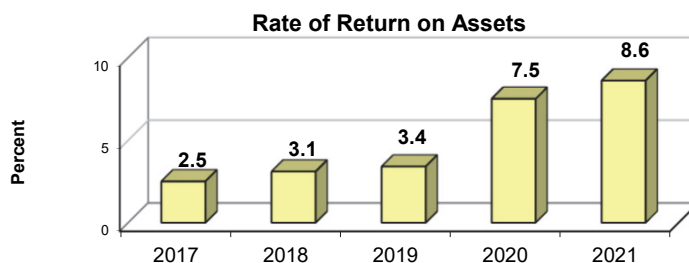
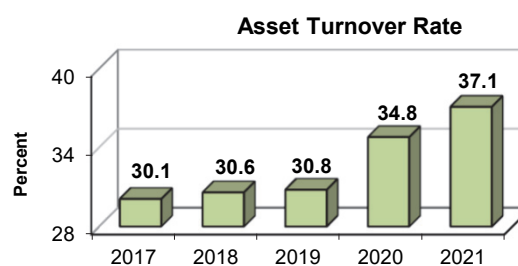
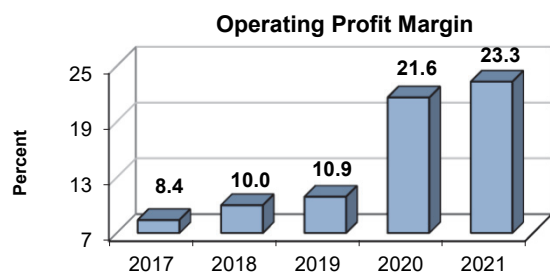
**Interest Expense Ratio:** This ratio indicates the percent of the gross farm income, which is used to pay farm interest expenses.

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

**Financial Standards Measures**  
**Northern Minnesota Farm Business Management Data**  
**(Farms Sorted By Net Farm Income)**

|                                 | <u>Avg. Of<br/>All Farms</u> | <u>Low 20%</u> | <u>40 - 60%</u> | <u>High 20%</u> |
|---------------------------------|------------------------------|----------------|-----------------|-----------------|
| Number of farms                 | 572                          | 114            | 115             | 115             |
| <b>Liquidity</b>                |                              |                |                 |                 |
| Current ratio                   | 2.19                         | 1.49           | 2.13            | 2.39            |
| Working capital                 | 307,815                      | 54,282         | 165,150         | 948,537         |
| Working capital to gross inc    | 34.8%                        | 19.6%          | 30.1%           | 39.8%           |
| <b>Solvency (market)</b>        |                              |                |                 |                 |
| Farm debt to asset ratio        | 46%                          | 53%            | 48%             | 45%             |
| Farm equity to asset ratio      | 54%                          | 47%            | 52%             | 55%             |
| Farm debt to equity ratio       | 0.85                         | 1.11           | 0.92            | 0.81            |
| <b>Profitability (cost)</b>     |                              |                |                 |                 |
| Rate of return on farm assets   | 8.6%                         | -4.1%          | 6.5%            | 12.8%           |
| Rate of return on farm equity   | 12.6%                        | -15.6%         | 8.9%            | 19.0%           |
| Operating profit margin         | 23.3%                        | -20.9%         | 18.7%           | 30.1%           |
| Net farm income                 | 189,843                      | -39,286        | 100,670         | 640,707         |
| EBITDA                          | 273,228                      | 11,334         | 163,197         | 819,109         |
| <b>Repayment Capacity</b>       |                              |                |                 |                 |
| Capital debt repayment capacity | 241,919                      | 24,260         | 137,819         | 721,931         |
| Capital debt repayment margin   | 151,995                      | -30,703        | 72,360          | 531,331         |
| Replacement margin              | 127,512                      | -43,439        | 60,322          | 473,454         |
| Term debt coverage ratio        | 2.69                         | 0.44           | 2.11            | 3.79            |
| Replacement coverage ratio      | 2.11                         | 0.36           | 1.78            | 2.91            |
| <b>Efficiency</b>               |                              |                |                 |                 |
| Asset turnover rate (cost)      | 37.1%                        | 19.7%          | 34.9%           | 42.7%           |
| Operating expense ratio         | 69.1%                        | 95.9%          | 70.2%           | 65.6%           |
| Depreciation expense ratio      | 5.8%                         | 9.7%           | 6.7%            | 4.8%            |
| Interest expense ratio          | 3.9%                         | 8.1%           | 4.8%            | 3.1%            |
| Net farm income ratio           | 21.2%                        | -13.7%         | 18.2%           | 26.5%           |

**Operating Profit Margin X Asset Turnover Rate = Rate of Return on Farm Assets**



## How does your Farm Stack Up?

### Northern Minnesota Farm Business Management Data

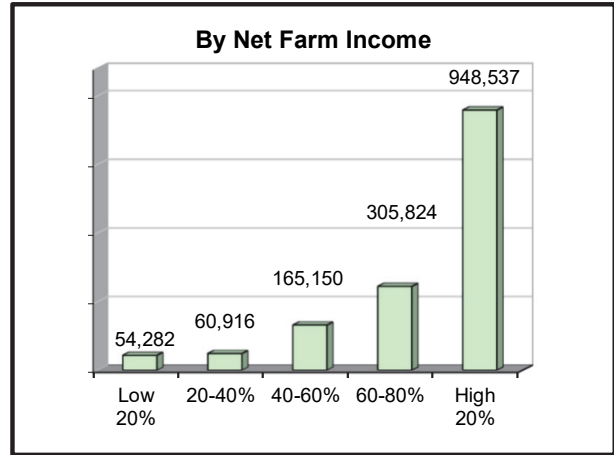
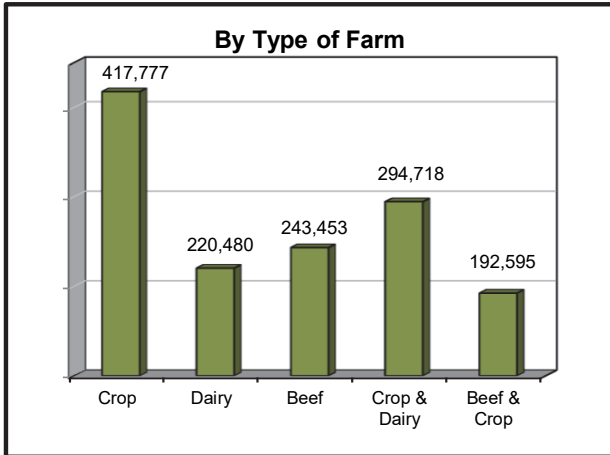
Below is a summary of the low, average, and high farms using the 21 Financial Standards Measures. The numbers listed below are intended to provide a general overview of the farm situation for the current year and over a five year period. The current year data provides a snapshot of the conditions that represent the present while the five year data provides a longer term look at these factors to enable their use in potential decision making activities.

For additional information, please see the back cover of this report. A "Financial Scorecard" is provided in color for your use.

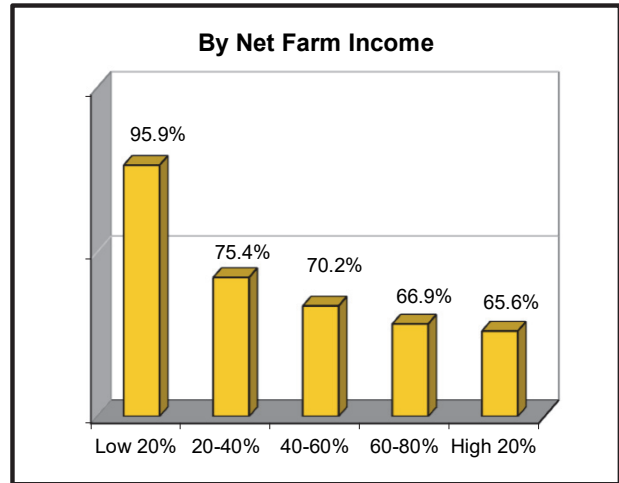
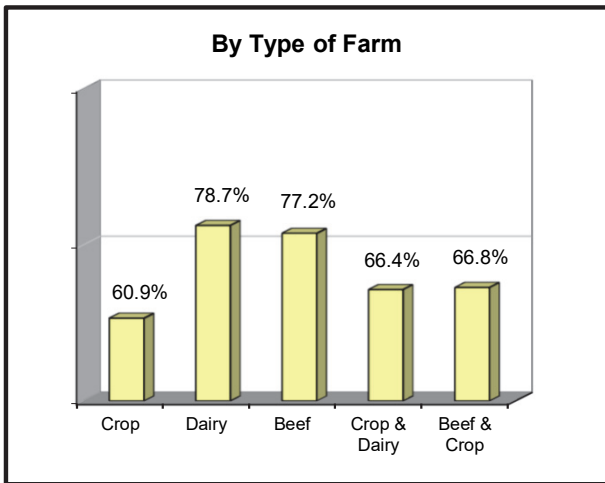
| <b>Evaluation Chart</b>                    | <u>Low Farms</u> |          | <u>Average</u> |          | <u>High Farms</u> |          | <u>Your Farm</u> |          |
|--|------------------|----------|----------------|----------|-------------------|----------|------------------|----------|
|  | 2021             | 5 Yr Ave | 2021           | 5 Yr Ave | 2021              | 5 Yr Ave | 2021             | 5 Yr Ave |
| <b><u>Liquidity</u></b>                    |                  |          |                |          |                   |          |                  |          |
| Current Ratio                              | 1.49             | 1.14     | 2.19           | 1.74     | 2.39              | 2.18     |                  |          |
| Working Capital                            | \$ 54,282        | 20,912   | 307,815        | 193,748  | 948,537           | 632,869  |                  |          |
| Working Capital to Gross Inc.              | % 19.6%          | 6.7%     | 34.8%          | 27.0%    | 39.8%             | 35.6%    |                  |          |
| <b><u>Solvency (Market)</u></b>            |                  |          |                |          |                   |          |                  |          |
| Farm Debt to Asset Ratio                   | % 53%            | 55%      | 46%            | 47%      | 45%               | 42%      |                  |          |
| Farm Equity to Asset Ratio                 | % 47%            | 45%      | 54%            | 53%      | 55%               | 58%      |                  |          |
| Farm Debt to Equity Ratio                  | % 1.11           | 1.23     | 0.85           | 0.88     | 0.81              | 0.74     |                  |          |
| <b><u>Profitability (Cost)</u></b>         |                  |          |                |          |                   |          |                  |          |
| Rate of Return on Farm Assets              | % -4.1%          | -4.6%    | 8.6%           | 5.0%     | 12.8%             | 9.5%     |                  |          |
| Rate of Return on Farm Equity              | % -15.6%         | -17.4%   | 12.6%          | 5.7%     | 19.0%             | 12.9%    |                  |          |
| Operating Profit Margin                    | % -20.9%         | -21.2%   | 23.3%          | 14.8%    | 30.1%             | 24.7%    |                  |          |
| Net Farm Income                            | \$ -39,286       | -71,101  | 189,843        | 106,464  | 640,707           | 416,643  |                  |          |
| EBIDTA                                     | \$ 11,334        | 6,728    | 273,228        | 184,944  | 819,109           | 561,664  |                  |          |
| <b><u>Repayment Capacity (Accrual)</u></b> |                  |          |                |          |                   |          |                  |          |
| Capital Debt Repayment Cap.                | \$ 24,260        | 2,273    | 241,919        | 152,505  | 721,931           | 468,953  |                  |          |
| Capital Debt Repayment Margin              | \$ -30,703       | -73,735  | 151,995        | 67,993   | 531,331           | 308,534  |                  |          |
| Replacement Margin                         | \$ -43,439       | -91,034  | 127,512        | 46,440   | 473,454           | 260,398  |                  |          |
| Term Debt Coverage Ratio                   | 0.44             | 0.10     | 2.69           | 1.77     | 3.79              | 2.84     |                  |          |
| Replacement Coverage Ratio                 | 0.36             | 0.08     | 2.11           | 1.41     | 2.91              | 2.19     |                  |          |
| <b><u>Efficiency</u></b>                   |                  |          |                |          |                   |          |                  |          |
| Asset Turnover Rate (Cost)                 | % 19.7%          | 21.8%    | 37.1%          | 32.7%    | 42.7%             | 38.0%    |                  |          |
| Operating Expense Ratio                    | % 95.9%          | 97.7%    | 69.1%          | 74.1%    | 65.6%             | 68.5%    |                  |          |
| Depreciation Expense Ratio                 | % 9.7%           | 10.2%    | 5.8%           | 6.8%     | 4.8%              | 5.8%     |                  |          |
| Interest Expense Ratio                     | % 8.1%           | 9.3%     | 3.9%           | 5.0%     | 3.1%              | 3.5%     |                  |          |
| Net Farm Income Ratio                      | % -13.7%         | -18.1%   | 21.2%          | 14.0%    | 26.5%             | 22.5%    |                  |          |

**Selected Financial Guideline Measures**  
**Northern Minnesota Farm Business Management Data**

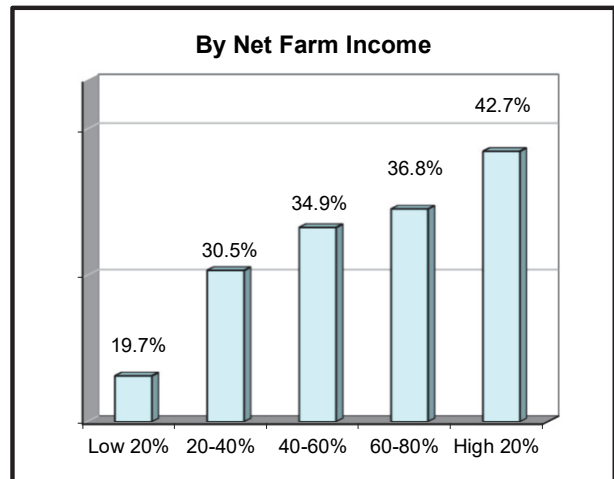
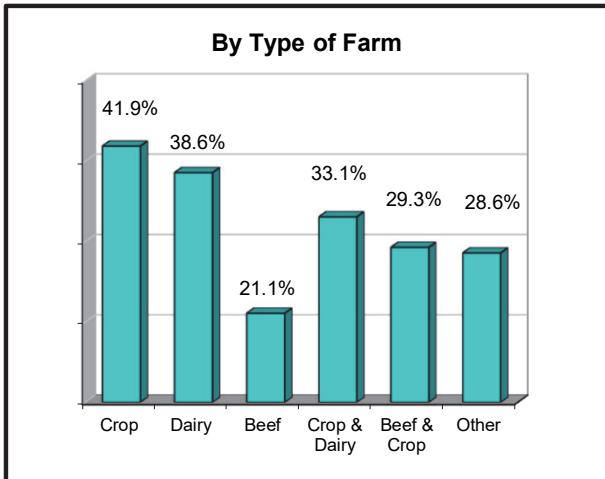
**Working Capital**



**Operating Expense Ratio**



**Asset Turnover Rate**

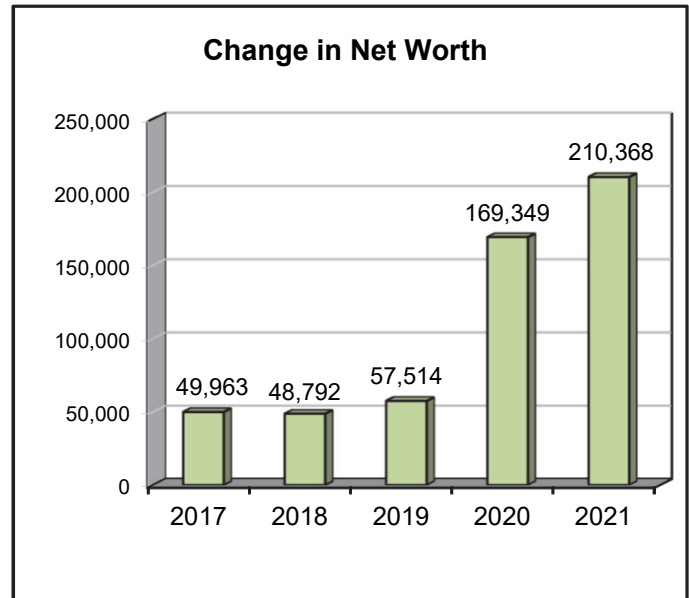
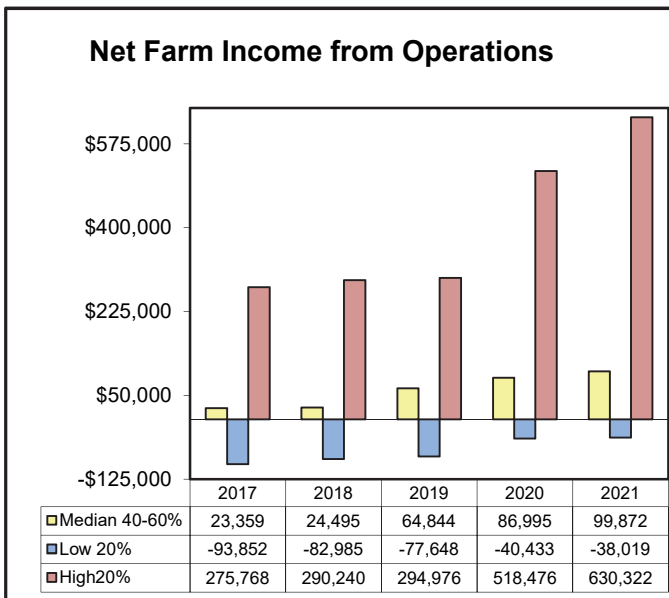


**Profitability Measures**  
**Farm Business Management Statewide Data**  
**(Farms Sorted By Net Farm Income)**

|  | <u>Avg. Of<br/>All Farms</u> | <u>Low 20%</u> | <u>40 - 60%</u> | <u>High 20%</u> |
|--|------------------------------|----------------|-----------------|-----------------|
| Number of farms                                | 572                          | 114            | 115             | 115             |
| <b>Profitability (assets valued at cost)</b>   |                              |                |                 |                 |
| Net farm income from operations                | 187,570                      | -38,019        | 99,872          | 630,322         |
| Rate of return on assets                       | 8.6 %                        | -4.1 %         | 6.5 %           | 12.8 %          |
| Rate of return on equity                       | 12.6 %                       | -15.6 %        | 8.9 %           | 19.0 %          |
| Operating profit margin                        | 23.3 %                       | -20.9 %        | 18.7 %          | 30.1 %          |
| Asset turnover rate                            | 37.1 %                       | 19.7 %         | 34.9 %          | 42.7 %          |
| Farm interest expense                          | 34,440                       | 22,443         | 26,408          | 73,410          |
| Value of operator lbr and mgmt.                | 49,258                       | 24,061         | 41,083          | 95,032          |
| Return on farm assets                          | 172,752                      | -39,637        | 85,197          | 608,699         |
| Average farm assets                            | 1,997,668                    | 962,013        | 1,309,459       | 4,741,385       |
| Return on farm equity                          | 138,312                      | -62,080        | 58,789          | 535,289         |
| Average farm equity                            | 1,099,632                    | 399,215        | 659,281         | 2,813,743       |
| Value of farm production                       | 741,268                      | 189,482        | 456,459         | 2,022,840       |
|  | <u>Avg. Of<br/>All Farms</u> | <u>Low 20%</u> | <u>40 - 60%</u> | <u>High 20%</u> |
| Number of farms                                | 572                          | 114            | 115             | 115             |
| <b>Profitability (assets valued at market)</b> |                              |                |                 |                 |
| Net farm income from operations                | 200,370                      | -9,550         | 119,945         | 602,337         |
| Rate of return on assets                       | 7.8 %                        | -0.9 %         | 6.7 %           | 10.6 %          |
| Rate of return on equity                       | 11.8 %                       | -5.5 %         | 9.6 %           | 17.0 %          |
| Operating profit margin                        | 25.0 %                       | -5.9 %         | 23.1 %          | 28.7 %          |
| Asset turnover rate                            | 31.0 %                       | 14.9 %         | 28.9 %          | 36.9 %          |
| Farm interest expense                          | 34,440                       | 22,443         | 26,408          | 73,410          |
| Value of operator lbr and mgmt.                | 49,258                       | 24,061         | 41,083          | 95,032          |
| Return on farm assets                          | 185,552                      | -11,167        | 105,269         | 580,715         |
| Average farm assets                            | 2,391,879                    | 1,275,361      | 1,581,631       | 5,479,166       |
| Return on farm equity                          | 151,112                      | -33,610        | 78,861          | 507,305         |
| Average farm equity                            | 1,276,445                    | 613,150        | 818,911         | 2,975,435       |
| Value of farm production                       | 741,268                      | 189,482        | 456,459         | 2,022,840       |

**Liquidity & Repayment Capacity Measures**  
**Northern Minnesota Farm Business Management Data**  
**(Farms Sorted By Net Farm Income)**

|                                 | <u>Avg. Of<br/>All Farms</u> | <u>Low 20%</u> | <u>40 - 60%</u> | <u>High 20%</u> |
|---------------------------------|------------------------------|----------------|-----------------|-----------------|
| Number of farms                 | 572                          | 114            | 115             | 115             |
| <b>Liquidity</b>                |                              |                |                 |                 |
| Current ratio                   | 2.19                         | 1.49           | 2.13            | 2.39            |
| Working capital                 | 307,815                      | 54,282         | 165,150         | 948,537         |
| Working capital to gross inc.   | 34.8%                        | 19.6%          | 30.1%           | 39.8%           |
| Current assets                  | 565,640                      | 165,163        | 311,597         | 1,630,212       |
| Current liabilities             | 257,825                      | 110,882        | 146,447         | 681,675         |
| Gross revenues (accrual)        | 884,648                      | 277,275        | 548,229         | 2,383,026       |
| <b>Repayment capacity</b>       |                              |                |                 |                 |
| Net farm income from operations | 187,570                      | -38,019        | 99,872          | 630,322         |
| Depreciation                    | 51,218                       | 26,910         | 36,916          | 115,377         |
| Personal income                 | 40,553                       | 58,239         | 34,424          | 27,509          |
| Family living/owner withdrawals | -54,422                      | -36,058        | -48,382         | -83,538         |
| Cash discrepancy                | -20                          | -21            | -57             | -39             |
| Payments on personal debt       | -3,035                       | -2,751         | -3,297          | -3,289          |
| Income taxes paid               | -7,283                       | -3,316         | -3,995          | -16,922         |
| Interest on term debt           | 27,340                       | 19,276         | 22,338          | 52,511          |
| Capital debt repayment capacity | 241,919                      | 24,260         | 137,819         | 721,931         |
| Scheduled term debt payments    | -89,924                      | -54,962        | -65,459         | -190,600        |
| Capital debt repayment margin   | 151,995                      | -30,703        | 72,360          | 531,331         |
| Cash replacement allowance      | -24,483                      | -12,736        | -12,038         | -57,877         |
| Replacement margin              | 127,512                      | -43,439        | 60,322          | 473,454         |
| Term debt coverage ratio        | 2.69                         | 0.44           | 2.11            | 3.79            |
| Replacement coverage ratio      | 2.11                         | 0.36           | 1.78            | 2.91            |







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**Household and Personal Expenses**  
**Northern Minnesota Farm Business Management Data**  
**(Farms Sorted By Net Farm Income)**

|   | <u>Avg. Of<br/>All Farms</u> | <u>Low 20%</u> | <u>40 - 60%</u> | <u>High 20%</u> |
|---|------------------------------|----------------|-----------------|-----------------|
| Number of farms   | 77                           | 11             | 15              | 16              |
| Average family size   | 3.6                          | 3.0            | 4.7             | 3.4             |
| <b>Family Living Expenses</b>                               |                              |                |                 |                 |
| Food and meals expense                                      | 10,569                       | 6,634          | 13,565          | 9,232           |
| Medical care  | 3,277                        | 978            | 3,797           | 5,154           |
| Health insurance  | 3,621                        | 2,390          | 3,209           | 5,273           |
| Cash donations  | 1,907                        | 563            | 1,638           | 2,392           |
| Household supplies  | 5,227                        | 2,097          | 3,609           | 6,605           |
| Clothing  | 1,788                        | 558            | 1,951           | 2,460           |
| Personal care   | 2,739                        | 2,037          | 2,785           | 3,818           |
| Child / Dependent care                                      | 287                          | -              | 914             | 524             |
| Alimony and child support                                   | 136                          | -              | 97              | -               |
| Gifts   | 2,318                        | 755            | 1,201           | 2,082           |
| Education   | 1,416                        | -              | 2,312           | 675             |
| Recreation  | 3,932                        | 1,365          | 4,427           | 3,742           |
| Utilities (household share)                                 | 2,199                        | 1,601          | 2,837           | 1,410           |
| Personal vehicle operating exp                              | 3,043                        | 2,478          | 3,788           | 2,748           |
| Household real estate taxes                                 | 252                          | 46             | 370             | 99              |
| Dwelling rent   | 350                          | 72             | 56              | -               |
| Household repairs   | 2,841                        | 608            | 4,734           | 3,458           |
| Personal interest   | 960                          | 659            | 617             | 786             |
| Disability / Long term care ins                             | 349                          | 1,368          | 467             | 39              |
| Life insurance payments                                     | 2,253                        | 1,847          | 1,797           | 3,669           |
| Personal property insurance                                 | 454                          | 67             | 231             | 1,174           |
| Miscellaneous   | 5,466                        | 4,051          | 5,855           | 6,193           |
| Total cash family living expense                            | 55,382                       | 30,175         | 60,257          | 61,533          |
| Family living from the farm                                 | 434                          | 452            | 733             | 1,026           |
| Total family living   | 55,816                       | 30,627         | 60,991          | 62,559          |
| <b>Other Nonfarm Expenditures</b>                           |                              |                |                 |                 |
| Income taxes  | 8,744                        | 2,153          | 12,902          | 12,276          |
| Furnishing & appliance purchases                            | 5                            | -              | -105            | -               |
| Nonfarm vehicle purchases                                   | 2,961                        | 5,289          | 1,153           | 383             |
| Nonfarm real estate purchases                               | 10,282                       | 36,727         | -               | -               |
| Other nonfarm capital purchases                             | 982                          | -2,684         | 2,604           | 1,563           |
| Nonfarm savings & investments                               | 8,348                        | -1,256         | 4,784           | 4,552           |
| Total other nonfarm expenditures                            | 31,323                       | 40,229         | 21,339          | 18,774          |
| Total cash family living investment & nonfarm capital purch | 86,705                       | 70,404         | 81,596          | 80,307          |

**Nonfarm Summary**  
**Northern Minnesota Farm Business Management Data**  
**(Farms Sorted By Net Farm Income)**

|                                | <u>Avg. Of<br/>All Farms</u> | <u>Low 20%</u> | <u>40 - 60%</u> | <u>High 20%</u> |
|--------------------------------|------------------------------|----------------|-----------------|-----------------|
| Number of farms                | 572                          | 114            | 115             | 115             |
| <b>Nonfarm Income</b>          |                              |                |                 |                 |
| Personal wages & salary        | 23,681                       | 38,180         | 21,437          | 11,237          |
| Net nonfarm business income    | 4,477                        | 8,437          | 3,027           | 4,469           |
| Personal rental income         | 816                          | 1,034          | 389             | 2,137           |
| Personal interest income       | 135                          | 180            | 152             | 214             |
| Personal cash dividends        | -71                          | 70             | 111             | -629            |
| Tax refunds                    | 3,121                        | 2,609          | 4,035           | 2,682           |
| Other nonfarm income           | 8,393                        | 7,728          | 5,274           | 7,399           |
| Total nonfarm income           | 40,553                       | 58,239         | 34,424          | 27,509          |
| Gifts and inheritances         | 13,353                       | 17,710         | 11,534          | 23,985          |
| <b>Nonfarm Assets (market)</b> |                              |                |                 |                 |
| Checking & savings             | 11,881                       | 8,823          | 14,856          | 11,328          |
| Stocks & bonds                 | 7,909                        | 8,903          | 9,451           | 9,576           |
| Other current assets           | 2,851                        | 2,577          | 1,373           | 5,223           |
| Furniture & appliances         | 7,704                        | 7,427          | 8,477           | 7,361           |
| Nonfarm vehicles               | 17,369                       | 16,513         | 14,891          | 21,536          |
| Cash value of life ins.        | 5,570                        | 6,384          | 4,111           | 6,399           |
| Retirement accounts            | 74,226                       | 73,482         | 65,027          | 86,047          |
| Other intermediate assets      | 5,020                        | 3,185          | 4,341           | 10,071          |
| Nonfarm real estate            | 83,159                       | 65,651         | 80,509          | 102,596         |
| Personal bus. investment       | 22,085                       | 9,750          | 10,851          | 75,853          |
| Other long term assets         | 7,733                        | 5,171          | 14,408          | 2,285           |
| Total nonfarm assets           | 245,506                      | 207,865        | 228,294         | 338,275         |
| <b>Nonfarm Liabilities</b>     |                              |                |                 |                 |
| Accrued interest               | 141                          | 28             | 226             | 360             |
| Accounts payable               | 745                          | 776            | 340             | 87              |
| Current notes                  | 1,927                        | 5,688          | 1,433           | 316             |
| Princ due on term debt         | 3,024                        | 2,839          | 3,264           | 2,895           |
| Total current liabilities      | 7,746                        | 9,488          | 6,378           | 9,584           |
| Intermediate liabilities       | 6,331                        | 7,225          | 10,015          | 3,424           |
| Long term liabilities          | 22,460                       | 19,339         | 26,932          | 25,392          |
| Total nonfarm liabilities      | 36,537                       | 36,052         | 43,325          | 38,400          |
| Nonfarm net worth              | 208,969                      | 171,814        | 184,970         | 299,875         |
| Nonfarm debt to asset ratio    | 15 %                         | 17 %           | 19 %            | 11 %            |

**Operator and Labor Information**  
**Northern Minnesota Farm Business Management Data**  
**(Farms Sorted By Net Farm Income)**

|                                 | <u>Avg. Of<br/>All Farms</u> | <u>Low 20%</u> | <u>40 - 60%</u> | <u>High 20%</u> |
|---------------------------------|------------------------------|----------------|-----------------|-----------------|
| Number of farms                 | 572                          | 114            | 115             | 115             |
| <b>Operator Information</b>     |                              |                |                 |                 |
| Average number of operators     | 1.2                          | 1.2            | 1.1             | 1.5             |
| Average age of operators        | 46.9                         | 49.0           | 43.8            | 48.1            |
| Average number of years farming | 22.2                         | 21.8           | 20.1            | 24.6            |
| <b>Results Per Operator</b>     |                              |                |                 |                 |
| Working capital                 | 247,028                      | 45,037         | 146,285         | 626,907         |
| Total assets (market)           | 2,230,460                    | 1,266,210      | 1,681,292       | 4,102,233       |
| Total liabilities               | 967,422                      | 606,667        | 753,753         | 1,759,346       |
| Net worth (market)              | 1,263,038                    | 659,543        | 927,539         | 2,342,888       |
| Net worth excl deferred liabs   | 1,454,053                    | 746,160        | 1,038,808       | 2,760,963       |
| Gross farm income               | 709,948                      | 230,053        | 485,607         | 1,574,989       |
| Total farm expense              | 559,419                      | 261,597        | 397,143         | 1,158,397       |
| Net farm income from operations | 150,529                      | -31,544        | 88,464          | 416,592         |
| Net nonfarm income              | 32,544                       | 48,320         | 30,492          | 18,181          |
| Family living & tax withdrawals | 49,536                       | 32,685         | 46,445          | 66,422          |
| Total acres owned               | 266.6                        | 178.4          | 238.5           | 386.3           |
| Total crop acres                | 666.7                        | 257.0          | 498.9           | 1,309.0         |
| Crop acres owned                | 198.5                        | 113.6          | 163.1           | 316.9           |
| Crop acres cash rented          | 461.4                        | 142.8          | 332.8           | 977.1           |
| Crop acres share rented         | 6.8                          | 0.6            | 3.1             | 15.1            |
| Total pasture acres             | 42.4                         | 96.6           | 46.8            | 14.5            |
| <b>Labor Analysis</b>           |                              |                |                 |                 |
| Number of farms                 | 572                          | 114            | 115             | 115             |
| Total unpaid labor hours        | 2,545                        | 1,839          | 2,259           | 3,641           |
| Total hired labor hours         | 2,346                        | 987            | 1,025           | 7,333           |
| Total labor hours per farm      | 4,891                        | 2,826          | 3,283           | 10,975          |
| Unpaid hours per operator       | 2,043                        | 1,526          | 2,001           | 2,407           |
| Value of farm production / hour | 151.56                       | 67.06          | 139.02          | 184.32          |
| Net farm income / unpaid hour   | 73.70                        | -20.67         | 44.22           | 173.11          |
| Average hourly hired labor wage | 19.34                        | 20.17          | 19.39           | 19.27           |
| <b>Partnerships &amp; LLCs</b>  |                              |                |                 |                 |
| Number of farms                 | 86                           | 13             | 9               | 29              |
| Number of operators             | 2.2                          | 2.1            | 1.9             | 2.4             |
| Owner withdrawals per farm      | 112,778                      | 120,174        | 92,454          | 150,030         |
| Withdrawals per operator        | 47,073                       | 60,087         | 52,831          | 56,261          |
| <b>Corporations</b>             |                              |                |                 |                 |
| Number of farms                 | 20                           | 4              | 3               | 10              |
| Number of operators             | 2.2                          | 1.8            | 2.7             | 2.2             |

**Crop Production and Marketing Summary**  
**Northern Minnesota Farm Business Management Data**  
**(Farms Sorted By Net Farm Income)**

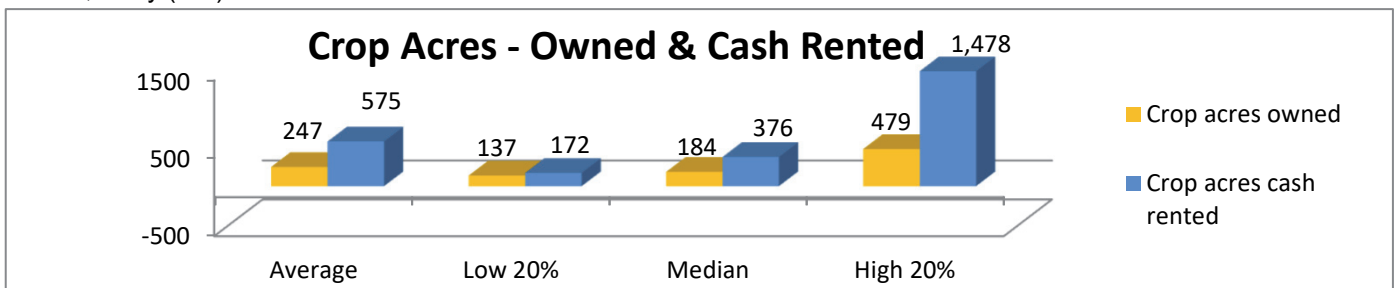
|                              | <u>Avg. Of<br/>All Farms</u> | <u>Low 20%</u> | <u>40 - 60%</u> | <u>High 20%</u> |
|------------------------------|------------------------------|----------------|-----------------|-----------------|
| Number of farms              | 572                          | 114            | 115             | 115             |
| <b>Acreage Summary</b>       |                              |                |                 |                 |
| Total acres owned            | 332                          | 215            | 269             | 584             |
| Total crop acres             | 831                          | 310            | 563             | 1,981           |
| Crop acres owned             | 247                          | 137            | 184             | 479             |
| Crop acres cash rented       | 575                          | 172            | 376             | 1,478           |
| Crop acres share rented      | 8                            | 1              | 3               | 23              |
| Total pasture acres          | 53                           | 116            | 53              | 22              |
| Percent crop acres owned     | 30%                          | 44%            | 33%             | 24%             |
| Mach invest/crop acre cost   | 556                          | 741            | 490             | 541             |
| Mach invest/crop acre market | 652                          | 910            | 560             | 624             |

**Average Price Received (Cash Sales Only)**

|                                  |        |        |        |        |
|----------------------------------|--------|--------|--------|--------|
| Soybeans per bushel              | 11.25  | 10.71  | 11.30  | 11.18  |
| Corn per bushel                  | 4.60   | 4.93   | 4.61   | 4.49   |
| Wheat, Spring per bushel         | 6.65   | 5.47   | 6.73   | 6.70   |
| Hay, Alfalfa per ton             | 137.89 | 126.66 | 165.05 | 144.71 |
| Oats per bushel                  | 3.74   | -      | 4.42   | 3.63   |
| Barley per bushel                | 5.56   | -      | -      | -      |
| Hay, Grass per ton               | 81.96  | -      | -      | -      |
| Hay per ton                      | 137.89 | 126.66 | 165.05 | 144.71 |
| Corn Silage per ton              | 30.34  | -      | -      | 29.07  |
| Rye per bushel                   | 5.99   | -      | -      | 6.61   |
| Sunflowers per cwt               | 22.71  | -      | -      | -      |
| Grass Seed, Perennial Rye per lb | 0.78   | -      | -      | 0.79   |
| Soybeans, Seed per bushel        | 12.19  | -      | -      | 12.61  |
| Beans, Navy per cwt              | 33.51  | -      | -      | 34.48  |

**Average Yield Per Acre**

|                         |        |        |        |        |
|-------------------------|--------|--------|--------|--------|
| Soybeans (bushel)       | 30.59  | 29.07  | 24.61  | 32.79  |
| Corn (bushel)           | 137.50 | 115.54 | 120.20 | 146.16 |
| Corn Silage (ton)       | 14.70  | 13.11  | 13.96  | 15.15  |
| Hay, Alfalfa (ton)      | 2.84   | 2.35   | 2.61   | 3.65   |
| Wheat, Spring (bushel)  | 49.25  | 37.63  | 41.03  | 52.42  |
| Hay (ton)               | 1.91   | 1.24   | 1.19   | 4.52   |
| Hay, Grass (ton)        | 1.83   | 1.17   | 1.80   | 2.23   |
| Oats (bushel)           | 68.67  | 58.95  | 69.76  | -      |
| Barley (bushel)         | 63.48  | -      | -      | 69.06  |
| Rye (bushel)            | 40.08  | 50.07  | -      | 43.67  |
| Soybeans, Food (bushel) | 36.48  | -      | -      | 39.85  |
| Beans, Navy (cwt)       | 16.57  | -      | -      | 17.60  |



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## ***Individual Enterprise Analysis Tables***

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The individual crop and livestock tables are designed to identify the costs and returns for specific enterprises on the farm. Data from all farmers with each enterprise is merged. The minimum number of farms, in order to print a given column on the following reports, is five (5). This enables the necessary level of confidentiality for publication of this information.

Crop report costs such as fertilizer, chemicals, seed, crop drying expenses, hired labor, and custom hire are costs that are assigned to each individual crop. These costs are shown in the crop enterprise analysis as *Direct Costs*.

Other costs, called *Overhead Costs*, are divided out by formula. Overhead costs are assigned by an allocation factor to each enterprise. The allocation factor is based on historical data of labor and capital intensity.

There are a couple of subtle differences between the Owned Land and Cash Rented Land tables. Naturally, on cash rented land, the actual cost of renting the land is reported in the direct cost section. On the owned land, there are two different lines of information in the overhead cost section that would be included for calculating cost of ownership: real-estate taxes and interest on long-term debt.

The livestock reports have a format similar to the crop reports. Production information is listed at the top of each table. This will include animal or product sales, purchases, sales, transfers, and inventory change.

The *Direct Costs* include costs that are assigned to the enterprise, including items such as: feed, veterinary, breeding, marketing, hired labor, fuel & repairs, and livestock supplies. The *Overhead Costs* include formula-assigned costs, including items such as: depreciation, interest, utilities, and insurances.

At the bottom of each livestock report, there is a list of selected factors for each enterprise. These factors are a combination of production indicators and efficiency indicators.

Towards the bottom of both the crop and livestock enterprise tables, are four (4) factors that show varying levels of Cost of Production. Those factors include a cost of production based on: direct costs, overhead & direct costs, total cost less government payments and/or other revenue, and total cost including labor & management.

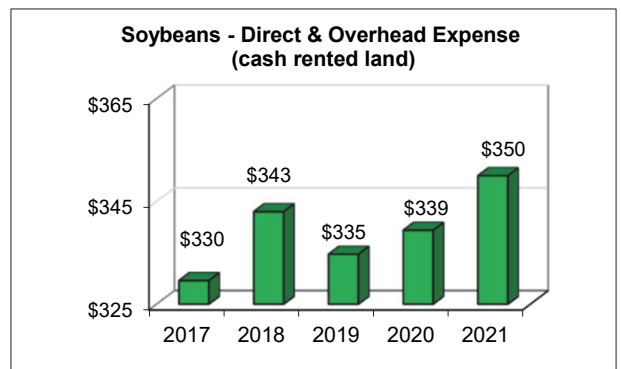
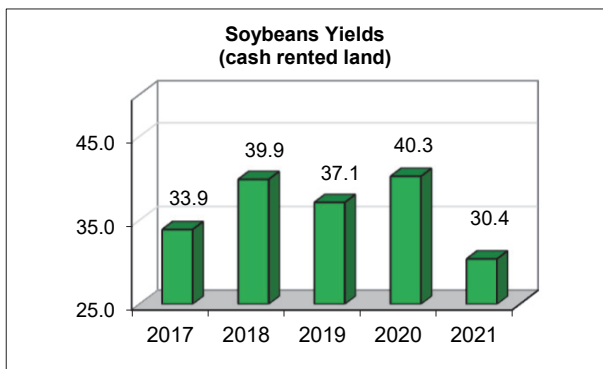
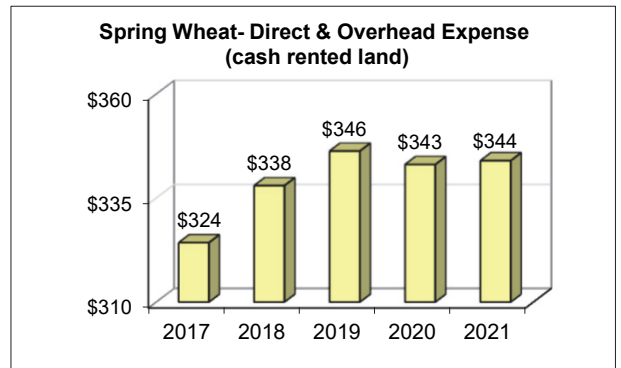
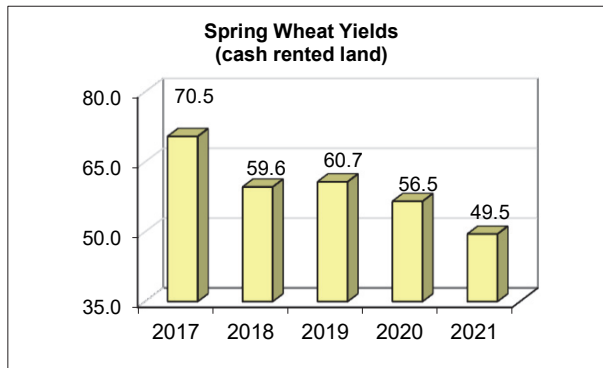
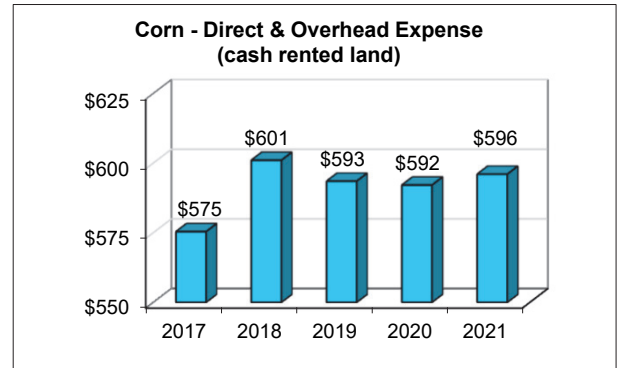
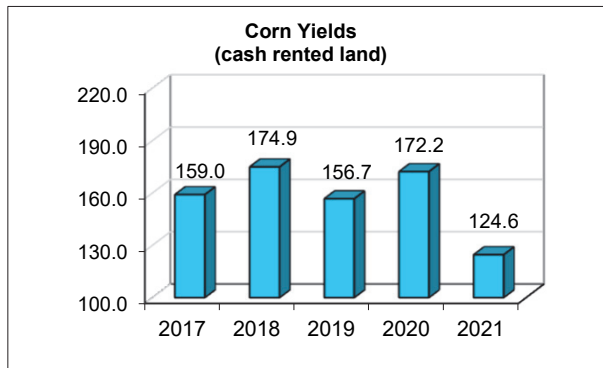
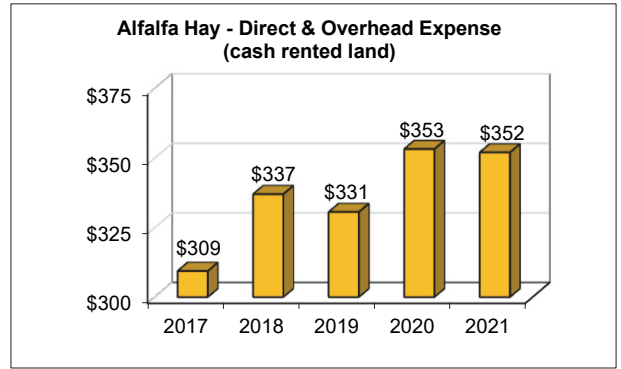
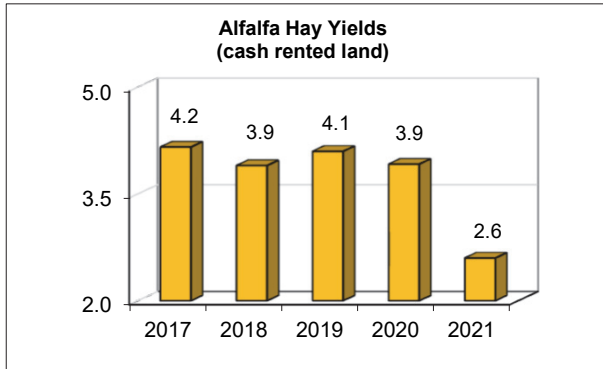
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Machinery Cost per Acre is a factor used to combine all costs related to machinery usage. The Machinery Cost per Acre includes: Fuel & Oil, Repairs, Custom hire, Machinery leases, Interest on machinery debt, and Machinery depreciation. A machinery cost summary for five prominent Northern Minnesota crops is listed below. Data is taken from the owned land enterprise tables.

| <b>Crop</b>  | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>2021</b> |
|--------------|-------------|-------------|-------------|-------------|-------------|
| Alfalfa Hay  | \$171.76    | \$177.01    | \$161.73    | \$168.16    | \$182.89    |
| Corn         | \$153.51    | \$161.45    | \$160.80    | \$166.17    | \$165.39    |
| Corn Silage  | \$214.87    | \$206.32    | \$224.53    | \$224.95    | \$220.53    |
| Soybeans     | \$83.66     | \$88.20     | \$84.51     | \$94.38     | \$86.74     |
| Spring Wheat | \$83.56     | \$87.85     | \$87.90     | \$92.53     | \$88.66     |

## Five Year History of Crop Yields and Cost of Production

### Northern Minnesota Farm Business Management Data



**Crop Enterprise Analysis**  
**Northern Minnesota Farm Business Management Data**  
**(Farms Sorted By Return to Overhead)**

**Corn on Owned Land**

|                                    | <u>Avg. Of</u><br><u>All Farms</u> | <u>40 - 60%</u> | <u>High 20%</u> |
|------------------------------------|------------------------------------|-----------------|-----------------|
| Number of farms                    | 164                                | 33              | 33              |
| Acres                              | 138.71                             | 111.18          | 161.58          |
| Yield per acre (bu.)               | 141.10                             | 131.94          | 179.81          |
| Operators share of yield %         | 100.00                             | 100.00          | 100.00          |
| Value per bu.                      | 5.30                               | 5.37            | 5.51            |
| Other product return per acre      | 9.39                               | 2.80            | 10.67           |
| Total product return per acre      | 757.51                             | 710.79          | 1,002.15        |
| Hedging gains/losses per acre      | -3.77                              | -               | -3.11           |
| Crop insurance per acre            | 59.06                              | 62.99           | 60.62           |
| Other crop income per acre         | 5.62                               | 4.31            | 9.66            |
| Gross return per acre              | 818.42                             | 778.08          | 1,069.33        |
| <b>Direct Expenses</b>             |                                    |                 |                 |
| Seed and plants                    | 95.31                              | 100.52          | 99.97           |
| Fertilizer                         | 122.62                             | 127.79          | 125.11          |
| Crop chemicals                     | 28.79                              | 28.03           | 29.10           |
| Crop insurance                     | 22.07                              | 27.02           | 24.27           |
| Drying expense                     | 7.70                               | 8.81            | 6.08            |
| Storage                            | 1.33                               | 0.44            | 1.41            |
| Packaging and supplies             | 0.85                               | 0.51            | 0.38            |
| Fuel & oil                         | 29.49                              | 26.89           | 32.16           |
| Repairs                            | 59.98                              | 54.96           | 58.78           |
| Custom hire                        | 9.75                               | 15.70           | 6.32            |
| Hired labor                        | 2.15                               | 1.03            | 2.69            |
| Machinery leases                   | 2.03                               | 5.76            | 1.59            |
| Utilities                          | 0.39                               | 0.21            | 0.80            |
| Hauling and trucking               | 2.66                               | 9.37            | 1.77            |
| Marketing                          | 1.57                               | 1.91            | 2.25            |
| Operating interest                 | 10.86                              | 6.68            | 11.54           |
| Miscellaneous                      | 1.98                               | 3.70            | 3.50            |
| Total direct expenses per acre     | 399.54                             | 419.32          | 407.76          |
| Return over direct exp per acre    | 418.88                             | 358.77          | 661.56          |
| <b>Overhead Expenses</b>           |                                    |                 |                 |
| Hired labor                        | 12.55                              | 19.17           | 10.09           |
| Machinery leases                   | 4.45                               | 2.10            | 3.19            |
| Building leases                    | 1.24                               | -               | 0.02            |
| RE & pers. property taxes          | 19.04                              | 17.31           | 18.83           |
| Farm insurance                     | 11.66                              | 10.07           | 13.61           |
| Utilities                          | 7.51                               | 7.72            | 7.42            |
| Dues & professional fees           | 4.67                               | 6.77            | 4.35            |
| Interest                           | 56.86                              | 71.64           | 43.55           |
| Mach & bldg depreciation           | 60.70                              | 56.12           | 72.77           |
| Miscellaneous                      | 6.26                               | 5.56            | 12.59           |
| Total overhead expenses per acre   | 184.94                             | 196.47          | 186.41          |
| Total dir & ovhd expenses per acre | 584.48                             | 615.79          | 594.17          |
| Net return per acre                | 233.93                             | 162.29          | 475.15          |
| Government payments                | 1.76                               | 1.81            | 0.98            |
| Net return with govt pmts          | 235.69                             | 164.10          | 476.13          |
| Labor & management charge          | 51.25                              | 44.35           | 67.70           |
| Net return over lbr & mgt          | 184.45                             | 119.75          | 408.44          |
| <b>Cost of Production</b>          |                                    |                 |                 |
| Total direct expense per bu.       | 2.83                               | 3.18            | 2.27            |
| Total dir & ovhd exp per bu.       | 4.14                               | 4.67            | 3.30            |
| Less govt & other income           | 3.63                               | 4.12            | 2.87            |
| With labor & management            | 3.99                               | 4.46            | 3.24            |
| Net value per unit                 | 5.28                               | 5.37            | 5.50            |
| Machinery cost per acre            | 165.39                             | 165.47          | 171.02          |
| Est. labor hours per acre          | 2.99                               | 3.20            | 3.18            |



**Crop Enterprise Analysis**  
**Northern Minnesota Farm Business Management Data**  
**(Farms Sorted By Return to Overhead)**

**Corn on Cash Rent**

|                                    | <u>Avg. Of</u><br><u>All Farms</u> | <u>40 - 60%</u> | <u>High 20%</u> |
|------------------------------------|------------------------------------|-----------------|-----------------|
| Number of farms                    | 239                                | 48              | 48              |
| Acres                              | 276.92                             | 235.94          | 220.29          |
| Yield per acre (bu.)               | 124.58                             | 127.29          | 168.77          |
| Operators share of yield %         | 100.00                             | 100.00          | 100.00          |
| Value per bu.                      | 5.30                               | 5.52            | 5.41            |
| Other product return per acre      | 3.74                               | 2.68            | 7.91            |
| Total product return per acre      | 664.44                             | 705.18          | 921.22          |
| Hedging gains/losses per acre      | -0.17                              | -               | -0.43           |
| Crop insurance per acre            | 91.83                              | 42.03           | 118.99          |
| Other crop income per acre         | 4.67                               | 5.16            | 1.01            |
| Gross return per acre              | 760.77                             | 752.37          | 1,040.80        |
| <b>Direct Expenses</b>             |                                    |                 |                 |
| Seed and plants                    | 91.46                              | 90.67           | 98.44           |
| Fertilizer                         | 123.80                             | 129.04          | 109.26          |
| Crop chemicals                     | 28.67                              | 30.31           | 32.29           |
| Crop insurance                     | 21.57                              | 25.25           | 29.47           |
| Drying expense                     | 8.81                               | 8.89            | 9.68            |
| Storage                            | 0.68                               | 1.41            | 0.93            |
| Packaging and supplies             | 0.75                               | 0.29            | 0.45            |
| Fuel & oil                         | 25.16                              | 23.48           | 29.49           |
| Repairs                            | 53.11                              | 53.10           | 56.19           |
| Custom hire                        | 9.65                               | 14.90           | 6.30            |
| Hired labor                        | 2.78                               | 0.25            | 6.31            |
| Land rent                          | 118.53                             | 107.70          | 129.77          |
| Machinery leases                   | 1.98                               | 1.10            | 2.98            |
| Hauling and trucking               | 2.00                               | 3.74            | 4.77            |
| Marketing                          | 1.11                               | 1.04            | 1.51            |
| Operating interest                 | 10.03                              | 10.68           | 10.89           |
| Miscellaneous                      | 2.41                               | 4.33            | 2.29            |
| Total direct expenses per acre     | 501.50                             | 506.17          | 524.74          |
| Return over direct exp per acre    | 259.27                             | 246.20          | 516.06          |
| <b>Overhead Expenses</b>           |                                    |                 |                 |
| Hired labor                        | 13.64                              | 14.14           | 14.82           |
| Machinery leases                   | 5.72                               | 4.50            | 5.01            |
| Building leases                    | 2.21                               | 0.58            | 0.57            |
| Farm insurance                     | 9.10                               | 10.78           | 10.91           |
| Utilities                          | 5.25                               | 4.70            | 7.23            |
| Dues & professional fees           | 4.05                               | 5.75            | 4.27            |
| Interest                           | 5.94                               | 7.31            | 4.03            |
| Mach & bldg depreciation           | 44.29                              | 41.65           | 51.48           |
| Miscellaneous                      | 4.47                               | 7.43            | 7.06            |
| Total overhead expenses per acre   | 94.42                              | 96.83           | 103.82          |
| Total dir & ovhd expenses per acre | 595.92                             | 603.00          | 628.56          |
| Net return per acre                | 164.85                             | 149.37          | 412.24          |
| Government payments                | 2.11                               | 1.45            | 0.77            |
| Net return with govt pmts          | 166.96                             | 150.81          | 413.01          |
| Labor & management charge          | 41.83                              | 46.97           | 45.33           |
| Net return over lbr & mgt          | 125.13                             | 103.84          | 367.68          |
| <b>Cost of Production</b>          |                                    |                 |                 |
| Total direct expense per bu.       | 4.03                               | 3.98            | 3.11            |
| Total dir & ovhd exp per bu.       | 4.78                               | 4.74            | 3.72            |
| Less govt & other income           | 3.96                               | 4.33            | 2.96            |
| With labor & management            | 4.30                               | 4.70            | 3.23            |
| Net value per unit                 | 5.30                               | 5.52            | 5.41            |
| Machinery cost per acre            | 141.24                             | 140.27          | 147.20          |
| Est. labor hours per acre          | 2.63                               | 2.93            | 2.86            |

**Crop Enterprise Analysis**  
**Northern Minnesota Farm Business Management Data**  
**(Farms Sorted By Return to Overhead)**

**Soybeans on Owned Land**

|                                    | <u>Avg. Of</u><br><u>All Farms</u> | <u>40 - 60%</u> | <u>High 20%</u> |
|------------------------------------|------------------------------------|-----------------|-----------------|
| Number of farms                    | 165                                | 33              | 33              |
| Acres                              | 208.47                             | 186.62          | 176.77          |
| Yield per acre (bu.)               | 30.61                              | 28.67           | 47.01           |
| Operators share of yield %         | 100.00                             | 100.00          | 100.00          |
| Value per bu.                      | 12.25                              | 12.22           | 12.56           |
| Other product return per acre      | 0.01                               | -               | -               |
| Total product return per acre      | 374.87                             | 350.33          | 590.48          |
| Hedging gains/losses per acre      | -0.36                              | -               | -2.10           |
| Crop insurance per acre            | 41.87                              | 57.82           | 13.31           |
| Other crop income per acre         | 12.97                              | 10.47           | 15.56           |
| Gross return per acre              | 429.36                             | 418.63          | 617.25          |
| <b>Direct Expenses</b>             |                                    |                 |                 |
| Seed and plants                    | 57.82                              | 57.70           | 51.24           |
| Fertilizer                         | 33.33                              | 31.37           | 20.13           |
| Crop chemicals                     | 32.75                              | 35.87           | 37.56           |
| Crop insurance                     | 16.73                              | 16.55           | 17.82           |
| Fuel & oil                         | 15.42                              | 15.44           | 15.09           |
| Repairs                            | 31.29                              | 31.42           | 29.63           |
| Custom hire                        | 5.24                               | 5.76            | 6.28            |
| Hired labor                        | 0.44                               | 0.57            | 0.84            |
| Machinery leases                   | 1.34                               | 1.89            | 0.18            |
| Hauling and trucking               | 0.87                               | 0.77            | 1.37            |
| Marketing                          | 1.07                               | 1.75            | 1.19            |
| Operating interest                 | 4.47                               | 3.79            | 4.53            |
| Miscellaneous                      | 1.88                               | 1.91            | 3.50            |
| Total direct expenses per acre     | 202.66                             | 204.80          | 189.37          |
| Return over direct exp per acre    | 226.70                             | 213.83          | 427.87          |
| <b>Overhead Expenses</b>           |                                    |                 |                 |
| Hired labor                        | 6.10                               | 4.42            | 5.31            |
| Machinery leases                   | 1.86                               | 0.58            | 2.45            |
| RE & pers. property taxes          | 14.51                              | 14.74           | 19.17           |
| Farm insurance                     | 6.89                               | 6.23            | 5.90            |
| Utilities                          | 4.49                               | 5.57            | 4.05            |
| Dues & professional fees           | 2.68                               | 2.22            | 2.22            |
| Interest                           | 37.85                              | 42.45           | 28.82           |
| Mach & bldg depreciation           | 30.98                              | 29.25           | 44.04           |
| Miscellaneous                      | 2.80                               | 2.53            | 4.66            |
| Total overhead expenses per acre   | 108.15                             | 107.99          | 116.63          |
| Total dir & ovhd expenses per acre | 310.81                             | 312.79          | 306.00          |
| Net return per acre                | 118.55                             | 105.84          | 311.25          |
| Government payments                | 5.49                               | 5.25            | 4.03            |
| Net return with govt pmts          | 124.03                             | 111.09          | 315.28          |
| Labor & management charge          | 33.15                              | 37.58           | 33.44           |
| Net return over lbr & mgt          | 90.88                              | 73.51           | 281.84          |
| <b>Cost of Production</b>          |                                    |                 |                 |
| Total direct expense per bu.       | 6.62                               | 7.14            | 4.03            |
| Total dir & ovhd exp per bu.       | 10.15                              | 10.91           | 6.51            |
| Less govt & other income           | 8.19                               | 8.34            | 5.85            |
| With labor & management            | 9.28                               | 9.65            | 6.57            |
| Net value per unit                 | 12.24                              | 12.22           | 12.52           |
| Machinery cost per acre            | 86.74                              | 84.94           | 96.02           |
| Est. labor hours per acre          | 1.61                               | 1.64            | 1.58            |

**Crop Enterprise Analysis**  
**Northern Minnesota Farm Business Management Data**  
**(Farms Sorted By Return to Overhead)**

**Soybeans on Cash Rent**

|                                    | <u>Avg. Of</u><br><u>All Farms</u> | <u>40 - 60%</u> | <u>High 20%</u> |
|------------------------------------|------------------------------------|-----------------|-----------------|
| Number of farms                    | 256                                | 51              | 52              |
| Acres                              | 409.95                             | 516.71          | 305.75          |
| Yield per acre (bu.)               | 30.36                              | 28.67           | 42.13           |
| Operators share of yield %         | 100.00                             | 100.00          | 100.00          |
| Value per bu.                      | 12.21                              | 12.34           | 12.49           |
| Other product return per acre      | 0.13                               | 0.04            | 0.16            |
| Total product return per acre      | 370.95                             | 353.75          | 526.56          |
| Hedging gains/losses per acre      | -0.19                              | -               | -1.25           |
| Crop insurance per acre            | 52.57                              | 65.54           | 43.07           |
| Other crop income per acre         | 10.30                              | 11.32           | 14.07           |
| Gross return per acre              | 433.62                             | 430.61          | 582.44          |
| <b>Direct Expenses</b>             |                                    |                 |                 |
| Seed and plants                    | 56.31                              | 58.77           | 47.98           |
| Fertilizer                         | 29.89                              | 29.34           | 23.26           |
| Crop chemicals                     | 35.09                              | 33.24           | 34.96           |
| Crop insurance                     | 16.54                              | 17.60           | 17.77           |
| Fuel & oil                         | 14.39                              | 15.65           | 14.53           |
| Repairs                            | 29.39                              | 31.91           | 30.22           |
| Custom hire                        | 5.93                               | 4.33            | 10.01           |
| Hired labor                        | 0.85                               | 0.06            | 1.66            |
| Land rent                          | 97.47                              | 99.13           | 95.82           |
| Machinery leases                   | 1.59                               | 1.14            | 2.68            |
| Hauling and trucking               | 0.54                               | 0.33            | 0.73            |
| Marketing                          | 1.03                               | 0.98            | 0.69            |
| Operating interest                 | 5.81                               | 4.94            | 7.32            |
| Miscellaneous                      | 2.04                               | 0.98            | 2.03            |
| Total direct expenses per acre     | 296.87                             | 298.39          | 289.68          |
| Return over direct exp per acre    | 136.75                             | 132.23          | 292.76          |
| <b>Overhead Expenses</b>           |                                    |                 |                 |
| Hired labor                        | 8.07                               | 11.09           | 9.26            |
| Machinery leases                   | 2.52                               | 2.26            | 2.14            |
| Building leases                    | 0.67                               | 0.88            | 0.19            |
| Farm insurance                     | 5.70                               | 5.37            | 6.32            |
| Utilities                          | 3.46                               | 3.77            | 4.83            |
| Dues & professional fees           | 2.50                               | 2.10            | 2.96            |
| Interest                           | 3.46                               | 3.55            | 3.19            |
| Mach & bldg depreciation           | 24.91                              | 26.83           | 32.57           |
| Miscellaneous                      | 2.29                               | 1.46            | 2.76            |
| Total overhead expenses per acre   | 53.58                              | 57.32           | 64.22           |
| Total dir & ovhd expenses per acre | 350.45                             | 355.70          | 353.90          |
| Net return per acre                | 83.17                              | 74.91           | 228.54          |
| Government payments                | 4.39                               | 5.57            | 3.67            |
| Net return with govt pmts          | 87.57                              | 80.48           | 232.22          |
| Labor & management charge          | 27.96                              | 31.22           | 28.03           |
| Net return over lbr & mgt          | 59.61                              | 49.25           | 204.19          |
| <b>Cost of Production</b>          |                                    |                 |                 |
| Total direct expense per bu.       | 9.78                               | 10.41           | 6.88            |
| Total dir & ovhd exp per bu.       | 11.54                              | 12.41           | 8.40            |
| Less govt & other income           | 9.33                               | 9.53            | 6.98            |
| With labor & management            | 10.25                              | 10.62           | 7.65            |
| Net value per unit                 | 12.21                              | 12.34           | 12.46           |
| Machinery cost per acre            | 79.98                              | 83.18           | 91.46           |
| Est. labor hours per acre          | 1.52                               | 1.65            | 1.50            |

**Crop Enterprise Analysis**  
**Northern Minnesota Farm Business Management Data**  
**(Farms Sorted By Return to Overhead)**

**Wheat, Spring on Owned Land**

|                                    | <u>Avg. Of<br/>All Farms</u> | <u>40 - 60%</u> | <u>High 20%</u> |
|------------------------------------|------------------------------|-----------------|-----------------|
| Number of farms                    | 80                           | 16              | 16              |
| Acres                              | 242.25                       | 207.26          | 419.06          |
| Yield per acre (bu.)               | 50.32                        | 44.43           | 62.32           |
| Operators share of yield %         | 100.00                       | 100.00          | 100.00          |
| Value per bu.                      | 8.80                         | 8.46            | 9.23            |
| Other product return per acre      | 0.60                         | 0.38            | -               |
| Total product return per acre      | 443.41                       | 376.37          | 575.23          |
| Crop insurance per acre            | 29.88                        | 43.08           | 11.14           |
| Other crop income per acre         | 21.69                        | 18.97           | 30.67           |
| Gross return per acre              | 494.98                       | 438.43          | 617.04          |
| <b>Direct Expenses</b>             |                              |                 |                 |
| Seed and plants                    | 21.53                        | 21.19           | 18.93           |
| Fertilizer                         | 87.07                        | 80.37           | 89.65           |
| Crop chemicals                     | 30.28                        | 26.67           | 30.19           |
| Crop insurance                     | 14.75                        | 14.78           | 15.79           |
| Fuel & oil                         | 15.70                        | 15.02           | 15.12           |
| Repairs                            | 28.54                        | 26.57           | 25.76           |
| Custom hire                        | 7.89                         | 8.81            | 8.71            |
| Machinery leases                   | 0.65                         | 0.33            | 0.69            |
| Marketing                          | 1.11                         | 0.22            | 1.76            |
| Operating interest                 | 4.45                         | 3.71            | 3.48            |
| Miscellaneous                      | 2.04                         | 1.41            | 1.22            |
| Total direct expenses per acre     | 214.01                       | 199.08          | 211.29          |
| Return over direct exp per acre    | 280.97                       | 239.35          | 405.74          |
| <b>Overhead Expenses</b>           |                              |                 |                 |
| Hired labor                        | 8.05                         | 12.30           | 5.70            |
| Machinery leases                   | 4.11                         | 1.91            | 2.85            |
| RE & pers. property taxes          | 13.68                        | 15.64           | 13.11           |
| Farm insurance                     | 7.30                         | 6.90            | 7.72            |
| Utilities                          | 4.69                         | 3.85            | 4.52            |
| Dues & professional fees           | 2.45                         | 3.41            | 1.34            |
| Interest                           | 27.06                        | 27.20           | 14.67           |
| Mach & bldg depreciation           | 32.06                        | 19.84           | 43.18           |
| Miscellaneous                      | 2.91                         | 1.81            | 3.01            |
| Total overhead expenses per acre   | 102.31                       | 92.86           | 96.09           |
| Total dir & ovhd expenses per acre | 316.32                       | 291.94          | 307.39          |
| Net return per acre                | 178.66                       | 146.49          | 309.65          |
| Government payments                | 8.25                         | 5.52            | 9.74            |
| Net return with govt pmts          | 186.92                       | 152.01          | 319.38          |
| Labor & management charge          | 34.56                        | 31.68           | 36.93           |
| Net return over lbr & mgt          | 152.36                       | 120.34          | 282.46          |
| <b>Cost of Production</b>          |                              |                 |                 |
| Total direct expense per bu.       | 4.25                         | 4.48            | 3.39            |
| Total dir & ovhd exp per bu.       | 6.29                         | 6.57            | 4.93            |
| Less govt & other income           | 5.09                         | 5.04            | 4.10            |
| With labor & management            | 5.77                         | 5.75            | 4.70            |
| Net value per unit                 | 8.80                         | 8.46            | 9.23            |
| Machinery cost per acre            | 88.66                        | 73.45           | 94.37           |
| Est. labor hours per acre          | 1.60                         | 1.87            | 1.37            |

**Crop Enterprise Analysis**  
**Northern Minnesota Farm Business Management Data**  
**(Farms Sorted By Return to Overhead)**

**Wheat, Spring on Cash Rent**

|                                    | <u>Avg. Of</u><br><u>All Farms</u> | <u>40 - 60%</u> | <u>High 20%</u> |
|------------------------------------|------------------------------------|-----------------|-----------------|
| Number of farms                    | 103                                | 20              | 21              |
| Acres                              | 379.92                             | 511.83          | 599.41          |
| Yield per acre (bu.)               | 49.46                              | 46.54           | 59.43           |
| Operators share of yield %         | 100.00                             | 100.00          | 100.00          |
| Value per bu.                      | 8.55                               | 8.20            | 9.06            |
| Other product return per acre      | 0.59                               | -               | -               |
| Total product return per acre      | 423.34                             | 381.83          | 538.59          |
| Crop insurance per acre            | 31.33                              | 42.24           | 21.55           |
| Other crop income per acre         | 17.07                              | 25.58           | 16.09           |
| Gross return per acre              | 471.75                             | 449.64          | 576.23          |
| <b>Direct Expenses</b>             |                                    |                 |                 |
| Seed and plants                    | 21.46                              | 21.59           | 19.74           |
| Fertilizer                         | 90.10                              | 91.86           | 83.04           |
| Crop chemicals                     | 30.40                              | 34.73           | 28.92           |
| Crop insurance                     | 12.74                              | 14.21           | 10.73           |
| Drying expense                     | 0.48                               | -               | 0.85            |
| Fuel & oil                         | 14.60                              | 16.18           | 14.07           |
| Repairs                            | 27.40                              | 32.05           | 23.52           |
| Custom hire                        | 6.28                               | 7.81            | 6.45            |
| Hired labor                        | 0.97                               | -               | 0.86            |
| Land rent                          | 78.92                              | 74.35           | 77.76           |
| Machinery leases                   | 0.80                               | 0.92            | 1.41            |
| Marketing                          | 0.78                               | 0.08            | 1.58            |
| Operating interest                 | 4.60                               | 4.73            | 4.55            |
| Miscellaneous                      | 1.81                               | 1.78            | 1.46            |
| Total direct expenses per acre     | 291.36                             | 300.27          | 274.91          |
| Return over direct exp per acre    | 180.38                             | 149.37          | 301.32          |
| <b>Overhead Expenses</b>           |                                    |                 |                 |
| Hired labor                        | 10.10                              | 10.96           | 11.52           |
| Machinery leases                   | 1.28                               | 2.26            | 0.76            |
| Building leases                    | 0.73                               | 2.15            | 0.14            |
| Farm insurance                     | 5.83                               | 7.15            | 6.14            |
| Utilities                          | 3.86                               | 4.27            | 3.80            |
| Dues & professional fees           | 1.99                               | 2.34            | 1.54            |
| Interest                           | 2.94                               | 3.42            | 2.37            |
| Mach & bldg depreciation           | 24.15                              | 28.38           | 26.62           |
| Miscellaneous                      | 1.99                               | 1.65            | 1.77            |
| Total overhead expenses per acre   | 52.88                              | 62.59           | 54.66           |
| Total dir & ovhd expenses per acre | 344.24                             | 362.86          | 329.57          |
| Net return per acre                | 127.50                             | 86.79           | 246.66          |
| Government payments                | 7.65                               | 7.34            | 9.36            |
| Net return with govt pmts          | 135.15                             | 94.13           | 256.02          |
| Labor & management charge          | 29.74                              | 31.48           | 31.45           |
| Net return over lbr & mgt          | 105.42                             | 62.64           | 224.57          |
| <b>Cost of Production</b>          |                                    |                 |                 |
| Total direct expense per bu.       | 5.89                               | 6.45            | 4.63            |
| Total dir & ovhd exp per bu.       | 6.96                               | 7.80            | 5.55            |
| Less govt & other income           | 5.81                               | 6.18            | 4.75            |
| With labor & management            | 6.42                               | 6.86            | 5.28            |
| Net value per unit                 | 8.55                               | 8.20            | 9.06            |
| Machinery cost per acre            | 75.44                              | 89.01           | 72.52           |
| Est. labor hours per acre          | 1.56                               | 1.59            | 1.59            |

**Crop Enterprise Analysis**  
**Northern Minnesota Farm Business Management Data**  
**(Farms Sorted By Return to Overhead)**

**Corn Silage on Owned Land**

|                                    | <u>Avg. Of</u><br><u>All Farms</u> | <u>40 - 60%</u> | <u>High 20%</u> |
|------------------------------------|------------------------------------|-----------------|-----------------|
| Number of farms                    | 128                                | 25              | 26              |
| Acres                              | 82.78                              | 71.56           | 86.98           |
| Yield per acre (ton)               | 13.30                              | 15.14           | 16.36           |
| Operators share of yield %         | 100.00                             | 100.00          | 100.00          |
| Value per ton                      | 41.87                              | 41.52           | 42.33           |
| Total product return per acre      | 556.63                             | 628.59          | 692.66          |
| Crop insurance per acre            | 174.32                             | 78.00           | 306.47          |
| Other crop income per acre         | 0.85                               | 0.72            | 1.60            |
| Gross return per acre              | 731.79                             | 707.31          | 1,000.73        |
| <b>Direct Expenses</b>             |                                    |                 |                 |
| Seed and plants                    | 90.74                              | 80.33           | 97.11           |
| Fertilizer                         | 89.10                              | 81.88           | 52.36           |
| Crop chemicals                     | 32.25                              | 34.21           | 32.60           |
| Crop insurance                     | 18.91                              | 18.82           | 15.63           |
| Packaging and supplies             | 11.67                              | 11.38           | 9.45            |
| Fuel & oil                         | 37.20                              | 36.53           | 36.42           |
| Repairs                            | 74.74                              | 68.85           | 68.78           |
| Custom hire                        | 49.88                              | 56.83           | 35.09           |
| Hired labor                        | 0.58                               | 1.89            | 0.48            |
| Machinery leases                   | 3.30                               | 3.10            | 4.28            |
| Operating interest                 | 5.14                               | 6.34            | 4.88            |
| Miscellaneous                      | 2.11                               | 1.55            | 2.00            |
| Total direct expenses per acre     | 413.13                             | 401.71          | 359.08          |
| Return over direct exp per acre    | 318.66                             | 305.60          | 641.65          |
| <b>Overhead Expenses</b>           |                                    |                 |                 |
| Hired labor                        | 24.29                              | 28.88           | 19.46           |
| Machinery leases                   | 4.19                               | 1.49            | 9.11            |
| Building leases                    | 0.27                               | -               | 0.67            |
| RE & pers. property taxes          | 13.99                              | 15.80           | 14.94           |
| Farm insurance                     | 12.02                              | 11.75           | 14.33           |
| Utilities                          | 6.90                               | 6.22            | 8.84            |
| Dues & professional fees           | 3.98                               | 4.08            | 6.11            |
| Interest                           | 66.31                              | 65.26           | 65.51           |
| Mach & bldg depreciation           | 51.54                              | 44.01           | 58.95           |
| Miscellaneous                      | 4.79                               | 4.45            | 8.02            |
| Total overhead expenses per acre   | 187.26                             | 181.94          | 205.94          |
| Total dir & ovhd expenses per acre | 600.39                             | 583.65          | 565.01          |
| Net return per acre                | 131.40                             | 123.66          | 435.72          |
| Government payments                | 0.29                               | 0.28            | 0.57            |
| Net return with govt pmts          | 131.69                             | 123.94          | 436.29          |
| Labor & management charge          | 42.46                              | 44.35           | 54.00           |
| Net return over lbr & mgt          | 89.23                              | 79.60           | 382.29          |
| <b>Cost of Production</b>          |                                    |                 |                 |
| Total direct expense per ton       | 31.07                              | 26.53           | 21.95           |
| Total dir & ovhd exp per ton       | 45.16                              | 38.55           | 34.53           |
| Less govt & other income           | 31.96                              | 33.33           | 15.67           |
| With labor & management            | 35.15                              | 36.26           | 18.97           |
| Net value per unit                 | 41.87                              | 41.52           | 42.33           |
| Machinery cost per acre            | 220.53                             | 211.94          | 217.55          |
| Est. labor hours per acre          | 4.27                               | 4.86            | 4.71            |

**Crop Enterprise Analysis**  
**Northern Minnesota Farm Business Management Data**  
**(Farms Sorted By Return to Overhead)**

**Corn Silage on Cash Rent**

|                                    | <u>Avg. Of</u><br><u>All Farms</u> | <u>40 - 60%</u> | <u>High 20%</u> |
|------------------------------------|------------------------------------|-----------------|-----------------|
| Number of farms                    | 116                                | 23              | 24              |
| Acres                              | 137.76                             | 212.15          | 84.29           |
| Yield per acre (ton)               | 14.28                              | 14.76           | 16.68           |
| Operators share of yield %         | 100.00                             | 100.00          | 100.00          |
| Value per ton                      | 42.25                              | 42.82           | 43.49           |
| Total product return per acre      | 603.18                             | 632.10          | 725.41          |
| Crop insurance per acre            | 188.80                             | 220.21          | 242.94          |
| Other crop income per acre         | 1.32                               | 0.14            | 0.56            |
| Gross return per acre              | 793.29                             | 852.45          | 968.92          |
| <b>Direct Expenses</b>             |                                    |                 |                 |
| Seed and plants                    | 88.08                              | 81.31           | 87.95           |
| Fertilizer                         | 101.23                             | 116.81          | 46.67           |
| Crop chemicals                     | 37.12                              | 36.72           | 38.27           |
| Crop insurance                     | 19.60                              | 17.09           | 14.06           |
| Packaging and supplies             | 15.85                              | 15.96           | 17.95           |
| Fuel & oil                         | 35.11                              | 40.07           | 28.67           |
| Repairs                            | 62.13                              | 52.01           | 44.50           |
| Custom hire                        | 56.60                              | 80.74           | 31.33           |
| Hired labor                        | 3.38                               | 9.87            | 2.80            |
| Land rent                          | 109.60                             | 135.54          | 67.75           |
| Machinery leases                   | 2.05                               | 3.53            | 1.89            |
| Utilities                          | 0.18                               | 0.07            | 1.24            |
| Operating interest                 | 4.23                               | 2.90            | 1.08            |
| Miscellaneous                      | 3.04                               | 2.54            | 0.54            |
| Total direct expenses per acre     | 538.21                             | 595.18          | 384.69          |
| Return over direct exp per acre    | 255.08                             | 257.28          | 584.23          |
| <b>Overhead Expenses</b>           |                                    |                 |                 |
| Hired labor                        | 23.35                              | 18.56           | 22.93           |
| Machinery leases                   | 5.66                               | 2.20            | 5.96            |
| Building leases                    | 1.41                               | 0.03            | 8.44            |
| Farm insurance                     | 7.91                               | 8.04            | 8.00            |
| Utilities                          | 5.70                               | 5.65            | 4.51            |
| Dues & professional fees           | 3.56                               | 2.54            | 3.52            |
| Interest                           | 8.40                               | 9.79            | 8.96            |
| Mach & bldg depreciation           | 51.78                              | 33.76           | 55.13           |
| Miscellaneous                      | 5.02                               | 9.42            | 3.39            |
| Total overhead expenses per acre   | 112.78                             | 89.97           | 120.82          |
| Total dir & ovhd expenses per acre | 650.99                             | 685.15          | 505.51          |
| Net return per acre                | 142.30                             | 167.31          | 463.41          |
| Government payments                | 1.09                               | 3.02            | 0.02            |
| Net return with govt pmts          | 143.39                             | 170.32          | 463.43          |
| Labor & management charge          | 35.07                              | 32.96           | 32.26           |
| Net return over lbr & mgt          | 108.31                             | 137.36          | 431.16          |
| <b>Cost of Production</b>          |                                    |                 |                 |
| Total direct expense per ton       | 37.70                              | 40.32           | 23.07           |
| Total dir & ovhd exp per ton       | 45.60                              | 46.41           | 30.31           |
| Less govt & other income           | 32.21                              | 31.28           | 15.71           |
| With labor & management            | 34.66                              | 33.51           | 17.64           |
| Net value per unit                 | 42.25                              | 42.82           | 43.49           |
| Machinery cost per acre            | 214.87                             | 217.36          | 158.50          |
| Est. labor hours per acre          | 3.49                               | 3.53            | 3.62            |

**Crop Enterprise Analysis**  
**Northern Minnesota Farm Business Management Data**  
**(Farms Sorted By Return to Overhead)**

**Hay, Alfalfa on Owned Land**

|                                    | <u>Avg. Of<br/>All Farms</u> | <u>40 - 60%</u> | <u>High 20%</u> |
|------------------------------------|------------------------------|-----------------|-----------------|
| Number of farms                    | 95                           | 19              | 19              |
| Acres                              | 62.25                        | 46.48           | 53.21           |
| Yield per acre (ton)               | 2.93                         | 3.09            | 4.74            |
| Operators share of yield %         | 100.00                       | 100.00          | 100.00          |
| Value per ton                      | 172.67                       | 156.42          | 184.12          |
| Total product return per acre      | 506.53                       | 482.94          | 872.76          |
| Crop insurance per acre            | 12.81                        | 0.57            | 8.15            |
| Other crop income per acre         | 1.46                         | -               | -               |
| Gross return per acre              | 520.80                       | 483.50          | 880.90          |
| <b>Direct Expenses</b>             |                              |                 |                 |
| Fertilizer                         | 45.50                        | 46.90           | 28.73           |
| Crop chemicals                     | 7.05                         | 3.46            | 9.60            |
| Crop insurance                     | 2.36                         | -               | 0.90            |
| Packaging and supplies             | 12.40                        | 10.05           | 18.96           |
| Fuel & oil                         | 36.49                        | 33.53           | 38.05           |
| Repairs                            | 74.76                        | 50.25           | 82.56           |
| Custom hire                        | 12.69                        | 21.11           | 26.57           |
| Hired labor                        | 0.84                         | 1.28            | -               |
| Machinery leases                   | 0.84                         | -               | 2.00            |
| Operating interest                 | 4.95                         | 5.23            | 4.42            |
| Miscellaneous                      | 2.38                         | 4.60            | 0.57            |
| Total direct expenses per acre     | 200.27                       | 176.42          | 212.37          |
| Return over direct exp per acre    | 320.53                       | 307.09          | 668.54          |
| <b>Overhead Expenses</b>           |                              |                 |                 |
| Hired labor                        | 21.17                        | 10.20           | 31.91           |
| Machinery leases                   | 2.56                         | 6.90            | 2.92            |
| RE & pers. property taxes          | 13.98                        | 13.43           | 17.52           |
| Farm insurance                     | 11.69                        | 12.76           | 9.24            |
| Utilities                          | 6.17                         | 5.46            | 7.49            |
| Dues & professional fees           | 4.26                         | 3.99            | 5.43            |
| Interest                           | 63.23                        | 64.00           | 52.32           |
| Mach & bldg depreciation           | 56.16                        | 73.23           | 60.98           |
| Miscellaneous                      | 4.84                         | 8.43            | 3.79            |
| Total overhead expenses per acre   | 184.05                       | 198.40          | 191.62          |
| Total dir & ovhd expenses per acre | 384.31                       | 374.81          | 403.99          |
| Net return per acre                | 136.48                       | 108.69          | 476.91          |
| Government payments                | 0.41                         | 0.57            | -               |
| Net return with govt pmts          | 136.90                       | 109.26          | 476.91          |
| Labor & management charge          | 43.35                        | 55.58           | 43.78           |
| Net return over lbr & mgt          | 93.54                        | 53.68           | 433.14          |
| <b>Cost of Production</b>          |                              |                 |                 |
| Total direct expense per ton       | 68.27                        | 57.14           | 44.80           |
| Total dir & ovhd exp per ton       | 131.01                       | 121.40          | 85.23           |
| Less govt & other income           | 126.00                       | 121.03          | 83.51           |
| With labor & management            | 140.78                       | 139.04          | 92.74           |
| Net value per unit                 | 172.67                       | 156.42          | 184.12          |
| Machinery cost per acre            | 182.89                       | 177.57          | 210.54          |
| Est. labor hours per acre          | 4.34                         | 4.73            | 4.82            |



**Crop Enterprise Analysis**  
**Northern Minnesota Farm Business Management Data**  
**(Farms Sorted By Return to Overhead)**

**Hay, Alfalfa on Cash Rent**

|                                    | <u>Avg. Of<br/>All Farms</u> | <u>40 - 60%</u> | <u>High 20%</u> |
|------------------------------------|------------------------------|-----------------|-----------------|
| Number of farms                    | 107                          | 22              | 22              |
| Acres                              | 82.82                        | 87.87           | 77.20           |
| Yield per acre (ton)               | 2.63                         | 2.22            | 3.96            |
| Operators share of yield %         | 100.00                       | 100.00          | 100.00          |
| Value per ton                      | 177.66                       | 175.99          | 202.14          |
| Total product return per acre      | 467.43                       | 391.38          | 800.77          |
| Crop insurance per acre            | 10.76                        | 24.36           | 7.52            |
| Other crop income per acre         | 0.10                         | 0.38            | -               |
| Gross return per acre              | 478.30                       | 416.12          | 808.29          |
| <b>Direct Expenses</b>             |                              |                 |                 |
| Seed and plants                    | 0.72                         | -               | -               |
| Fertilizer                         | 42.76                        | 32.33           | 42.72           |
| Crop chemicals                     | 5.43                         | 2.68            | 6.80            |
| Crop insurance                     | 2.56                         | 3.18            | -               |
| Packaging and supplies             | 14.11                        | 10.81           | 19.92           |
| Fuel & oil                         | 30.66                        | 26.60           | 25.98           |
| Repairs                            | 55.91                        | 57.41           | 57.79           |
| Custom hire                        | 9.54                         | 9.63            | 6.10            |
| Land rent                          | 90.30                        | 82.97           | 90.78           |
| Machinery leases                   | 1.89                         | 0.59            | 1.98            |
| Hauling and trucking               | 1.60                         | -               | -               |
| Operating interest                 | 5.28                         | 3.82            | 1.69            |
| Miscellaneous                      | 2.04                         | 1.29            | 1.27            |
| Total direct expenses per acre     | 262.81                       | 231.31          | 255.03          |
| Return over direct exp per acre    | 215.48                       | 184.82          | 553.26          |
| <b>Overhead Expenses</b>           |                              |                 |                 |
| Hired labor                        | 15.26                        | 4.57            | 21.19           |
| Machinery leases                   | 3.75                         | 3.56            | 1.03            |
| Building leases                    | 1.08                         | 0.13            | 1.33            |
| Farm insurance                     | 7.74                         | 7.79            | 8.55            |
| Utilities                          | 4.74                         | 5.25            | 3.80            |
| Dues & professional fees           | 3.47                         | 3.02            | 3.14            |
| Interest                           | 6.75                         | 6.39            | 9.70            |
| Mach & bldg depreciation           | 43.67                        | 32.45           | 48.44           |
| Miscellaneous                      | 2.68                         | 1.41            | 1.63            |
| Total overhead expenses per acre   | 89.17                        | 64.56           | 98.81           |
| Total dir & ovhd expenses per acre | 351.98                       | 295.87          | 353.84          |
| Net return per acre                | 126.32                       | 120.25          | 454.45          |
| Government payments                | 0.22                         | 0.17            | 0.08            |
| Net return with govt pmts          | 126.54                       | 120.42          | 454.53          |
| Labor & management charge          | 40.51                        | 44.44           | 29.40           |
| Net return over lbr & mgt          | 86.03                        | 75.98           | 425.14          |
| <b>Cost of Production</b>          |                              |                 |                 |
| Total direct expense per ton       | 99.89                        | 104.01          | 64.38           |
| Total dir & ovhd exp per ton       | 133.78                       | 133.04          | 89.32           |
| Less govt & other income           | 129.57                       | 121.84          | 87.40           |
| With labor & management            | 144.96                       | 141.82          | 94.82           |
| Net value per unit                 | 177.66                       | 175.99          | 202.14          |
| Machinery cost per acre            | 147.54                       | 132.65          | 147.70          |
| Est. labor hours per acre          | 3.53                         | 3.09            | 3.47            |

**Crop Enterprise Analysis**  
**Northern Minnesota Farm Business Management Data**  
**(Farms Sorted By Return to Overhead)**

**Hay, Mixed on Cash Rent**

|                                    | <u>Avg. Of<br/>All Farms</u> | <u>40 - 60%</u> | <u>High 20%</u> |
|------------------------------------|------------------------------|-----------------|-----------------|
| Number of farms                    | 25                           | 5               | 5               |
| Acres                              | 125.86                       | 122.94          | 86.54           |
| Yield per acre (ton)               | 1.46                         | 2.02            | 2.34            |
| Operators share of yield %         | 100.00                       | 100.00          | 100.00          |
| Value per ton                      | 121.88                       | 116.74          | 145.80          |
| Total product return per acre      | 178.16                       | 235.51          | 340.93          |
| Crop insurance per acre            | 4.57                         | 1.43            | -               |
| Other crop income per acre         | 0.20                         | -               | -               |
| Gross return per acre              | 182.93                       | 236.94          | 340.93          |
| <b>Direct Expenses</b>             |                              |                 |                 |
| Fertilizer                         | 28.92                        | 46.90           | 6.93            |
| Crop insurance                     | 0.92                         | 1.66            | -               |
| Packaging and supplies             | 3.51                         | 2.40            | 0.33            |
| Fuel & oil                         | 19.87                        | 30.86           | 20.60           |
| Repairs                            | 28.95                        | 33.99           | 43.92           |
| Custom hire                        | 10.06                        | 3.26            | -               |
| Hired labor                        | 3.30                         | 1.50            | -               |
| Land rent                          | 41.28                        | 56.98           | 58.08           |
| Machinery leases                   | 1.46                         | -               | -               |
| Operating interest                 | 1.93                         | 1.64            | 1.86            |
| Miscellaneous                      | 1.74                         | 0.22            | -               |
| Total direct expenses per acre     | 141.95                       | 179.41          | 131.73          |
| Return over direct exp per acre    | 40.98                        | 57.53           | 209.21          |
| <b>Overhead Expenses</b>           |                              |                 |                 |
| Hired labor                        | 6.07                         | 2.42            | 8.02            |
| Machinery leases                   | 6.60                         | 0.00            | 1.43            |
| Farm insurance                     | 4.19                         | 7.30            | 2.30            |
| Utilities                          | 2.18                         | 4.13            | 5.23            |
| Dues & professional fees           | 2.67                         | 2.76            | 2.97            |
| Interest                           | 6.61                         | 5.30            | 15.23           |
| Mach & bldg depreciation           | 24.36                        | 42.83           | 38.91           |
| Miscellaneous                      | 3.00                         | 6.94            | 5.12            |
| Total overhead expenses per acre   | 55.67                        | 71.68           | 79.20           |
| Total dir & ovhd expenses per acre | 197.62                       | 251.09          | 210.92          |
| Net return per acre                | -14.69                       | -14.15          | 130.01          |
| Government payments                | 0.21                         | -               | -               |
| Net return with govt pmts          | -14.49                       | -14.15          | 130.01          |
| Labor & management charge          | 26.25                        | 39.56           | 32.79           |
| Net return over lbr & mgt          | -40.73                       | -53.71          | 97.22           |
| <b>Cost of Production</b>          |                              |                 |                 |
| Total direct expense per ton       | 97.11                        | 88.94           | 56.33           |
| Total dir & ovhd exp per ton       | 135.19                       | 124.47          | 90.20           |
| Less govt & other income           | 131.79                       | 123.76          | 90.20           |
| With labor & management            | 149.74                       | 143.37          | 104.23          |
| Net value per unit                 | 121.88                       | 116.74          | 145.80          |
| Machinery cost per acre            | 96.87                        | 114.78          | 118.37          |
| Est. labor hours per acre          | 2.92                         | 2.08            | 2.52            |

**Crop Enterprise Analysis**  
**Northern Minnesota Farm Business Management Data**  
**(Farms Sorted By Return to Overhead)**

**Hay, Grass on Cash Rent**

|                                    | <u>Avg. Of<br/>All Farms</u> | <u>40 - 60%</u> | <u>High 20%</u> |
|------------------------------------|------------------------------|-----------------|-----------------|
| Number of farms                    | 53                           | 10              | 11              |
| Acres                              | 74.56                        | 59.24           | 60.34           |
| Yield per acre (ton)               | 1.69                         | 1.53            | 3.19            |
| Operators share of yield %         | 100.00                       | 100.00          | 100.00          |
| Value per ton                      | 104.54                       | 101.37          | 104.37          |
| Total product return per acre      | 176.51                       | 155.29          | 332.63          |
| Gross return per acre              | 176.51                       | 155.29          | 332.63          |
| <b>Direct Expenses</b>             |                              |                 |                 |
| Fertilizer                         | 7.81                         | 10.82           | -               |
| Packaging and supplies             | 4.31                         | 6.05            | 2.18            |
| Fuel & oil                         | 17.82                        | 17.83           | 15.65           |
| Repairs                            | 31.12                        | 33.68           | 24.09           |
| Custom hire                        | 2.99                         | 0.61            | -               |
| Hired labor                        | 1.67                         | -               | -               |
| Land rent                          | 53.29                        | 33.63           | 20.26           |
| Machinery leases                   | 2.13                         | -               | -               |
| Hauling and trucking               | 2.53                         | -               | -               |
| Operating interest                 | 1.35                         | 1.62            | 4.39            |
| Miscellaneous                      | 1.03                         | 1.44            | 1.38            |
| Total direct expenses per acre     | 126.03                       | 105.69          | 67.96           |
| Return over direct exp per acre    | 50.49                        | 49.60           | 264.68          |
| <b>Overhead Expenses</b>           |                              |                 |                 |
| Hired labor                        | 13.18                        | 18.93           | 12.47           |
| Machinery leases                   | 3.55                         | 14.34           | 3.45            |
| Building leases                    | 0.52                         | -               | 0.09            |
| Farm insurance                     | 5.00                         | 2.69            | 3.83            |
| Utilities                          | 2.42                         | 3.46            | 1.67            |
| Dues & professional fees           | 1.87                         | 2.55            | 1.45            |
| Interest                           | 4.50                         | 6.01            | 1.36            |
| Mach & bldg depreciation           | 25.93                        | 30.03           | 22.10           |
| Miscellaneous                      | 1.91                         | 2.26            | 1.34            |
| Total overhead expenses per acre   | 58.90                        | 80.27           | 47.75           |
| Total dir & ovhd expenses per acre | 184.92                       | 185.95          | 115.71          |
| Net return per acre                | -8.41                        | -30.66          | 216.93          |
| Government payments                | 0.72                         | -               | -               |
| Net return with govt pmts          | -7.69                        | -30.66          | 216.93          |
| Labor & management charge          | 18.22                        | 15.03           | 18.32           |
| Net return over lbr & mgt          | -25.91                       | -45.70          | 198.61          |
| <b>Cost of Production</b>          |                              |                 |                 |
| Total direct expense per ton       | 74.64                        | 68.99           | 21.32           |
| Total dir & ovhd exp per ton       | 109.52                       | 121.39          | 36.30           |
| Less govt & other income           | 109.09                       | 121.39          | 36.30           |
| With labor & management            | 119.88                       | 131.20          | 42.05           |
| Net value per unit                 | 104.54                       | 101.37          | 104.37          |
| Machinery cost per acre            | 85.88                        | 101.57          | 63.95           |
| Est. labor hours per acre          | 2.62                         | 2.88            | 1.86            |

**Crop Enterprise Analysis**  
**Northern Minnesota Farm Business Management Data**  
**(Farms Sorted By Return to Overhead)**  
**Owned and Rented Acres Combined \***

|                                    | <u>Establish<br/>Alfalfa Hay</u> | <u>Oatlage</u> | <u>Fescue<br/>Grass Seed</u> | <u>Perennial Rye<br/>Grass Seed</u> |
|------------------------------------|----------------------------------|----------------|------------------------------|-------------------------------------|
| Number of farms                    | 36                               | 7              | 7                            | 9                                   |
| Acres                              | 41.75                            | 34.49          | 317.18                       | 915.11                              |
| Yield per acre                     | 1.32                             | 2.12           | 476.72                       | 636.40                              |
| Operators share of yield %         | 100.00                           | 100.00         | 100.00                       | 100.00                              |
| Value                              | 156.26                           | 46.53          | 1.10                         | 1.06                                |
| Total product return per acre      | 206.98                           | 98.66          | 523.62                       | 675.35                              |
| Other crop income per acre         | 8.61                             | 23.51          | 24.61                        | 48.92                               |
| Gross return per acre              | 215.58                           | 122.17         | 548.22                       | 724.27                              |
| <b>Direct Expenses</b>             |                                  |                |                              |                                     |
| Seed                               | 107.12                           | 29.75          | 13.59                        | 19.97                               |
| Fertilizer                         | 30.52                            | 50.54          | 106.40                       | 102.31                              |
| Crop chemicals                     | 7.37                             | -              | 14.21                        | 44.76                               |
| Crop insurance                     | 5.17                             | 2.15           | 8.18                         | 14.71                               |
| Packaging and supplies             | 12.92                            | 6.28           | -                            | -                                   |
| Fuel & oil                         | 37.82                            | 20.59          | 13.26                        | 21.18                               |
| Repairs                            | 69.06                            | 39.62          | 30.39                        | 38.76                               |
| Custom hire                        | 14.41                            | 30.70          | 7.43                         | 6.43                                |
| Machinery Leases                   | 6.72                             | -              | 0.09                         | -                                   |
| Land Rent                          | 43.33                            | 21.89          | 84.27                        | 38.24                               |
| Operating interest                 | 5.68                             | 2.67           | 2.21                         | 9.13                                |
| Miscellaneous                      | 1.12                             | 1.25           | 1.72                         | 47.37                               |
| Total direct expenses per acre     | 344.69                           | 205.44         | 281.75                       | 297.77                              |
| Return over direct exp per acre    | -129.11                          | -83.27         | 266.47                       | 426.51                              |
| <b>Overhead Expenses</b>           |                                  |                |                              |                                     |
| Hired labor                        | 18.73                            | 8.94           | 5.57                         | 6.16                                |
| Mach and bldg leases               | 2.62                             | 5.99           | 1.12                         | 7.28                                |
| RE & pers. property taxes          | 6.66                             | 8.81           | 1.31                         | 3.60                                |
| Farm insurance                     | 9.17                             | 8.80           | 5.13                         | 10.67                               |
| Utilities                          | 6.16                             | 5.27           | 4.15                         | 4.19                                |
| Dues & professional fees           | 3.52                             | 2.41           | 2.78                         | 1.65                                |
| Interest                           | 32.38                            | 93.37          | 8.90                         | 11.16                               |
| Mach & bldg depreciation           | 45.46                            | 18.78          | 18.64                        | 39.41                               |
| Miscellaneous                      | 3.74                             | 2.39           | 1.19                         | 3.40                                |
| Total overhead expenses per acre   | 128.43                           | 154.75         | 48.80                        | 88.53                               |
| Total dir & ovhd expenses per acre | 473.12                           | 360.19         | 330.55                       | 386.30                              |
| Net return per acre                | -257.54                          | -238.02        | 217.68                       | 337.98                              |
| Government payments                | 0.10                             | 0.05           | 2.05                         | 5.90                                |
| Net return with govt pmts          | -257.44                          | -237.97        | 219.73                       | 343.88                              |
| Labor & management charge          | 41.91                            | 21.30          | 27.02                        | 47.34                               |
| Net return over lbr & mgt          | -299.35                          | -259.27        | 192.71                       | 296.54                              |
| <b>Cost of Production</b>          |                                  |                |                              |                                     |
| Total direct expense per bu.       | 260.24                           | 96.89          | 0.59                         | 0.47                                |
| Total dir & ovhd exp per bu.       | 357.20                           | 169.87         | 0.69                         | 0.61                                |
| Less govt & other income           | 350.63                           | 158.76         | 0.64                         | 0.52                                |
| With labor & management            | 382.27                           | 168.81         | 0.69                         | 0.60                                |
| Net value per unit                 | 156.26                           | 46.53          | 1.10                         | 1.06                                |
| Machinery cost per acre            | 175.38                           | 124.41         | 69.77                        | 112.76                              |
| Est. labor hours per acre          | 4.28                             | 3.60           | 1.39                         | 1.48                                |

\* Combined data for rented and owned land. Actual land cost is the sum of: Land Rent, Interest, & RE taxes.

**Crop Enterprise Analysis**  
**Northern Minnesota Farm Business Management Data**  
**(Farms Sorted By Return to Overhead)**  
**Irrigated Crops \***

|                                    | <u>Corn</u> | <u>Corn Silage</u> | <u>Hay, Alfalfa</u> | <u>Soybeans</u> | <u>Beans, Dark Red Kidney</u> |
|------------------------------------|-------------|--------------------|---------------------|-----------------|-------------------------------|
| Number of farms                    | 56          | 25                 | 19                  | 30              | 7                             |
| Acres                              | 237.56      | 75.89              | 115.42              | 109.73          | 293.57                        |
| Yield per acre                     | 202.53      | 25.43              | 5.18                | 51.95           | 26.60                         |
| Operators share of yield %         | 100.00      | 100.00             | 100.00              | 100.00          | 100.00                        |
| Value                              | 5.26        | 42.20              | 180.23              | 12.36           | 46.73                         |
| Total product return per acre      | 1,069.47    | 1,073.05           | 934.37              | 642.12          | 1,243.03                      |
| Crop insurance per acre            | 20.57       | 96.96              | -                   | 16.17           | -                             |
| Other crop income per acre         | 1.38        | 0.10               | -                   | 3.91            | -                             |
| Gross return per acre              | 1,091.42    | 1,170.11           | 934.37              | 662.03          | 1,243.03                      |
| <b>Direct Expenses</b>             |             |                    |                     |                 |                               |
| Seed                               | 92.48       | 90.20              | -                   | 51.10           | 103.75                        |
| Fertilizer                         | 167.87      | 93.67              | 108.53              | 34.22           | 150.73                        |
| Crop chemicals                     | 36.09       | 35.08              | 10.15               | 43.08           | 121.36                        |
| Crop insurance                     | 18.77       | 25.65              | 3.06                | 15.75           | 24.69                         |
| Marketing                          | 1.42        | -                  | -                   | 1.58            | -                             |
| Irrigation energy                  | 48.57       | 39.14              | 32.82               | 33.44           | 38.02                         |
| Packaging and supplies/Drying Corn | 16.04       | 10.45              | 18.80               | -               | -                             |
| Fuel & oil                         | 22.87       | 39.12              | 39.34               | 14.60           | 18.14                         |
| Repairs                            | 57.11       | 62.32              | 54.37               | 33.12           | 53.49                         |
| Custom hire and Trucking           | 12.57       | 63.46              | 33.44               | 21.50           | 51.43                         |
| Hired labor                        | 0.97        | 3.97               | -                   | 0.25            | 1.43                          |
| Land Rent                          | 90.21       | 51.28              | 66.16               | 65.93           | 80.29                         |
| Operating interest                 | 6.95        | 4.67               | 1.60                | 2.86            | 2.37                          |
| Miscellaneous                      | 12.93       | 3.12               | 4.21                | 3.21            | 5.71                          |
| Total direct expenses per acre     | 584.83      | 522.38             | 372.49              | 320.65          | 651.41                        |
| Return over direct exp per acre    | 506.59      | 647.73             | 561.88              | 341.38          | 591.63                        |
| <b>Overhead Expenses</b>           |             |                    |                     |                 |                               |
| Hired labor                        | 19.75       | 31.57              | 24.28               | 9.81            | 17.09                         |
| Mach and bldg leases               | 4.97        | 7.44               | 4.76                | 1.96            | 3.50                          |
| RE & pers. property taxes          | 4.40        | 9.63               | 4.81                | 5.39            | 4.27                          |
| Farm insurance                     | 12.82       | 11.99              | 10.58               | 7.28            | 9.45                          |
| Utilities                          | 5.29        | 5.01               | 4.86                | 3.08            | 4.81                          |
| Dues & professional fees           | 4.72        | 5.00               | 5.15                | 2.50            | 4.10                          |
| Interest                           | 21.93       | 52.06              | 25.74               | 18.09           | 21.20                         |
| Mach & bldg depreciation           | 61.16       | 58.66              | 56.78               | 30.32           | 37.67                         |
| Miscellaneous                      | 7.32        | 6.52               | 1.47                | 4.29            | 16.57                         |
| Total overhead expenses per acre   | 142.34      | 187.88             | 138.44              | 82.72           | 118.66                        |
| Total dir & ovhd expenses per acre | 727.18      | 710.27             | 510.93              | 403.37          | 770.06                        |
| Net return per acre                | 364.25      | 459.84             | 423.44              | 258.66          | 472.97                        |
| Government payments                | 0.30        | 0.37               | 1.47                | 0.33            | -                             |
| Net return with govt pmts          | 364.55      | 460.22             | 424.90              | 258.98          | 472.97                        |
| Labor & management charge          | 46.04       | 38.36              | 35.54               | 30.43           | 50.74                         |
| Net return over lbr & mgt          | 318.50      | 421.85             | 389.37              | 228.55          | 422.23                        |
| <b>Cost of Production</b>          |             |                    |                     |                 |                               |
| Total direct expense per bu.       | 2.89        | 20.54              | 71.85               | 6.17            | 24.49                         |
| Total dir & ovhd exp per bu.       | 3.59        | 27.93              | 98.55               | 7.77            | 28.95                         |
| Less govt & other income           | 3.46        | 24.10              | 98.27               | 7.37            | 28.95                         |
| With labor & management            | 3.68        | 25.61              | 105.13              | 7.96            | 30.85                         |
| Net value per unit                 | 5.26        | 42.20              | 180.23              | 12.36           | 46.73                         |
| Machinery cost per acre            | 161.03      | 231.20             | 191.30              | 99.27           | 158.40                        |
| Est. labor hours per acre          | 2.65        | 4.02               | 3.86                | 1.77            | 2.60                          |

\* Combined data for rented and owned land. Actual land cost is the sum of: Land Rent, Interest, & RE taxes.

**Crop Enterprise Analysis**  
**Northern Minnesota Farm Business Management Data**  
**(Farms Sorted By Return to Overhead)**  
**Owned and Rented Acres Combined \***

|                                 | <u>Barley</u> | <u>Oats</u> | <u>Rye</u> | <u>Canola</u> | <u>Sunflowers</u> |
|---------------------------------|---------------|-------------|------------|---------------|-------------------|
| Number of farms                 | 11            | 22          | 20         | 5             | 10                |
| Acres                           | 262.18        | 105.44      | 94.14      | 347.40        | 222.38            |
| Yield per acre                  | 63.48         | 70.01       | 39.32      | 10.67         | 18.01             |
| Operators share of yield %      | 100.00        | 100.00      | 100.00     | 100.00        | 100.00            |
| Value                           | 5.71          | 4.82        | 5.51       | 35.46         | 25.64             |
| Other product return per acre   | 0.08          | 10.67       | 56.01      | -             | -                 |
| Total product return per acre   | 362.57        | 348.32      | 272.86     | 378.42        | 461.71            |
| Crop insurance per acre         | 1.82          | 3.04        | 3.16       | 51.83         | 0.38              |
| Other crop income per acre      | 18.71         | 17.38       | 20.79      | 22.75         | 4.78              |
| Gross return per acre           | 383.10        | 368.74      | 296.80     | 452.99        | 466.88            |
| <b>Direct Expenses</b>          |               |             |            |               |                   |
| Seed                            | 19.05         | 15.72       | 31.53      | 45.59         | 42.57             |
| Fertilizer                      | 82.01         | 41.36       | 53.64      | 93.10         | 72.15             |
| Crop chemicals                  | 28.56         | 12.85       | 10.66      | 20.84         | 40.46             |
| Crop insurance                  | 14.15         | 10.79       | 3.84       | 13.57         | 21.10             |
| Fuel & oil                      | 13.54         | 15.51       | 14.97      | 15.33         | 17.61             |
| Repairs                         | 39.05         | 30.80       | 31.63      | 25.31         | 38.68             |
| Custom hire & trucking          | 1.91          | 4.85        | 11.35      | 11.88         | 13.71             |
| Hired labor                     | -             | 0.99        | 1.33       | -             | -                 |
| Land Rent                       | 46.68         | 40.65       | 69.77      | 48.59         | 77.53             |
| Machine Leases                  | -             | 0.19        | 10.73      | -             | 0.99              |
| Operating interest              | 5.70          | 3.71        | 6.30       | 4.95          | 10.06             |
| Miscellaneous                   | 2.05          | 1.27        | 1.20       | -             | 3.90              |
| Total direct expenses per acre  | 253.40        | 178.70      | 247.09     | 279.17        | 339.87            |
| Return over direct exp per acre | 129.70        | 190.04      | 49.71      | 173.83        | 127.00            |
| <b>Overhead Expenses</b>        |               |             |            |               |                   |
| Hired labor                     | 9.80          | 13.41       | 10.51      | 1.05          | 15.17             |
| Machinery leases                | 4.59          | 2.42        | 3.90       | -             | 2.32              |
| Building leases                 | 1.00          | 0.29        | -          | -             | -                 |
| RE & pers. property taxes       | 6.63          | 2.95        | 2.79       | 2.95          | 1.29              |
| Farm insurance                  | 6.99          | 5.80        | 6.83       | 7.45          | 7.17              |
| Utilities                       | 3.54          | 3.31        | 4.03       | 2.13          | 4.77              |
| Dues & professional fees        | 2.23          | 1.68        | 3.34       | 1.68          | 4.14              |
| Interest                        | 17.99         | 14.27       | 9.50       | 7.55          | 11.42             |
| Mach & bldg depreciation        | 34.25         | 15.69       | 33.26      | 31.44         | 21.09             |
| Miscellaneous                   | 1.08          | 2.84        | 3.50       | 1.52          | 1.60              |
| Total overhead expenses per ac  | 88.11         | 62.65       | 77.65      | 55.76         | 68.97             |
| Total dir & ovhd expenses per a | 341.51        | 241.36      | 324.75     | 334.93        | 408.84            |
| Net return per acre             | 41.58         | 127.39      | -27.95     | 118.06        | 58.03             |
| Government payments             | 5.75          | 2.74        | 1.09       | 10.82         | 7.85              |
| Net return with govt pmts       | 47.33         | 130.12      | -26.85     | 128.88        | 65.88             |
| Labor & management charge       | 25.07         | 23.46       | 28.50      | 32.64         | 44.35             |
| Net return over lbr & mgt       | 22.26         | 106.67      | -55.35     | 96.25         | 21.54             |
| <b>Cost of Production</b>       |               |             |            |               |                   |
| Total direct expense per bu.    | 3.99          | 2.55        | 6.28       | 26.16         | 18.87             |
| Total dir & ovhd exp per bu.    | 5.38          | 3.45        | 8.26       | 31.39         | 22.70             |
| Less govt & other income        | 4.96          | 2.96        | 6.20       | 23.38         | 21.98             |
| With labor & management         | 5.36          | 3.30        | 6.92       | 26.44         | 24.44             |
| Net value per unit              | 5.71          | 4.82        | 5.51       | 35.46         | 25.64             |
| Machinery cost per acre         | 92.57         | 68.63       | 100.98     | 86.24         | 102.87            |
| Est. labor hours per acre       | 1.26          | 2.08        | 1.80       | 1.02          | 2.16              |

\* Combined data for rented and owned land. Actual land cost is the sum of: Land Rent, Interest, & RE taxes.

**Crop Enterprise Analysis**  
**Northern Minnesota Farm Business Management Data**  
**(Farms Sorted By Return to Overhead)**  
**Owned and Rented Acres Combined \***

|                                    | <b>Beans,<br/>Navy</b> | <b>Beans,<br/>Black Turtle</b> | <b>Beans,<br/>Pinto</b> | <b>Soybeans,<br/>Seed</b> |
|------------------------------------|------------------------|--------------------------------|-------------------------|---------------------------|
| Number of farms                    | 7                      | 5                              | 6                       | 15                        |
| Acres                              | 223.59                 | 192.00                         | 214.53                  | 485.84                    |
| Yield per acre                     | 16.57                  | 13.26                          | 8.45                    | 34.69                     |
| Operators share of yield %         | 100.00                 | 100.00                         | 100.00                  | 100.00                    |
| Value                              | 33.96                  | 32.73                          | 34.12                   | 13.47                     |
| Total product return per acre      | 562.94                 | 434.03                         | 288.34                  | 467.33                    |
| Crop insurance per acre            | 26.78                  | 275.06                         | 212.28                  | 35.45                     |
| Other crop income per acre         | 1.61                   | 3.70                           | 4.08                    | 16.11                     |
| Gross return per acre              | 591.33                 | 712.79                         | 504.70                  | 518.90                    |
| <b>Direct Expenses</b>             |                        |                                |                         |                           |
| Seed                               | 68.39                  | 84.69                          | 61.97                   | 60.22                     |
| Fertilizer                         | 72.82                  | 116.94                         | 56.80                   | 38.70                     |
| Crop chemicals                     | 88.06                  | 67.41                          | 68.61                   | 46.78                     |
| Crop insurance                     | 19.88                  | 25.33                          | 30.98                   | 12.79                     |
| Fuel & oil                         | 18.75                  | 8.33                           | 27.77                   | 16.72                     |
| Repairs                            | 36.30                  | 31.83                          | 49.64                   | 35.30                     |
| Custom hire                        | 1.30                   | 56.08                          | 0.82                    | 5.07                      |
| Hired labor                        | 1.21                   | -                              | -                       | 3.96                      |
| Land Rent                          | 81.14                  | 108.40                         | 97.46                   | 99.03                     |
| Machinery Leases                   | -                      | -                              | -                       | -                         |
| Operating interest                 | 8.05                   | 4.78                           | 6.52                    | 4.26                      |
| Miscellaneous                      | 4.54                   | 4.75                           | 0.65                    | 3.22                      |
| Total direct expenses per acre     | 400.44                 | 508.53                         | 401.21                  | 294.62                    |
| Return over direct exp per acre    | 190.89                 | 204.26                         | 103.49                  | 224.29                    |
| <b>Overhead Expenses</b>           |                        |                                |                         |                           |
| Hired labor                        | 21.33                  | 13.12                          | 29.23                   | 11.82                     |
| Machinery leases                   | 2.39                   | 9.45                           | 4.45                    | 1.42                      |
| Building leases                    | 4.73                   | -                              | -                       | 2.55                      |
| RE & pers. property taxes          | 7.79                   | 2.82                           | 2.31                    | 5.44                      |
| Farm insurance                     | 4.54                   | 6.48                           | 8.21                    | 6.56                      |
| Utilities                          | 4.53                   | 3.89                           | 6.07                    | 5.01                      |
| Dues & professional fees           | 3.69                   | 5.31                           | 6.32                    | 3.36                      |
| Interest                           | 24.58                  | 2.05                           | 8.04                    | 19.06                     |
| Mach & bldg depreciation           | 23.93                  | 20.60                          | 49.79                   | 37.45                     |
| Miscellaneous                      | 1.09                   | 4.53                           | 6.13                    | 2.57                      |
| Total overhead expenses per acre   | 98.60                  | 68.26                          | 120.54                  | 83.80                     |
| Total dir & ovhd expenses per acre | 499.04                 | 576.79                         | 521.76                  | 378.42                    |
| Net return per acre                | 92.29                  | 136.00                         | -17.06                  | 140.48                    |
| Government payments                | -                      | -                              | -                       | 2.54                      |
| Net return with govt pmts          | 92.29                  | 136.00                         | -17.06                  | 143.03                    |
| Labor & management charge          | 19.80                  | 56.84                          | 46.40                   | 31.54                     |
| Net return over lbr & mgt          | 72.48                  | 79.16                          | -63.46                  | 111.49                    |
| <b>Cost of Production</b>          |                        |                                |                         |                           |
| Total direct expense per bu.       | 24.16                  | 38.34                          | 47.48                   | 8.49                      |
| Total dir & ovhd exp per bu.       | 30.11                  | 43.49                          | 61.74                   | 10.91                     |
| Less govt & other income           | 28.40                  | 22.47                          | 36.14                   | 9.35                      |
| With labor & management            | 29.59                  | 26.76                          | 41.63                   | 10.26                     |
| Net value per unit                 | 33.96                  | 32.73                          | 34.12                   | 13.44                     |
| Machinery cost per acre            | 84.77                  | 123.76                         | 132.52                  | 84.21                     |
| Est. labor hours per acre          | 1.94                   | 1.97                           | 2.52                    | 1.36                      |

\* Combined data for rented and owned land. Actual land cost is the sum of: Land Rent, Interest, & RE taxes.

**Crop Enterprise Analysis**  
**Northern Minnesota Farm Business Management Data**  
**(Farms Sorted By Return to Overhead)**  
**Owned and Rented Acres Combined \***

|   | <u>Organic<br/>Corn</u> | <u>Organic<br/>Corn Silage</u> | <u>Organic<br/>Hay, Alfalfa</u> | <u>Organic<br/>Hay, Mixed</u> |
|---|-------------------------|--------------------------------|---------------------------------|-------------------------------|
| Number of farms                           | 4                       | 8                              | 9                               | 5                             |
| Acres                                     | 39.50                   | 45.40                          | 134.50                          | 113.40                        |
| Yield per acre                            | 117.23                  | 7.15                           | 1.94                            | 1.54                          |
| Operators share of yield %                | 100.00                  | 100.00                         | 100.00                          | 100.00                        |
| Value                                     | 9.49                    | 90.45                          | 170.53                          | 142.40                        |
| Total product return per acre             | 1113.01                 | 646.34                         | 330.35                          | 219.33                        |
| Crop insurance per acre                   | 170.53                  | 81.82                          | 3.80                            | 9.99                          |
| Other crop income per acre                | -                       | -                              | 2.02                            | 4.37                          |
| Gross return per acre                     | 1283.54                 | 728.16                         | 336.17                          | 233.68                        |
| <b>Direct Expenses</b>                    |                         |                                |                                 |                               |
| Seed and Plants                           | 101.37                  | 80.68                          | -                               | 16.26                         |
| Fertilizer                                | 35.36                   | 86.50                          | 35.17                           | 18.52                         |
| Organic Crop Protection                   | 7.37                    | 0.46                           | -                               | -                             |
| Crop insurance                            | 43.26                   | 7.84                           | -                               | -                             |
| Drying expense                            | 31.61                   | -                              | -                               | -                             |
| Packaging, Supplies & Storage             | 2.09                    | 5.08                           | 5.95                            | 6.48                          |
| Fuel & oil                                | 17.40                   | 21.91                          | 27.19                           | 26.02                         |
| Repairs                                   | 47.73                   | 56.68                          | 46.54                           | 56.38                         |
| Custom hire and Trucking                  | 20.39                   | 24.81                          | 6.32                            | 19.64                         |
| Land Rent                                 | 0.35                    | 28.00                          | 38.51                           | 8.43                          |
| Marketing                                 | 0.00                    | -                              | -                               | -                             |
| Organic Certification                     | 5.16                    | 3.45                           | 2.98                            | 4.47                          |
| Operating interest                        | 14.22                   | 13.75                          | 3.20                            | 9.13                          |
| Miscellaneous                             | 4.16                    | 4.46                           | 7.99                            | 12.39                         |
| Total direct expenses per acre            | 330.47                  | 333.63                         | 172.81                          | 177.73                        |
| Return over direct exp per acre           | 953.06                  | 394.53                         | 226.04                          | 55.96                         |
| <b>Overhead Expenses</b>                  |                         |                                |                                 |                               |
| Hired labor                               | 20.40                   | 12.74                          | 37.00                           | 26.93                         |
| Mach and bldg leases                      | 0.11                    | 5.20                           | 0.36                            | 7.14                          |
| RE & pers. property taxes                 | 14.55                   | 1.77                           | 4.22                            | 7.13                          |
| Farm insurance                            | 9.42                    | 10.30                          | 14.48                           | 18.28                         |
| Utilities                                 | 4.26                    | 8.69                           | 6.56                            | 7.36                          |
| Dues & professional fees                  | 3.67                    | 6.33                           | 4.06                            | 7.32                          |
| Interest                                  | 22.66                   | 31.84                          | 18.08                           | 23.46                         |
| Mach & bldg depreciation                  | 53.14                   | 56.51                          | 39.49                           | 30.82                         |
| Miscellaneous                             | 3.38                    | 6.95                           | 1.86                            | 4.50                          |
| Total overhead expenses per acre          | 131.58                  | 140.31                         | 124.11                          | 132.97                        |
| Total dir & ovhd expenses per acre        | 462.05                  | 473.94                         | 296.92                          | 310.70                        |
| Net return per acre                       | 821.48                  | 254.22                         | 39.25                           | -77.01                        |
| Government payments                       | -                       | 4.01                           | -                               | -                             |
| Net return with govt pmts                 | 821.48                  | 258.22                         | 39.25                           | -77.01                        |
| Labor & management charge                 | 72.53                   | 78.46                          | 35.86                           | 74.23                         |
| Net return over lbr & mgt                 | 748.95                  | 179.77                         | 3.38                            | -151.24                       |
| <b>Cost of Production</b>                 |                         |                                |                                 |                               |
| Total direct expense / Unit of Production | 2.82                    | 46.69                          | 89.21                           | 115.39                        |
| Total dir & ovhd exp / Unit of Production | 3.94                    | 66.32                          | 153.28                          | 201.72                        |
| Less govt & other income                  | 2.49                    | 54.31                          | 150.27                          | 192.40                        |
| With labor & management                   | 3.11                    | 65.29                          | 168.79                          | 240.59                        |
| Net value per unit                        | 9.49                    | 90.45                          | 170.53                          | 142.40                        |
| Machinery cost per acre                   | 137.03                  | 177.78                         | 124.59                          | 146.73                        |
| Est. labor hours per acre                 | 5.57                    | 6.36                           | 3.74                            | 4.82                          |

\* Combined data for rented and owned land. Actual land cost is the sum of: Land Rent, Interest, & RE taxes.





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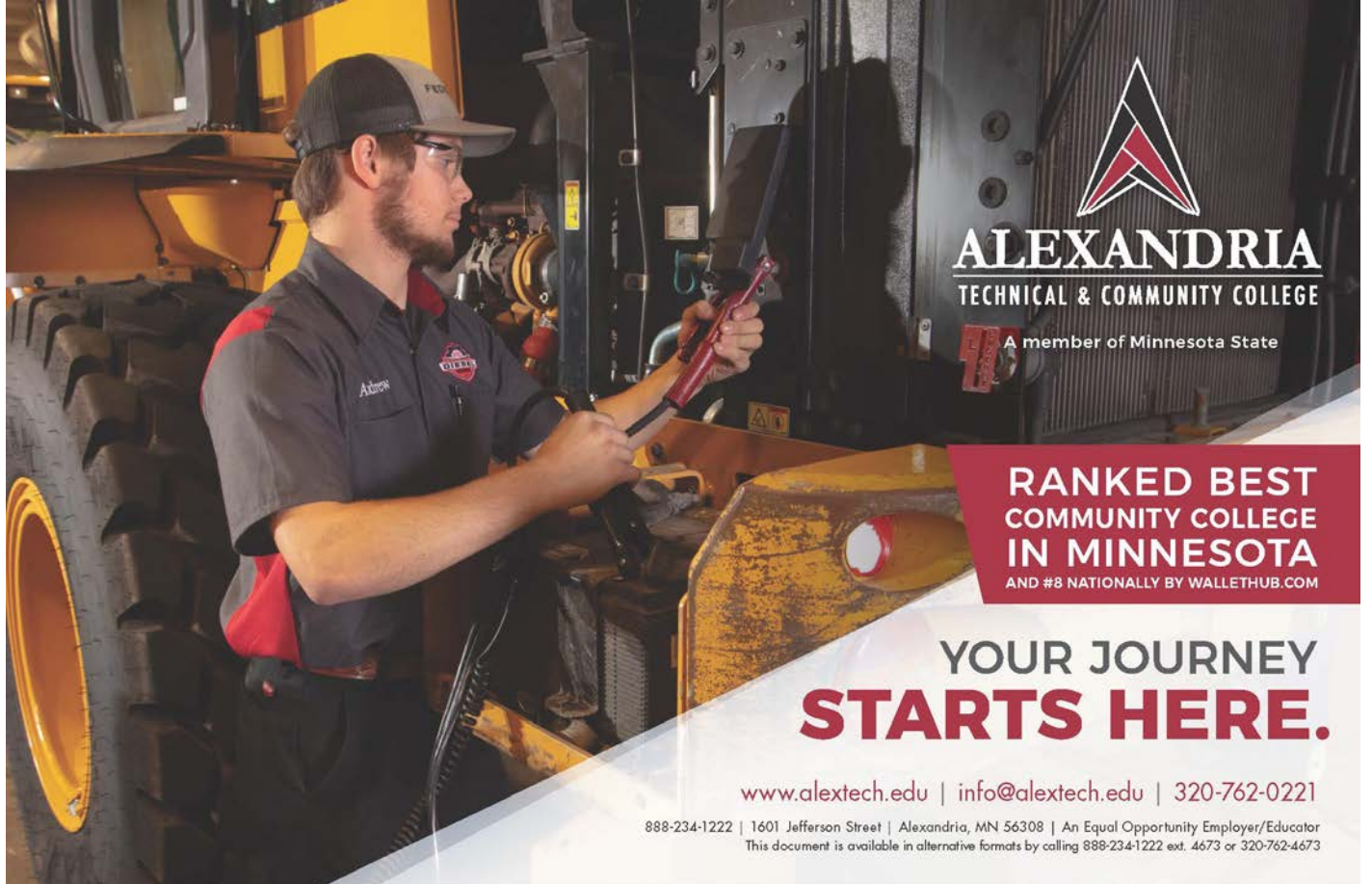
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**Livestock Enterprise Analysis**  
**Farm Business Management Statewide Data**  
**Excluding Organic and Organic Transition**  
**(Farms Sorted By Return to Overhead)**

**Dairy -- Average Per Cwt. Of Milk**

|  | <u>Avg. Of<br/>All Farms</u> |           | <u>40 - 60%</u> |           | <u>High 20%</u> |           |
|--|------------------------------|-----------|-----------------|-----------|-----------------|-----------|
|  | 276                          |           | 55              |           | 56              |           |
|  | Quantity                     | Value     | Quantity        | Value     | Quantity        | Value     |
| Number of farms                            |                              |           |                 |           |                 |           |
| Milk sold (hd)                             | 99.50                        | 18.32     | 99.54           | 18.84     | 99.44           | 18.66     |
| Dairy Calves sold (hd)                     | 0.00                         | 0.18      | 0.00            | 0.23      | 0.00            | 0.22      |
| Transferred out (hd)                       | 0.00                         | 0.14      | 0.00            | 0.15      | 0.00            | 0.21      |
| Cull sales (hd)                            | 0.00                         | 0.91      | 0.00            | 1.02      | 0.00            | 0.95      |
| Insurance income                           |                              | 0.08      |                 | 0.13      |                 | 0.04      |
| Government payments                        |                              | 0.99      |                 | 0.98      |                 | 1.12      |
| Other income                               |                              | 0.17      |                 | 0.10      |                 | 0.13      |
| Purchased (hd)                             | 0.00                         | -0.25     | 0.00            | -0.69     | 0.00            | -0.35     |
| Transferred in (hd)                        | 0.00                         | -0.20     | 0.00            | -0.15     | 0.00            | -0.31     |
| Inventory change (hd)                      | 0.00                         | 0.22      | 0.00            | 0.69      | 0.00            | 0.05      |
| Dairy repl net cost                        |                              | -2.69     |                 | -2.59     |                 | -1.96     |
| Gross margin                               |                              | 17.89     |                 | 18.70     |                 | 18.74     |
| <b>Direct Expenses</b>                     |                              |           |                 |           |                 |           |
| Protein Vit Minerals (lb.)                 | 14.81                        | 3.33      | 10.06           | 2.93      | 20.99           | 3.56      |
| Complete Ration (lb.)                      | 7.63                         | 1.72      | 8.02            | 2.22      | 5.12            | 1.16      |
| Corn (bu.)                                 | 0.25                         | 1.18      | 0.28            | 1.37      | 0.20            | 0.94      |
| Corn Silage (lb.)                          | 79.54                        | 1.67      | 85.37           | 1.80      | 69.90           | 1.52      |
| Hay, Alfalfa (lb.)                         | 10.01                        | 0.79      | 7.93            | 0.62      | 9.08            | 0.62      |
| Other feed stuffs (lb)                     | 22.89                        | 0.89      | 21.11           | 1.01      | 35.45           | 0.89      |
| Breeding fees                              |                              | 0.21      |                 | 0.17      |                 | 0.23      |
| Veterinary                                 |                              | 0.44      |                 | 0.37      |                 | 0.52      |
| Supplies                                   |                              | 0.51      |                 | 0.62      |                 | 0.49      |
| Repairs                                    |                              | 0.69      |                 | 0.65      |                 | 0.64      |
| Hired labor                                |                              | 1.25      |                 | 1.44      |                 | 0.40      |
| Hauling and trucking                       |                              | 0.33      |                 | 0.41      |                 | 0.30      |
| Miscellaneous                              |                              | 1.35      |                 | 1.58      |                 | 1.07      |
| Total direct expenses                      |                              | 14.38     |                 | 15.18     |                 | 12.34     |
| Return over direct expense                 |                              | 3.52      |                 | 3.52      |                 | 6.41      |
| <b>Overhead Expenses</b>                   |                              |           |                 |           |                 |           |
| Hired labor                                |                              | 0.70      |                 | 0.32      |                 | 1.63      |
| Building leases                            |                              | 0.23      |                 | 0.36      |                 | 0.15      |
| Utilities                                  |                              | 0.26      |                 | 0.22      |                 | 0.38      |
| Interest                                   |                              | 0.34      |                 | 0.27      |                 | 0.36      |
| Mach & bldg depreciation                   |                              | 0.72      |                 | 0.64      |                 | 0.79      |
| Miscellaneous                              |                              | 0.44      |                 | 0.42      |                 | 0.53      |
| Total overhead expenses                    |                              | 2.69      |                 | 2.22      |                 | 3.83      |
| Total dir & ovhd expenses                  |                              | 17.07     |                 | 17.40     |                 | 16.17     |
| Net return                                 |                              | 0.82      |                 | 1.30      |                 | 2.57      |
| Labor & management charge                  |                              | 0.66      |                 | 0.72      |                 | 0.72      |
| Net return over lbr & mgt                  |                              | 0.16      |                 | 0.58      |                 | 1.85      |
| <b>Cost of Production Per Cwt. Of Milk</b> |                              |           |                 |           |                 |           |
| Total direct expense per unit              |                              | 14.38     |                 | 15.18     |                 | 12.34     |
| Total dir & ovhd expense per unit          |                              | 17.07     |                 | 17.40     |                 | 16.17     |
| With other revenue adjustments             |                              | 17.56     |                 | 17.60     |                 | 16.16     |
| With labor and management                  |                              | 18.23     |                 | 18.32     |                 | 16.88     |
| Est. labor hours per unit                  |                              | 0.14      |                 | 0.14      |                 | 0.14      |
| <b>Other Information</b>                   |                              |           |                 |           |                 |           |
| Number of cows                             |                              | 282.6     |                 | 237.3     |                 | 291.8     |
| Milk produced per cow                      |                              | 25,285    |                 | 25,523    |                 | 26,942    |
| Lbs of protein & fat per cow               |                              | 1,806     |                 | 1,889     |                 | 1,857     |
| Lb. of milk sold per FTE                   |                              | 1,974,797 |                 | 2,041,596 |                 | 1,989,723 |
| Culling percentage                         |                              | 29.7      |                 | 31.1      |                 | 31.2      |
| Turnover rate                              |                              | 36.2      |                 | 35.9      |                 | 36.1      |
| Cow death loss percent                     |                              | 6.2       |                 | 4.6       |                 | 4.5       |
| Cows per milking unit                      |                              | 22        |                 | 20        |                 | 24        |
| Feed cost per cwt. of milk                 |                              | 9.59      |                 | 9.95      |                 | 8.68      |
| Feed cost per cow                          |                              | 2,423.89  |                 | 2,539.20  |                 | 2,337.29  |
| Hired labor per cow                        |                              | 492.96    |                 | 448.44    |                 | 545.20    |
| Avg. milk price per cwt.                   |                              | 18.41     |                 | 18.93     |                 | 18.77     |
| Milk price / feed margin                   |                              | 8.83      |                 | 8.98      |                 | 10.09     |

**Livestock Enterprise Analysis**  
**Farm Business Management Statewide Data**  
**Excluding Organic and Organic Transition**  
**(Farms Sorted By Return to Overhead)**

**Dairy -- Average Per Cow**

|  | <u>Avg. Of<br/>All Farms</u> |           | <u>40 - 60%</u> |           | <u>High 20%</u> |           |
|--|------------------------------|-----------|-----------------|-----------|-----------------|-----------|
|  | 276                          |           | 55              |           | 56              |           |
|  | Quantity                     | Value     | Quantity        | Value     | Quantity        | Value     |
| Number of farms                            |                              |           |                 |           |                 |           |
| Milk sold (hd)                             | 25,158.6                     | 4,632.36  | 25,404.6        | 4,809.29  | 26,790.5        | 5,027.48  |
| Dairy Calves sold (hd)                     | 0.3                          | 46.39     | 0.3             | 57.88     | 0.4             | 59.14     |
| Transferred out (hd)                       | 0.7                          | 36.08     | 0.7             | 37.24     | 0.8             | 55.59     |
| Cull sales (hd)                            | 0.3                          | 230.36    | 0.3             | 260.62    | 0.3             | 256.17    |
| Insurance income                           |                              | 20.07     |                 | 34.31     |                 | 10.40     |
| Government payments                        |                              | 251.21    |                 | 249.74    |                 | 301.47    |
| Other income                               |                              | 43.45     |                 | 25.69     |                 | 33.84     |
| Purchased (hd)                             | 0.1                          | -63.98    | 0.2             | -177.17   | 0.1             | -95.63    |
| Transferred in (hd)                        | 0.4                          | -49.45    | 0.4             | -38.19    | 0.4             | -84.42    |
| Inventory change (hd)                      | 0.0                          | 56.57     | 0.2             | 175.19    | 0.0             | 13.73     |
| Dairy repl net cost                        |                              | -679.44   |                 | -660.59   |                 | -528.18   |
| Gross margin                               |                              | 4,523.63  |                 | 4,774.02  |                 | 5,049.56  |
| <b>Direct Expenses</b>                     |                              |           |                 |           |                 |           |
| Protein Vit Minerals (lb.)                 | 3,743.7                      | 841.36    | 2,566.7         | 747.04    | 5,656.0         | 960.29    |
| Complete Ration (lb.)                      | 1,929.0                      | 435.23    | 2,046.8         | 567.85    | 1,378.6         | 311.63    |
| Corn (bu.)                                 | 62.2                         | 298.39    | 71.8            | 348.50    | 53.7            | 252.55    |
| Corn Silage (lb.)                          | 20,111.5                     | 422.27    | 21,789.4        | 459.27    | 18,833.4        | 408.22    |
| Hay, Alfalfa (lb.)                         | 2,530.3                      | 200.34    | 2,023.9         | 157.76    | 2,447.6         | 165.77    |
| Other feed stuffs (lb)                     | 5,786.9                      | 226.29    | 5,388.1         | 258.78    | 9,550.9         | 238.83    |
| Breeding fees                              |                              | 54.36     |                 | 44.21     |                 | 63.27     |
| Veterinary                                 |                              | 111.71    |                 | 95.10     |                 | 140.24    |
| Supplies                                   |                              | 129.57    |                 | 157.94    |                 | 131.88    |
| Fuel & oil                                 |                              | 75.59     |                 | 73.77     |                 | 81.12     |
| Repairs                                    |                              | 174.57    |                 | 164.85    |                 | 173.44    |
| Hired labor                                |                              | 314.92    |                 | 367.55    |                 | 106.85    |
| Hauling and trucking                       |                              | 84.39     |                 | 104.10    |                 | 81.44     |
| Miscellaneous                              |                              | 265.68    |                 | 328.52    |                 | 207.79    |
| Total direct expenses                      |                              | 3,634.69  |                 | 3,875.23  |                 | 3,323.32  |
| Return over direct expense                 |                              | 888.94    |                 | 898.79    |                 | 1,726.24  |
| <b>Overhead Expenses</b>                   |                              |           |                 |           |                 |           |
| Hired labor                                |                              | 178.04    |                 | 80.89     |                 | 438.35    |
| Building leases                            |                              | 58.84     |                 | 91.18     |                 | 40.74     |
| Utilities                                  |                              | 64.63     |                 | 56.45     |                 | 103.41    |
| Interest                                   |                              | 86.45     |                 | 68.47     |                 | 96.69     |
| Mach & bldg depreciation                   |                              | 182.68    |                 | 162.37    |                 | 212.24    |
| Miscellaneous                              |                              | 110.33    |                 | 107.24    |                 | 141.70    |
| Total overhead expenses                    |                              | 680.98    |                 | 566.61    |                 | 1,033.12  |
| Total dir & ovhd expenses                  |                              | 4,315.66  |                 | 4,441.83  |                 | 4,356.44  |
| Net return                                 |                              | 207.96    |                 | 332.19    |                 | 693.11    |
| Labor & management charge                  |                              | 168.14    |                 | 183.55    |                 | 195.19    |
| Net return over lbr & mgt                  |                              | 39.82     |                 | 148.64    |                 | 497.93    |
| <b>Cost of Production Per Cwt. Of Milk</b> |                              |           |                 |           |                 |           |
| Total direct expense per unit              |                              | 14.38     |                 | 15.18     |                 | 12.34     |
| Total dir & ovhd expense per unit          |                              | 17.07     |                 | 17.40     |                 | 16.17     |
| With other revenue adjustments             |                              | 17.56     |                 | 17.60     |                 | 16.16     |
| With labor and management                  |                              | 18.23     |                 | 18.32     |                 | 16.88     |
| Est. labor hours per unit                  |                              | 35.67     |                 | 34.84     |                 | 37.70     |
| <b>Other Information</b>                   |                              |           |                 |           |                 |           |
| Number of cows                             |                              | 282.6     |                 | 237.3     |                 | 291.8     |
| Milk produced per cow                      |                              | 25,285    |                 | 25,523    |                 | 26,942    |
| Lbs of protein & fat per cow               |                              | 1,806     |                 | 1,889     |                 | 1,857     |
| Lb. of milk sold per FTE                   |                              | 1,974,797 |                 | 2,041,596 |                 | 1,989,723 |
| Culling percentage                         |                              | 29.7      |                 | 31.1      |                 | 31.2      |
| Turnover rate                              |                              | 36.2      |                 | 35.9      |                 | 36.1      |
| Cow death loss percent                     |                              | 6.2       |                 | 4.6       |                 | 4.5       |
| Cows per milking unit                      |                              | 22        |                 | 20        |                 | 24        |
| Feed cost per cwt. of milk                 |                              | 9.59      |                 | 9.95      |                 | 8.68      |
| Feed cost per cow                          |                              | 2,423.89  |                 | 2,539.20  |                 | 2,337.29  |
| Hired labor per cow                        |                              | 492.96    |                 | 448.44    |                 | 545.20    |
| Avg. milk price per cwt.                   |                              | 18.41     |                 | 18.93     |                 | 18.77     |
| Milk price / feed margin                   |                              | 8.83      |                 | 8.98      |                 | 10.09     |

**Livestock Enterprise Analysis**  
**Farm Business Management Statewide Data**  
**Organic Only**  
**(Farms Sorted By Return to Overhead)**

**Dairy -- Average Per Cow**

|  | <u>Avg. Of<br/>All Farms</u> |           | <u>40 - 60%</u> |           | <u>High 20%</u> |           |
|--|------------------------------|-----------|-----------------|-----------|-----------------|-----------|
|  | 22                           |           | 5               |           | 5               |           |
|  | Quantity                     | Value     | Quantity        | Value     | Quantity        | Value     |
| Number of farms                            |                              | 22        |                 | 5         |                 | 5         |
| Milk sold (hd)                             | 15,890.2                     | 4,542.85  | 17,488.0        | 4,805.48  | 17,795.8        | 5,157.03  |
| Dairy Calves sold (hd)                     | 0.3                          | 48.14     | 0.3             | 40.77     | 0.4             | 41.90     |
| Transferred out (hd)                       | 0.7                          | 60.66     | 1.0             | 70.76     | 0.5             | 38.66     |
| Cull sales (hd)                            | 0.3                          | 300.09    | 0.3             | 365.29    | 0.3             | 411.00    |
| Insurance income                           |                              | 10.89     |                 | -         |                 | -         |
| Government payments                        |                              | 322.71    |                 | 395.64    |                 | 269.09    |
| Other income                               |                              | 79.26     |                 | 52.30     |                 | 49.50     |
| Purchased (hd)                             | 0.0                          | -33.40    | 0.0             | -15.25    | 0.1             | -115.77   |
| Transferred in (hd)                        | 0.3                          | -86.16    | 0.3             | -65.59    | 0.3             | -109.72   |
| Inventory change (hd)                      | 0.0                          | 50.46     | 0.0             | -27.44    | 0.1             | 146.81    |
| Dairy repl net cost                        |                              | -713.16   |                 | -751.49   |                 | -337.44   |
| Gross margin                               |                              | 4,582.34  |                 | 4,870.47  |                 | 5,551.06  |
| <b>Direct Expenses</b>                     |                              |           |                 |           |                 |           |
| Protein Vit Minerals (lb.)                 | 1,187.6                      | 302.86    | 2,314.8         | 520.33    | 546.0           | 161.36    |
| Corn, Organic (bu.)                        | 54.4                         | 454.65    | 73.6            | 557.02    | 47.1            | 431.45    |
| Corn Silage, Organic (lb.)                 | 10,204.6                     | 312.84    | 11,733.1        | 364.09    | 13,122.5        | 344.21    |
| Hay, Alfalfa, Organic (lb.)                | 5,212.3                      | 479.62    | 3,014.5         | 257.06    | 5,588.4         | 470.70    |
| Pasture, Organic (aum)                     | 2.8                          | 111.22    | 4.2             | 158.01    | 1.8             | 47.43     |
| Flax, Organic (bu.)                        | 0.1                          | 47.68     | -               | -         | 0.3             | 212.05    |
| Haylage, Alfalfa Organic (lb.)             | 3,203.6                      | 126.92    | 8,377.8         | 327.58    | 2,177.4         | 92.54     |
| Other feed stuffs (lb)                     | 5,537.6                      | 347.40    | 2,848.7         | 263.74    | 1,459.2         | 169.72    |
| Breeding fees                              |                              | 27.25     |                 | 19.42     |                 | 37.16     |
| Supplies                                   |                              | 156.26    |                 | 150.57    |                 | 174.17    |
| Fuel & oil                                 |                              | 82.16     |                 | 63.98     |                 | 128.24    |
| Repairs                                    |                              | 197.41    |                 | 159.05    |                 | 311.70    |
| Hired labor                                |                              | 125.27    |                 | 330.80    |                 | -         |
| Utilities                                  |                              | 90.19     |                 | 171.59    |                 | 74.84     |
| Hauling and trucking                       |                              | 114.28    |                 | 117.21    |                 | 51.44     |
| Miscellaneous                              |                              | 283.17    |                 | 427.74    |                 | 187.54    |
| Total direct expenses                      |                              | 3,259.19  |                 | 3,888.21  |                 | 2,894.53  |
| Return over direct expense                 |                              | 1,323.15  |                 | 982.26    |                 | 2,656.53  |
| <b>Overhead Expenses</b>                   |                              |           |                 |           |                 |           |
| Hired labor                                |                              | 123.92    |                 | 68.27     |                 | 204.44    |
| Building leases                            |                              | 84.75     |                 | 8.05      |                 | 150.46    |
| Mach & bldg depreciation                   |                              | 207.52    |                 | 136.07    |                 | 351.03    |
| Miscellaneous                              |                              | 273.07    |                 | 239.09    |                 | 329.07    |
| Total overhead expenses                    |                              | 689.25    |                 | 451.48    |                 | 1,035.01  |
| Total dir & ovhd expenses                  |                              | 3,948.44  |                 | 4,339.69  |                 | 3,929.54  |
| Net return                                 |                              | 633.90    |                 | 530.78    |                 | 1,621.53  |
| Labor & management charge                  |                              | 367.70    |                 | 225.16    |                 | 636.14    |
| Net return over lbr & mgt                  |                              | 266.19    |                 | 305.62    |                 | 985.39    |
| <b>Cost of Production Per Cwt. Of Milk</b> |                              |           |                 |           |                 |           |
| Total direct expense per unit              |                              | 20.20     |                 | 21.94     |                 | 16.11     |
| Total dir & ovhd expense per unit          |                              | 24.48     |                 | 24.49     |                 | 21.87     |
| With other revenue adjustments             |                              | 24.58     |                 | 24.39     |                 | 19.91     |
| With labor and management                  |                              | 26.86     |                 | 25.66     |                 | 23.45     |
| Est. labor hours per unit                  |                              | 38.76     |                 | 32.26     |                 | 43.48     |
| <b>Other Information</b>                   |                              |           |                 |           |                 |           |
| Number of cows                             |                              | 93.6      |                 | 133.4     |                 | 92.6      |
| Milk produced per cow                      |                              | 16,131    |                 | 17,720    |                 | 17,971    |
| Lbs of protein & fat per cow               |                              | 1,147     |                 | 1,258     |                 | 1,201     |
| Lb. of milk sold per FTE                   |                              | 1,147,939 |                 | 1,517,903 |                 | 1,145,954 |
| Culling percentage                         |                              | 26.0      |                 | 31.3      |                 | 25.7      |
| Turnover rate                              |                              | 31.5      |                 | 34.0      |                 | 28.5      |
| Cow death loss percent                     |                              | 4.1       |                 | 2.7       |                 | 1.7       |
| Cows per milking unit                      |                              | 11        |                 | 18        |                 | 7         |
| Feed cost per cwt. of milk                 |                              | 13.53     |                 | 13.81     |                 | 10.74     |
| Feed cost per cow                          |                              | 2,183.20  |                 | 2,447.84  |                 | 1,929.45  |
| Hired labor per cow                        |                              | 249.18    |                 | 399.07    |                 | 204.44    |
| Avg. milk price per cwt.                   |                              | 28.59     |                 | 27.48     |                 | 28.98     |
| Milk price / feed margin                   |                              | 15.05     |                 | 13.67     |                 | 18.24     |

**Livestock Enterprise Analysis**  
**Farm Business Management Statewide Data**  
**Excluding Organic and Organic Transition**  
**(Farms Sorted By Enterprise Size)**

**Dairy -- Average Per Cow**

|  | <u>Up to</u><br><u>50</u> |           | <u>50</u><br><u>100</u> |           | <u>100</u><br><u>200</u> |           | <u>200</u><br><u>500</u> |           | <u>Over</u><br><u>500</u> |           |
|--|---------------------------|-----------|-------------------------|-----------|--------------------------|-----------|--------------------------|-----------|---------------------------|-----------|
| Number of farms                            | 22                        |           | 65                      |           | 85                       |           | 67                       |           | 37                        |           |
|  | Quantity                  | Value     | Quantity                | Value     | Quantity                 | Value     | Quantity                 | Value     | Quantity                  | Value     |
| Milk sold (hd)                             | 17,288.6                  | 3,028.62  | 21,972.8                | 3,953.48  | 22,864.3                 | 4,115.63  | 25,619.0                 | 4,660.11  | 26,234.8                  | 4,907.90  |
| Dairy Calves sold (hd)                     | 0.2                       | 18.08     | 0.2                     | 27.24     | 0.2                      | 30.50     | 0.3                      | 48.83     | 0.4                       | 53.30     |
| Transferred out (hd)                       | 0.8                       | 60.99     | 0.8                     | 80.42     | 0.7                      | 64.72     | 0.6                      | 46.17     | 0.7                       | 14.90     |
| Cull sales (hd)                            | 0.3                       | 190.66    | 0.3                     | 229.53    | 0.3                      | 261.82    | 0.3                      | 215.90    | 0.3                       | 229.27    |
| Insurance income                           |                           | 2.12      |                         | 12.99     |                          | 41.68     |                          | 29.13     |                           | 9.47      |
| Government payments                        |                           | 422.97    |                         | 475.87    |                          | 392.31    |                          | 339.83    |                           | 123.39    |
| Other income                               |                           | 67.19     |                         | 36.27     |                          | 46.92     |                          | 61.02     |                           | 33.05     |
| Purchased (hd)                             | 0.0                       | -11.09    | 0.0                     | -30.95    | 0.0                      | -24.51    | 0.0                      | -7.57     | 0.1                       | -113.38   |
| Transferred in (hd)                        | 0.3                       | -85.19    | 0.4                     | -118.03   | 0.3                      | -47.29    | 0.4                      | -65.02    | 0.4                       | -31.63    |
| Inventory change (hd)                      | 0.0                       | 4.20      | 0.0                     | 32.54     | 0.0                      | -16.73    | 0.0                      | 29.25     | 0.1                       | 99.50     |
| Dairy repl net cost                        |                           | -607.42   |                         | -628.79   |                          | -676.46   |                          | -642.39   |                           | -709.19   |
| Gross margin                               |                           | 3,091.14  |                         | 4,070.57  |                          | 4,188.60  |                          | 4,715.24  |                           | 4,616.58  |
| <b>Direct Expenses</b>                     |                           |           |                         |           |                          |           |                          |           |                           |           |
| Protein Vit Minerals (lb.)                 | 2,042.6                   | 605.79    | 2,772.3                 | 771.02    | 2,858.2                  | 690.64    | 2,538.1                  | 778.70    | 4,860.5                   | 938.82    |
| Complete Ration (lb.)                      | 198.8                     | 67.12     | 1,693.8                 | 288.68    | 1,710.0                  | 428.94    | 3,292.7                  | 598.83    | 1,314.2                   | 374.31    |
| Corn (bu.)                                 | 57.9                      | 279.58    | 66.3                    | 326.83    | 61.5                     | 293.91    | 72.2                     | 334.46    | 56.4                      | 276.52    |
| Corn Silage (lb.)                          | 15,420.4                  | 338.24    | 17,153.7                | 354.45    | 19,017.0                 | 395.43    | 19,673.3                 | 391.63    | 21,200.2                  | 458.66    |
| Hay, Alfalfa (lb.)                         | 2,153.8                   | 179.63    | 3,493.1                 | 284.83    | 3,541.2                  | 271.52    | 3,106.3                  | 230.58    | 1,768.3                   | 150.05    |
| Haylage, Alfalfa (lb.)                     | 3,254.0                   | 124.91    | 2,071.0                 | 82.59     | 2,255.0                  | 83.35     | 1,802.0                  | 59.26     | 1,784.6                   | 72.68     |
| Other feed stuffs (lb)                     | 2,639.2                   | 183.13    | 2,909.3                 | 133.36    | 2,334.7                  | 131.26    | 2,182.6                  | 125.12    | 5,487.5                   | 180.11    |
| Breeding fees                              |                           | 60.11     |                         | 47.61     |                          | 36.05     |                          | 48.06     |                           | 64.48     |
| Veterinary                                 |                           | 82.37     |                         | 95.55     |                          | 80.52     |                          | 105.43    |                           | 127.97    |
| Supplies                                   |                           | 111.29    |                         | 129.38    |                          | 117.19    |                          | 143.15    |                           | 126.45    |
| Repairs                                    |                           | 151.54    |                         | 197.50    |                          | 186.94    |                          | 188.74    |                           | 160.22    |
| Hired labor                                |                           | 24.82     |                         | 38.29     |                          | 97.78     |                          | 256.50    |                           | 459.88    |
| Hauling and trucking                       |                           | 66.73     |                         | 87.19     |                          | 70.84     |                          | 80.72     |                           | 90.78     |
| Miscellaneous                              |                           | 258.14    |                         | 313.26    |                          | 340.67    |                          | 359.66    |                           | 336.85    |
| Total direct expenses                      |                           | 2,533.41  |                         | 3,150.54  |                          | 3,225.06  |                          | 3,700.84  |                           | 3,817.78  |
| Return over direct expense                 |                           | 557.73    |                         | 920.03    |                          | 963.54    |                          | 1,014.40  |                           | 798.80    |
| <b>Overhead Expenses</b>                   |                           |           |                         |           |                          |           |                          |           |                           |           |
| Hired labor                                |                           | 46.40     |                         | 104.39    |                          | 122.27    |                          | 241.58    |                           | 173.44    |
| Building leases                            |                           | 16.83     |                         | 10.64     |                          | 17.48     |                          | 87.81     |                           | 63.40     |
| Utilities                                  |                           | 79.69     |                         | 96.78     |                          | 82.72     |                          | 59.68     |                           | 56.98     |
| Interest                                   |                           | 104.47    |                         | 83.57     |                          | 112.09    |                          | 105.85    |                           | 67.48     |
| Mach & bldg depreciation                   |                           | 122.50    |                         | 212.51    |                          | 217.44    |                          | 204.08    |                           | 157.07    |
| Miscellaneous                              |                           | 131.44    |                         | 132.64    |                          | 132.49    |                          | 104.09    |                           | 103.26    |
| Total overhead expenses                    |                           | 501.34    |                         | 640.53    |                          | 684.50    |                          | 803.08    |                           | 621.63    |
| Total dir & ovhd expenses                  |                           | 3,034.74  |                         | 3,791.06  |                          | 3,909.55  |                          | 4,503.93  |                           | 4,439.41  |
| Net return                                 |                           | 56.39     |                         | 279.51    |                          | 279.05    |                          | 211.32    |                           | 177.17    |
| Labor & management charge                  |                           | 374.82    |                         | 313.27    |                          | 240.62    |                          | 183.08    |                           | 112.85    |
| Net return over lbr & mgt                  |                           | -318.42   |                         | -33.76    |                          | 38.42     |                          | 28.23     |                           | 64.32     |
| <b>Cost of Production Per Cwt. Of Milk</b> |                           |           |                         |           |                          |           |                          |           |                           |           |
| Total direct expense per unit              |                           | 14.56     |                         | 14.25     |                          | 14.02     |                          | 14.36     |                           | 14.49     |
| Total dir & ovhd expense per unit          |                           | 17.45     |                         | 17.15     |                          | 16.99     |                          | 17.48     |                           | 16.85     |
| With other revenue adjustments             |                           | 17.18     |                         | 16.71     |                          | 16.77     |                          | 17.34     |                           | 18.01     |
| With labor and management                  |                           | 19.34     |                         | 18.13     |                          | 17.82     |                          | 18.05     |                           | 18.43     |
| Est. labor hours per unit                  |                           | 40.47     |                         | 33.89     |                          | 32.07     |                          | 37.26     |                           | 36.08     |
| <b>Other Information</b>                   |                           |           |                         |           |                          |           |                          |           |                           |           |
| Number of cows                             |                           | 38.4      |                         | 78.5      |                          | 144.9     |                          | 317.5     |                           | 1,039.4   |
| Milk produced per cow                      |                           | 17,394    |                         | 22,104    |                          | 23,009    |                          | 25,764    |                           | 26,344    |
| Lbs of protein & fat per cow               |                           | 1,205     |                         | 1,614     |                          | 1,642     |                          | 1,827     |                           | 1,886     |
| Lb. of milk sold per FTE                   |                           | 1,196,234 |                         | 1,815,658 |                          | 1,996,472 |                          | 1,925,035 |                           | 2,036,088 |
| Culling percentage                         |                           | 26.6      |                         | 30.2      |                          | 31.5      |                          | 28.7      |                           | 29.7      |
| Turnover rate                              |                           | 35.3      |                         | 38.2      |                          | 38.1      |                          | 34.3      |                           | 36.4      |
| Cow death loss percent                     |                           | 7.5       |                         | 7.3       |                          | 6.0       |                          | 5.3       |                           | 6.6       |
| Cows per milking unit                      |                           | 9         |                         | 11        |                          | 14        |                          | 22        |                           | 35        |
| Feed cost per cwt. of milk                 |                           | 10.22     |                         | 10.14     |                          | 9.97      |                          | 9.78      |                           | 9.30      |
| Feed cost per cow                          |                           | 1,778.41  |                         | 2,241.76  |                          | 2,295.07  |                          | 2,518.58  |                           | 2,451.14  |
| Hired labor per cow                        |                           | 71.22     |                         | 142.68    |                          | 220.06    |                          | 498.08    |                           | 633.32    |
| Avg. milk price per cwt.                   |                           | 17.52     |                         | 17.99     |                          | 18.00     |                          | 18.19     |                           | 18.71     |
| Milk price / feed margin                   |                           | 7.29      |                         | 7.85      |                          | 8.03      |                          | 8.41      |                           | 9.40      |

**Livestock Enterprise Analysis**  
**Farm Business Management Statewide Data**  
**Excluding Organic and Organic Transition**  
**(Farms Sorted By Return to Overhead)**

**Dairy and Repl Heifers -- Average Per Cow**

|  | <u>Avg. Of<br/>All Farms</u> |           | <u>40 - 60%</u> |           | <u>High 20%</u> |           |
|--|------------------------------|-----------|-----------------|-----------|-----------------|-----------|
|  | 240                          |           | 48              |           | 48              |           |
|  | Quantity                     | Value     | Quantity        | Value     | Quantity        | Value     |
| Number of farms                            |                              |           |                 |           |                 |           |
| Milk sold (hd)                             | 25,264.7                     | 4,656.37  | 25,371.8        | 4,714.53  | 27,137.1        | 5,099.39  |
| Dairy Calves sold (hd)                     | -                            | 78.40     | -               | 78.68     | -               | 87.03     |
| Transferred out (hd)                       | -                            | 26.35     | -               | 32.47     | -               | 47.84     |
| Cull sales (hd)                            | -                            | 232.85    | -               | 259.98    | -               | 253.63    |
| Insurance income                           |                              | 21.75     |                 | 16.72     |                 | 13.57     |
| Government payments                        |                              | 243.50    |                 | 300.19    |                 | 383.53    |
| Other income                               |                              | 44.88     |                 | 28.90     |                 | 43.34     |
| Purchased (hd)                             | -                            | -87.48    | -               | -24.47    | -               | -3.62     |
| Transferred in (hd)                        | -                            | -5.38     | -               | -1.28     | -               | -1.16     |
| Inventory change (hd)                      | -                            | 119.37    | -               | 65.12     | -               | 16.43     |
| Gross margin                               |                              | 5,330.62  |                 | 5,470.84  |                 | 5,939.98  |
| <b>Direct Expenses</b>                     |                              |           |                 |           |                 |           |
| Protein Vit Minerals (lb.)                 | 3,976.8                      | 883.28    | 2,244.1         | 538.32    | 3,254.4         | 894.77    |
| Complete Ration (lb.)                      | 2,434.6                      | 533.60    | 4,067.2         | 930.40    | 1,916.0         | 508.19    |
| Corn (bu.)                                 | 66.5                         | 321.03    | 63.2            | 289.97    | 78.5            | 357.14    |
| Corn Silage (lb.)                          | 23,651.1                     | 496.96    | 24,545.5        | 500.39    | 22,237.0        | 452.69    |
| Hay, Alfalfa (lb.)                         | 3,291.6                      | 255.81    | 2,538.5         | 196.99    | 4,561.0         | 312.08    |
| Hay (lb.)                                  | 967.3                        | 56.57     | 2,568.8         | 149.39    | 109.6           | 8.55      |
| Other feed stuffs (lb)                     | 6,555.5                      | 260.01    | 4,897.9         | 198.20    | 7,354.7         | 276.33    |
| Breeding fees                              |                              | 70.33     |                 | 56.92     |                 | 74.29     |
| Veterinary                                 |                              | 128.24    |                 | 105.46    |                 | 138.76    |
| Supplies                                   |                              | 138.90    |                 | 164.07    |                 | 149.87    |
| Contract production exp.                   |                              | 194.56    |                 | 194.39    |                 | 69.06     |
| Repairs                                    |                              | 195.86    |                 | 188.95    |                 | 194.57    |
| Hired labor                                |                              | 366.42    |                 | 403.93    |                 | 158.08    |
| Hauling and trucking                       |                              | 86.96     |                 | 92.12     |                 | 102.93    |
| Miscellaneous                              |                              | 371.44    |                 | 445.63    |                 | 355.58    |
| Total direct expenses                      |                              | 4,359.96  |                 | 4,455.13  |                 | 4,052.89  |
| Return over direct expense                 |                              | 970.66    |                 | 1,015.71  |                 | 1,887.09  |
| <b>Overhead Expenses</b>                   |                              |           |                 |           |                 |           |
| Hired labor                                |                              | 186.46    |                 | 87.71     |                 | 402.62    |
| Utilities                                  |                              | 71.94     |                 | 49.71     |                 | 103.50    |
| Interest                                   |                              | 94.99     |                 | 75.24     |                 | 103.44    |
| Mach & bldg depreciation                   |                              | 206.50    |                 | 202.08    |                 | 279.08    |
| Miscellaneous                              |                              | 187.40    |                 | 214.76    |                 | 200.24    |
| Total overhead expenses                    |                              | 747.29    |                 | 629.50    |                 | 1,088.89  |
| Total dir & ovhd expenses                  |                              | 5,107.25  |                 | 5,084.63  |                 | 5,141.78  |
| Net return                                 |                              | 223.37    |                 | 386.21    |                 | 798.21    |
| Labor & management charge                  |                              | 189.35    |                 | 204.68    |                 | 255.13    |
| Net return over lbr & mgt                  |                              | 34.02     |                 | 181.53    |                 | 543.07    |
| <b>Cost of Production Per Cwt. Of Milk</b> |                              |           |                 |           |                 |           |
| Total direct expense per unit              |                              | 17.18     |                 | 17.52     |                 | 14.83     |
| Total dir & ovhd expense per unit          |                              | 20.12     |                 | 20.00     |                 | 18.81     |
| With other revenue adjustments             |                              | 17.52     |                 | 17.06     |                 | 15.82     |
| With labor and management                  |                              | 18.27     |                 | 17.86     |                 | 16.75     |
| Est. labor hours per unit                  |                              | 40.39     |                 | 38.85     |                 | 45.34     |
| <b>Other Information</b>                   |                              |           |                 |           |                 |           |
| Number of cows                             |                              | 295.1     |                 | 234.4     |                 | 213.2     |
| Milk produced per cow                      |                              | 25,383    |                 | 25,425    |                 | 27,329    |
| Lbs of protein & fat per cow               |                              | 1,818     |                 | 1,895     |                 | 1,889     |
| Lb. of milk sold per FTE                   |                              | 1,751,630 |                 | 1,828,679 |                 | 1,675,785 |
| Culling percentage                         |                              | 29.4      |                 | 31.4      |                 | 30.9      |
| Turnover rate                              |                              | 35.7      |                 | 36.5      |                 | 35.4      |
| Cow death loss percent                     |                              | 6.1       |                 | 5.0       |                 | 4.1       |
| Cows per milking unit                      |                              | 23        |                 | 20        |                 | 22        |
| Feed cost per cwt. of milk                 |                              | 11.06     |                 | 11.03     |                 | 10.28     |
| Feed cost per cow                          |                              | 2,807.24  |                 | 2,803.65  |                 | 2,809.75  |
| Hired labor per cow                        |                              | 552.88    |                 | 491.64    |                 | 560.70    |
| Avg. milk price per cwt.                   |                              | 18.43     |                 | 18.58     |                 | 18.79     |
| Milk price / feed margin                   |                              | 7.37      |                 | 7.55      |                 | 8.51      |

**Livestock Enterprise Analysis**  
**Farm Business Management Statewide Data**  
**Excluding Organic and Organic Transition**  
**(Farms Sorted By Return to Overhead)**

**Dairy Replacement Heifers -- Average Per Head**

|  | <u>Avg. Of<br/>All Farms</u> |          | <u>40 - 60%</u> |          | <u>High 20%</u> |          |
|--|------------------------------|----------|-----------------|----------|-----------------|----------|
|  | 259                          |          | 52              |          | 52              |          |
|  | Quantity                     | Value    | Quantity        | Value    | Quantity        | Value    |
| Number of farms                            |                              |          |                 |          |                 |          |
| Replacements sold (hd)                     | 0.1                          | 52.97    | 0.1             | 33.41    | 0.1             | 107.46   |
| Transferred out (hd)                       | 0.4                          | 580.95   | 0.4             | 587.46   | 0.5             | 796.90   |
| Cull sales (hd)                            | 0.0                          | 6.12     | 0.0             | 5.72     | 0.0             | 9.02     |
| Other income                               |                              | 1.06     |                 | 0.73     |                 | 0.33     |
| Purchased (hd)                             | 0.0                          | -26.33   | 0.0             | -9.87    | 0.0             | -10.42   |
| Transferred in (hd)                        | 0.6                          | -108.92  | 0.6             | -116.02  | 0.7             | -130.57  |
| Inventory change (hd)                      | 0.1                          | 71.65    | 0.1             | 68.50    | 0.1             | 124.96   |
| Gross margin                               |                              | 577.50   |                 | 569.92   |                 | 897.67   |
| <b>Direct Expenses</b>                     |                              |          |                 |          |                 |          |
| Protein Vit Minerals (lb.)                 | 376.6                        | 72.80    | 271.4           | 62.12    | 329.6           | 71.55    |
| Milk Replacer (lb.)                        | 16.1                         | 22.71    | 30.2            | 42.61    | 7.6             | 10.58    |
| Complete Ration (lb.)                      | 512.0                        | 90.61    | 506.1           | 95.82    | 395.6           | 55.86    |
| Corn (bu.)                                 | 6.3                          | 30.36    | 6.3             | 31.13    | 4.9             | 21.25    |
| Corn Silage (lb.)                          | 4,416.2                      | 90.85    | 3,552.1         | 72.79    | 3,693.8         | 72.98    |
| Hay, Alfalfa (lb.)                         | 845.2                        | 60.11    | 662.3           | 48.08    | 563.0           | 30.99    |
| Hay, Grass (lb.)                           | 645.8                        | 36.35    | 915.6           | 52.10    | 443.9           | 27.24    |
| Hay (lb.)                                  | 293.1                        | 16.42    | 291.2           | 18.34    | 159.1           | 8.66     |
| Other feed stuffs (lb)                     | 1,280.9                      | 51.68    | 1,338.3         | 51.89    | 960.2           | 38.55    |
| Breeding fees                              |                              | 18.18    |                 | 20.45    |                 | 20.17    |
| Veterinary                                 |                              | 20.95    |                 | 20.19    |                 | 17.26    |
| Supplies                                   |                              | 14.54    |                 | 14.55    |                 | 12.82    |
| Contract production exp.                   |                              | 164.14   |                 | 172.70   |                 | 302.42   |
| Repairs                                    |                              | 28.10    |                 | 28.22    |                 | 22.33    |
| Hired labor                                |                              | 44.80    |                 | 57.72    |                 | 26.30    |
| Bedding                                    |                              | 20.52    |                 | 27.01    |                 | 14.70    |
| Miscellaneous                              |                              | 25.48    |                 | 21.97    |                 | 30.73    |
| Total direct expenses                      |                              | 808.61   |                 | 837.70   |                 | 784.40   |
| Return over direct expense                 |                              | -231.12  |                 | -267.77  |                 | 113.27   |
| <b>Overhead Expenses</b>                   |                              |          |                 |          |                 |          |
| Hired labor                                |                              | 23.38    |                 | 13.17    |                 | 27.84    |
| Interest                                   |                              | 15.97    |                 | 15.43    |                 | 16.76    |
| Mach & bldg depreciation                   |                              | 30.17    |                 | 32.27    |                 | 26.77    |
| Miscellaneous                              |                              | 35.00    |                 | 34.81    |                 | 32.91    |
| Total overhead expenses                    |                              | 104.52   |                 | 95.68    |                 | 104.28   |
| Total dir & ovhd expenses                  |                              | 913.13   |                 | 933.37   |                 | 888.68   |
| Net return                                 |                              | -335.63  |                 | -363.45  |                 | 9.00     |
| Labor & management charge                  |                              | 29.53    |                 | 27.10    |                 | 25.34    |
| Net return over lbr & mgt                  |                              | -365.16  |                 | -390.55  |                 | -16.34   |
| <b>Cost of Production Per Head Per Day</b> |                              |          |                 |          |                 |          |
| Total direct expense per unit              |                              | 2.37     |                 | 2.43     |                 | 2.17     |
| Total dir & ovhd expense per unit          |                              | 2.66     |                 | 2.70     |                 | 2.45     |
| With other revenue adjustments             |                              | 2.66     |                 | 2.70     |                 | 2.45     |
| With labor and management                  |                              | 2.74     |                 | 2.77     |                 | 2.52     |
| Est. labor hours per unit                  |                              | 5.72     |                 | 6.31     |                 | 4.98     |
| <b>Other Information</b>                   |                              |          |                 |          |                 |          |
| No. purchased or trans in                  |                              | 156      |                 | 208      |                 | 212      |
| Number sold or trans out                   |                              | 123      |                 | 161      |                 | 177      |
| Average number of head                     |                              | 229      |                 | 323      |                 | 281      |
| Percentage death loss                      |                              | 3.4      |                 | 3.3      |                 | 2.3      |
| Feed cost per average head                 |                              | 471.89   |                 | 474.88   |                 | 337.67   |
| Hired labor per average head               |                              | 68.18    |                 | 70.89    |                 | 54.14    |
| Feed cost/head sold/trans                  |                              | 879.00   |                 | 949.34   |                 | 534.85   |
| Total cost/head sold/trans                 |                              | 1,861.00 |                 | 2,021.92 |                 | 1,458.34 |
| Feed cost per head per day                 |                              | 1.29     |                 | 1.30     |                 | 0.93     |
| Avg. purch price / head                    |                              | 563.83   |                 | 1,158.04 |                 | 476.81   |
| Avg. sales price / head                    |                              | 576.21   |                 | 489.79   |                 | 877.30   |

**Livestock Enterprise Analysis**  
**Farm Business Management Statewide Data**  
**Excluding Organic and Organic Transition**  
**(Farms Sorted By Return to Overhead)**

**Dairy Feeder -- Average Per Head**

|   | <u>Avg. Of<br/>All Farms</u> |        | <u>High 25%</u> |         |
|---|------------------------------|--------|-----------------|---------|
|   | 16                           |        | 5               |         |
|   | Quantity                     | Value  | Quantity        | Value   |
| Number of farms                             |                              |        |                 |         |
| Dairy Feeder sold (lb)                      | 338.2                        | 378.20 | 288.5           | 358.84  |
| Transferred out (lb)                        | 13.3                         | 13.30  | 35.4            | 35.39   |
| Other income                                |                              | 0.41   |                 | -       |
| Purchased (lb)                              | -56.3                        | -69.47 | -109.4          | -120.59 |
| Transferred in (lb)                         | -13.9                        | -34.81 | -8.8            | -8.76   |
| Inventory change (lb)                       | 47.2                         | 58.82  | 105.4           | 128.66  |
| Gross margin                                |                              | 346.45 |                 | 393.54  |
| <b>Direct Expenses</b>                      |                              |        |                 |         |
| Protein Vit Minerals (lb.)                  | 160.0                        | 44.96  | 93.9            | 23.37   |
| Milk Replacer (lb.)                         | 23.8                         | 34.49  | -               | -       |
| Complete Ration (lb.)                       | 345.8                        | 66.88  | 326.0           | 61.04   |
| Corn (bu.)                                  | 8.5                          | 38.14  | 13.3            | 60.42   |
| Hay, Grass (lb.)                            | 75.7                         | 5.51   | 188.7           | 14.04   |
| Other feed stuffs (lb)                      | 436.5                        | 19.06  | 344.9           | 9.31    |
| Veterinary                                  |                              | 10.18  |                 | 5.92    |
| Supplies                                    |                              | 5.09   |                 | 1.92    |
| Fuel & oil                                  |                              | 9.06   |                 | 10.83   |
| Repairs                                     |                              | 13.21  |                 | 17.50   |
| Bedding                                     |                              | 6.14   |                 | 2.89    |
| Miscellaneous                               |                              | 7.09   |                 | 3.03    |
| Total direct expenses                       |                              | 259.81 |                 | 210.27  |
| Return over direct expense                  |                              | 86.64  |                 | 183.28  |
| <b>Overhead Expenses</b>                    |                              |        |                 |         |
| Hired labor                                 |                              | 11.88  |                 | 6.41    |
| Farm insurance                              |                              | 2.60   |                 | 4.01    |
| Utilities                                   |                              | 6.97   |                 | 4.08    |
| Interest                                    |                              | 10.72  |                 | 15.43   |
| Mach & bldg depreciation                    |                              | 11.36  |                 | 9.84    |
| Miscellaneous                               |                              | 5.19   |                 | 5.39    |
| Total overhead expenses                     |                              | 48.73  |                 | 45.17   |
| Total dir & ovhd expenses                   |                              | 308.55 |                 | 255.44  |
| Net return                                  |                              | 37.90  |                 | 138.11  |
| Labor & management charge                   |                              | 31.54  |                 | 18.97   |
| Net return over lbr & mgt                   |                              | 6.36   |                 | 119.14  |
| <b>Cost of Production Per Cwt. Produced</b> |                              |        |                 |         |
| Total direct expense per unit               |                              | 86.73  |                 | 65.13   |
| Total dir & ovhd expense per unit           |                              | 100.59 |                 | 79.08   |
| With other revenue adjustments              |                              | 100.59 |                 | 79.08   |
| With labor and management                   |                              | 109.56 |                 | 84.93   |
| Est. labor hours per unit                   |                              | 2.19   |                 | 1.60    |
| <b>Other Information</b>                    |                              |        |                 |         |
| No. purchased or trans in                   |                              | 150    |                 | 171     |
| Number sold or trans out                    |                              | 135    |                 | 141     |
| Percentage death loss                       |                              | 5.4    |                 | 4.3     |
| Avg. daily gain (lb.)                       |                              | 1.74   |                 | 2.13    |
| Lb. of conc / lb. of gain                   |                              | 3.09   |                 | 3.74    |
| Lb. of feed / lb. of gain                   |                              | 4.29   |                 | 4.94    |
| Feed cost per cwt. of gain                  |                              | 63.57  |                 | 54.06   |
| Feed cost per head                          |                              | 209.05 |                 | 168.18  |
| Hired labor per head                        |                              | 12.53  |                 | 6.41    |
| Average purchase weight                     |                              | 120    |                 | 159     |
| Avg wgt / Dairy Feeder sold                 |                              | 488    |                 | 539     |
| Avg purch price / head                      |                              | 148.77 |                 | 175.73  |
| Avg sales price / cwt.                      |                              | 111.82 |                 | 124.38  |

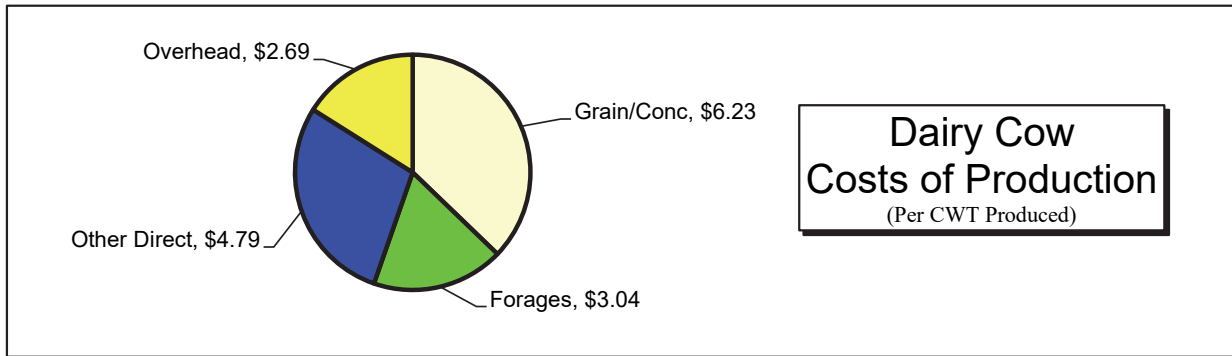


**Livestock Enterprise Analysis**  
**Farm Business Management Statewide Data**  
**Excluding Organic and Organic Transition**  
**(Farms Sorted By Return to Overhead)**

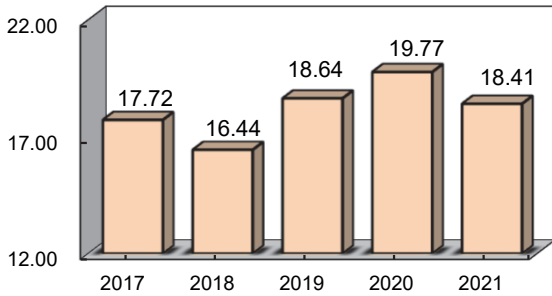
**Dairy Finishing -- Average Per Cwt. Produced**

|   | <u>Avg. Of<br/>All Farms</u> |        | <u>40 - 60%</u> |        | <u>High 20%</u> |        |
|---|------------------------------|--------|-----------------|--------|-----------------|--------|
|   | 87                           |        | 18              |        | 18              |        |
|   | Quantity                     | Value  | Quantity        | Value  | Quantity        | Value  |
| Number of farms                             |                              |        |                 |        |                 |        |
| Dairy Finish sold (lb)                      | 140.92                       | 151.07 | 150.32          | 161.55 | 139.37          | 153.50 |
| Transferred out (lb)                        | 0.14                         | 0.17   | -               | -      | 0.53            | 0.56   |
| Government payments                         |                              | 0.07   |                 | 0.12   |                 | 0.31   |
| Other income                                |                              | 2.25   |                 | 1.99   |                 | 1.88   |
| Purchased (lb)                              | -42.07                       | -49.36 | -51.65          | -59.39 | -37.30          | -36.65 |
| Transferred in (lb)                         | -2.33                        | -2.47  | -1.29           | -1.93  | -3.09           | -3.86  |
| Inventory change (lb)                       | 2.44                         | 16.87  | 1.96            | 19.38  | -0.91           | 25.83  |
| Gross margin                                |                              | 118.60 |                 | 121.72 |                 | 141.58 |
| <b>Direct Expenses</b>                      |                              |        |                 |        |                 |        |
| Protein Vit Minerals (lb.)                  | 66.54                        | 14.59  | 67.29           | 16.11  | 41.39           | 9.16   |
| Complete Ration (lb.)                       | 58.55                        | 6.09   | 139.96          | 12.41  | 86.37           | 5.84   |
| Corn (bu.)                                  | 10.05                        | 48.90  | 9.72            | 46.38  | 8.18            | 39.96  |
| Corn Silage (lb.)                           | 121.27                       | 2.69   | 124.81          | 2.70   | 90.51           | 1.86   |
| DDGS, wet (lb.)                             | 69.23                        | 2.64   | -               | -      | 59.11           | 2.96   |
| Corn snaplage (lb.)                         | 27.37                        | 1.09   | 9.55            | 0.36   | 164.96          | 6.60   |
| Other feed stuffs (lb)                      | 112.85                       | 7.14   | 86.67           | 3.95   | 39.16           | 2.25   |
| Veterinary                                  |                              | 2.21   |                 | 2.43   |                 | 1.78   |
| Contract production exp.                    |                              | 0.94   |                 | 1.07   |                 | 4.56   |
| Fuel & oil                                  |                              | 1.58   |                 | 1.35   |                 | 0.98   |
| Repairs                                     |                              | 3.08   |                 | 3.58   |                 | 2.95   |
| Marketing                                   |                              | 1.79   |                 | 4.60   |                 | 1.35   |
| Bedding                                     |                              | 1.45   |                 | 2.39   |                 | 1.30   |
| Miscellaneous                               |                              | 5.51   |                 | 4.38   |                 | 2.05   |
| Total direct expenses                       |                              | 99.70  |                 | 101.72 |                 | 83.59  |
| Return over direct expense                  |                              | 18.90  |                 | 20.00  |                 | 57.99  |
| <b>Overhead Expenses</b>                    |                              |        |                 |        |                 |        |
| Hired labor                                 |                              | 1.89   |                 | 1.08   |                 | 2.74   |
| Interest                                    |                              | 2.09   |                 | 2.63   |                 | 1.40   |
| Mach & bldg depreciation                    |                              | 4.20   |                 | 4.60   |                 | 2.46   |
| Miscellaneous                               |                              | 3.27   |                 | 3.79   |                 | 2.44   |
| Total overhead expenses                     |                              | 11.45  |                 | 12.11  |                 | 9.04   |
| Total dir & ovhd expenses                   |                              | 111.16 |                 | 113.83 |                 | 92.63  |
| Net return                                  |                              | 7.44   |                 | 7.89   |                 | 48.95  |
| Labor & management charge                   |                              | 4.62   |                 | 3.62   |                 | 4.85   |
| Net return over lbr & mgt                   |                              | 2.83   |                 | 4.27   |                 | 44.10  |
| <b>Cost of Production Per Cwt. Produced</b> |                              |        |                 |        |                 |        |
| Total direct expense per unit               |                              | 94.71  |                 | 95.08  |                 | 69.16  |
| Total dir & ovhd expense per unit           |                              | 102.83 |                 | 103.14 |                 | 75.62  |
| With other revenue adjustments              |                              | 101.94 |                 | 102.23 |                 | 75.13  |
| With labor and management                   |                              | 105.21 |                 | 104.64 |                 | 78.60  |
| Est. labor hours per unit                   |                              | 0.42   |                 | 0.39   |                 | 0.32   |
| <b>Other Information</b>                    |                              |        |                 |        |                 |        |
| No. purchased or trans in                   |                              | 240    |                 | 293    |                 | 151    |
| Number sold or trans out                    |                              | 216    |                 | 251    |                 | 158    |
| Percentage death loss                       |                              | 3.8    |                 | 3.1    |                 | 2.3    |
| Avg. daily gain (lb.)                       |                              | 2.42   |                 | 2.34   |                 | 2.42   |
| Lb. of conc / lb. of gain                   |                              | 8.21   |                 | 7.62   |                 | 8.13   |
| Lb. of feed / lb. of gain                   |                              | 9.14   |                 | 8.73   |                 | 8.11   |
| Feed cost per cwt. of gain                  |                              | 83.14  |                 | 81.92  |                 | 68.62  |
| Feed cost per head                          |                              | 769.59 |                 | 739.13 |                 | 689.54 |
| Hired labor per head                        |                              | 26.47  |                 | 21.63  |                 | 27.72  |
| Average purchase weight                     |                              | 469    |                 | 475    |                 | 658    |
| Avg wgt / Dairy Finish sold                 |                              | 1,424  |                 | 1,433  |                 | 1,422  |
| Avg purch price / head                      |                              | 550.25 |                 | 545.69 |                 | 646.66 |
| Avg sales price / cwt.                      |                              | 107.20 |                 | 107.47 |                 | 110.13 |

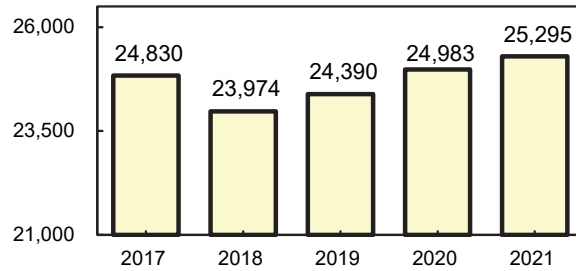
## Summary of Selected Dairy Enterprise Factors



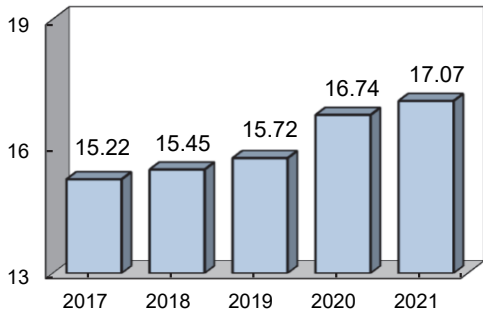
**Ave Milk Price Recv'd**



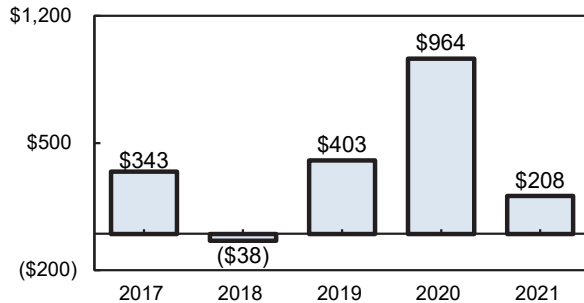
**Milk Production per Cow**



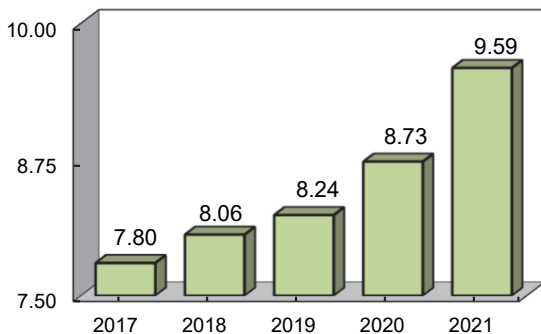
**Dir & Ovhd Exp per CWT**



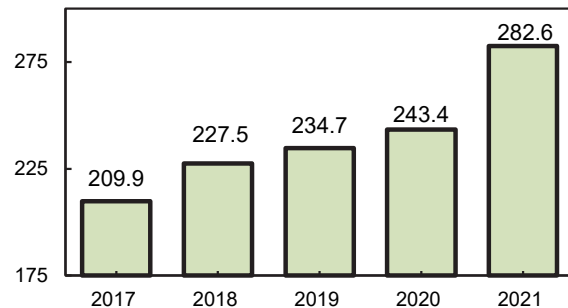
**Net Return per Cow**



**Feed Cost per CWT**



**Ave. Number of Cows**



**Livestock Enterprise Analysis**  
**Farm Business Management Statewide Data**  
**(Farms Sorted By Return to Overhead)**

**Sheep, Market Lamb Prod -- Average Per Ewe**

|   | <u>Avg. Of</u>   |        |
|---|------------------|--------|
|   | <u>All Farms</u> |        |
| Number of farms                             | 9                |        |
|   | Quantity         | Value  |
| Lambs sold (lb)                             | 5.5              | 2.50   |
| Mkt Lambs sold (lb)                         | 153.6            | 379.18 |
| Cull sales (lb)                             | 20.1             | 35.49  |
| Government payments                         |                  | 1.43   |
| Other income                                |                  | 0.55   |
| Purchased (lb)                              | -                | -0.27  |
| Inventory change (lb)                       | 4.1              | 31.85  |
| Gross margin                                |                  | 450.73 |
| <b>Direct Expenses</b>                      |                  |        |
| Protein Vit Minerals (lb.)                  | 260.0            | 58.49  |
| Creep / Starter (lb.)                       | 7.1              | 0.85   |
| Complete Ration (lb.)                       | 85.9             | 20.76  |
| Corn (bu.)                                  | 7.2              | 40.93  |
| Hay, Alfalfa (lb.)                          | 419.5            | 33.34  |
| Hay, Grass (lb.)                            | 332.5            | 20.14  |
| Hay (lb.)                                   | 57.6             | 3.60   |
| Other feed stuffs (lb)                      | 383.0            | 12.63  |
| Fuel & oil                                  |                  | 8.12   |
| Repairs                                     |                  | 15.16  |
| Utilities                                   |                  | 0.68   |
| Miscellaneous                               |                  | 29.81  |
| Total direct expenses                       |                  | 244.51 |
| Return over direct expense                  |                  | 206.22 |
| <b>Overhead Expenses</b>                    |                  |        |
| Hired labor                                 |                  | 19.16  |
| Farm insurance                              |                  | 6.00   |
| Interest                                    |                  | 7.99   |
| Mach & bldg depreciation                    |                  | 23.88  |
| Miscellaneous                               |                  | 25.72  |
| Total overhead expenses                     |                  | 82.75  |
| Total dir & ovhd expenses                   |                  | 327.25 |
| Net return                                  |                  | 123.48 |
| Labor & management charge                   |                  | 68.35  |
| Net return over lbr & mgt                   |                  | 55.12  |
| <b>Cost of Production Per Cwt. Produced</b> |                  |        |
| Total direct expense per unit               |                  | 137.24 |
| Total dir & ovhd expense per unit           |                  | 183.69 |
| With other revenue adjustments              |                  | 158.76 |
| With labor and management                   |                  | 197.13 |
| Est. labor hours per unit                   |                  | 4.72   |
| <b>Other Information</b>                    |                  |        |
| Number of ewes                              |                  | 249.7  |
| Pregnancy percentage                        |                  | 97.1   |
| Pregnancy loss percentage                   |                  | 0.4    |
| Female turnover rate                        |                  | 21.94  |
| Lambs born / ewe exposed                    |                  | 1.79   |
| Lambs born / ewe lambing                    |                  | 1.85   |
| Lambs weaned/ewe exposed                    |                  | 1.67   |
| Lambs sold per ewe                          |                  | 1.21   |
| Lamb dth loss (died/born)                   |                  | 10.5   |
| Ewe death loss percentage                   |                  | 6.9    |
| Ewes per FTE                                |                  | 593.2  |
| Average weaning weight                      |                  | 53     |
| Lb. weaned/exposed female                   |                  | 89     |
| Feed cost per ewe                           |                  | 190.73 |
| Avg wgt/Mkt Lambs sold                      |                  | 127    |
| Avg price / cwt.                            |                  | 246.86 |

**Livestock Enterprise Analysis**  
**Farm Business Management Statewide Data**  
**Excluding Backgrounding**  
**(Farms Sorted By Return to Overhead)**

**Beef Cow-Calf -- Average Per Cow**

|   | <u>Avg. Of<br/>All Farms</u> |         | <u>40 - 60%</u> |         | <u>High 20%</u> |          |
|---|------------------------------|---------|-----------------|---------|-----------------|----------|
|   | 102                          |         | 21              |         | 21              |          |
|   | Quantity                     | Value   | Quantity        | Value   | Quantity        | Value    |
| Number of farms                             |                              |         |                 |         |                 |          |
| Beef Calves sold (lb)                       | 180.4                        | 277.44  | 139.6           | 220.51  | 280.5           | 423.71   |
| Transferred out (lb)                        | 258.3                        | 416.74  | 303.6           | 459.12  | 243.8           | 398.94   |
| Cull sales (lb)                             | 67.8                         | 85.94   | 133.1           | 113.82  | 71.8            | 112.29   |
| Government payments                         |                              | 17.28   |                 | 14.48   |                 | 25.03    |
| Other income                                |                              | 14.87   |                 | 9.20    |                 | 13.05    |
| Purchased (lb)                              | -29.8                        | -137.54 | -46.0           | -123.61 | -27.2           | -89.72   |
| Transferred in (lb)                         | -12.5                        | -42.40  | -27.8           | -54.36  | -               | -2.84    |
| Inventory change (lb)                       | 39.3                         | 132.23  | 28.3            | 47.97   | 49.6            | 229.80   |
| Gross margin                                |                              | 764.56  |                 | 687.13  |                 | 1,110.25 |
| <b>Direct Expenses</b>                      |                              |         |                 |         |                 |          |
| Protein Vit Minerals (lb.)                  | 474.7                        | 54.84   | 1,161.8         | 65.89   | 126.4           | 40.01    |
| Complete Ration (lb.)                       | 305.4                        | 29.90   | 182.9           | 21.51   | 1,046.5         | 72.85    |
| Corn Silage (lb.)                           | 4,017.8                      | 82.97   | 6,401.7         | 129.50  | 2,075.2         | 40.87    |
| Hay, Alfalfa (lb.)                          | 1,167.8                      | 77.50   | 655.9           | 37.03   | 1,062.8         | 62.97    |
| Hay, Grass (lb.)                            | 1,570.3                      | 85.16   | 953.4           | 45.90   | 1,276.1         | 88.04    |
| Pasture (aum)                               | 3.4                          | 61.31   | 3.8             | 67.43   | 2.8             | 53.93    |
| Hay (lb.)                                   | 2,102.8                      | 97.73   | 2,278.1         | 117.40  | 1,840.8         | 82.08    |
| Other feed stuffs (lb)                      | 1,584.6                      | 60.22   | 1,939.6         | 70.62   | 1,385.2         | 45.90    |
| Veterinary                                  |                              | 35.12   |                 | 36.03   |                 | 32.58    |
| Supplies                                    |                              | 24.76   |                 | 16.26   |                 | 28.49    |
| Fuel & oil                                  |                              | 27.80   |                 | 33.01   |                 | 19.54    |
| Repairs                                     |                              | 56.26   |                 | 52.48   |                 | 35.61    |
| Miscellaneous                               |                              | 56.77   |                 | 39.99   |                 | 41.48    |
| Total direct expenses                       |                              | 750.35  |                 | 733.05  |                 | 644.35   |
| Return over direct expense                  |                              | 14.22   |                 | -45.92  |                 | 465.90   |
| <b>Overhead Expenses</b>                    |                              |         |                 |         |                 |          |
| Hired labor                                 |                              | 8.90    |                 | 15.36   |                 | 4.30     |
| Farm insurance                              |                              | 18.87   |                 | 22.26   |                 | 14.51    |
| Utilities                                   |                              | 17.53   |                 | 20.92   |                 | 14.51    |
| Interest                                    |                              | 35.37   |                 | 15.70   |                 | 40.43    |
| Mach & bldg depreciation                    |                              | 72.81   |                 | 57.98   |                 | 63.45    |
| Miscellaneous                               |                              | 26.42   |                 | 25.82   |                 | 29.41    |
| Total overhead expenses                     |                              | 179.90  |                 | 158.05  |                 | 166.61   |
| Total dir & ovhd expenses                   |                              | 930.24  |                 | 891.09  |                 | 810.96   |
| Net return                                  |                              | -165.68 |                 | -203.97 |                 | 299.29   |
| Labor & management charge                   |                              | 109.43  |                 | 96.33   |                 | 116.42   |
| Net return over lbr & mgt                   |                              | -275.11 |                 | -300.30 |                 | 182.87   |
| <b>Cost of Production Per Cwt. Produced</b> |                              |         |                 |         |                 |          |
| Total direct expense per unit               |                              | 147.83  |                 | 135.70  |                 | 104.19   |
| Total dir & ovhd expense per unit           |                              | 183.27  |                 | 164.96  |                 | 131.13   |
| With other revenue adjustments              |                              | 183.47  |                 | 182.84  |                 | 99.89    |
| With labor and management                   |                              | 205.03  |                 | 200.67  |                 | 118.72   |
| Est. labor hours per unit                   |                              | 10.41   |                 | 8.53    |                 | 13.16    |
| <b>Other Information</b>                    |                              |         |                 |         |                 |          |
| Number of cows                              |                              | 61.2    |                 | 76.8    |                 | 60.3     |
| Pregnancy percentage                        |                              | 94.9    |                 | 93.4    |                 | 97.2     |
| Pregnancy loss percentage                   |                              | 3.1     |                 | 2.3     |                 | 2.3      |
| Culling percentage                          |                              | 9.7     |                 | 12.4    |                 | 10.7     |
| Calving percentage                          |                              | 92.0    |                 | 91.2    |                 | 95.0     |
| Weaning percentage                          |                              | 86.9    |                 | 86.2    |                 | 92.4     |
| Calves sold per cow                         |                              | 0.80    |                 | 0.76    |                 | 0.85     |
| Calf death loss percent                     |                              | 4.9     |                 | 5.4     |                 | 3.3      |
| Cow death loss percent                      |                              | 2.8     |                 | 3.9     |                 | 1.2      |
| Cows per FTE                                |                              | 268.9   |                 | 328.3   |                 | 212.8    |
| Average weaning weight                      |                              | 527     |                 | 560     |                 | 544      |
| Lb. weaned/exposed female                   |                              | 458     |                 | 483     |                 | 503      |
| Feed cost per cow                           |                              | 549.62  |                 | 555.28  |                 | 486.66   |
| Avg wgt/ Beef Calves sold                   |                              | 572     |                 | 588     |                 | 622      |
| Avg price / cwt.                            |                              | 153.79  |                 | 157.97  |                 | 151.03   |

**Livestock Enterprise Analysis**  
**Farm Business Management Statewide Data**  
**With Backgrounding Only**  
**(Farms Sorted By Return to Overhead)**

**Beef Cow-Calf -- Average Per Cow**

|   | <u>Avg. Of<br/>All Farms</u> |        | <u>40 - 60%</u> |         | <u>High 20%</u> |          |
|---|------------------------------|--------|-----------------|---------|-----------------|----------|
|   | 37                           |        | 8               |         | 8               |          |
|   | Quantity                     | Value  | Quantity        | Value   | Quantity        | Value    |
| Number of farms                             |                              |        |                 |         |                 |          |
| Beef Calves sold (lb)                       | 332.2                        | 464.13 | 388.1           | 531.83  | 268.0           | 405.08   |
| Transferred out (lb)                        | 133.6                        | 313.06 | 115.9           | 162.80  | 179.8           | 334.10   |
| Cull sales (lb)                             | 83.1                         | 127.35 | 169.1           | 124.87  | 150.3           | 110.26   |
| Government payments                         |                              | 38.88  |                 | 63.37   |                 | 65.11    |
| Other income                                |                              | 17.29  |                 | 13.64   |                 | 28.30    |
| Purchased (lb)                              | -45.0                        | -75.21 | -55.0           | -58.01  | -17.4           | -27.03   |
| Transferred in (lb)                         | -13.0                        | -21.89 | -23.1           | -24.42  | -40.3           | -111.53  |
| Inventory change (lb)                       | 34.1                         | 60.84  | 60.5            | 96.27   | 16.9            | 220.06   |
| Gross margin                                |                              | 924.45 |                 | 910.34  |                 | 1,024.34 |
| <b>Direct Expenses</b>                      |                              |        |                 |         |                 |          |
| Protein Vit Minerals (lb.)                  | 208.1                        | 45.04  | 103.6           | 30.06   | 152.7           | 24.13    |
| Complete Ration (lb.)                       | 580.0                        | 29.47  | 341.9           | 17.62   | 1,576.5         | 52.86    |
| Corn Silage (lb.)                           | 5,197.3                      | 99.82  | 2,363.6         | 45.40   | 3,809.2         | 71.82    |
| Hay, Alfalfa (lb.)                          | 785.7                        | 56.16  | 800.5           | 60.04   | 434.2           | 32.20    |
| Hay, Grass (lb.)                            | 2,098.8                      | 132.62 | 814.1           | 20.35   | 454.1           | 21.67    |
| Haylage, Alfalfa (lb.)                      | 111.7                        | 3.35   | -               | -       | 922.4           | 27.67    |
| Pasture (aum)                               | 3.6                          | 69.51  | 4.5             | 74.50   | 1.1             | 17.14    |
| Hay (lb.)                                   | 2,539.5                      | 103.28 | 6,796.7         | 266.04  | 3,383.6         | 129.60   |
| Other feed stuffs (lb)                      | 5,362.1                      | 49.43  | 1,491.3         | 49.71   | 2,207.6         | 19.78    |
| Veterinary                                  |                              | 37.12  |                 | 33.66   |                 | 25.86    |
| Supplies                                    |                              | 13.21  |                 | 13.67   |                 | 23.55    |
| Fuel & oil                                  |                              | 28.97  |                 | 41.29   |                 | 20.55    |
| Repairs                                     |                              | 56.37  |                 | 67.86   |                 | 27.62    |
| Livestock leases                            |                              | 5.25   |                 | 28.05   |                 | -        |
| Miscellaneous                               |                              | 40.26  |                 | 43.43   |                 | 26.06    |
| Total direct expenses                       |                              | 769.86 |                 | 791.70  |                 | 520.52   |
| Return over direct expense                  |                              | 154.59 |                 | 118.65  |                 | 503.83   |
| <b>Overhead Expenses</b>                    |                              |        |                 |         |                 |          |
| Utilities                                   |                              | 14.71  |                 | 20.86   |                 | 21.07    |
| Interest                                    |                              | 42.96  |                 | 45.64   |                 | 15.81    |
| Mach & bldg depreciation                    |                              | 44.94  |                 | 57.39   |                 | 26.82    |
| Miscellaneous                               |                              | 44.48  |                 | 31.25   |                 | 55.11    |
| Total overhead expenses                     |                              | 147.09 |                 | 155.14  |                 | 118.81   |
| Total dir & ovhd expenses                   |                              | 916.95 |                 | 946.83  |                 | 639.32   |
| Net return                                  |                              | 7.50   |                 | -36.49  |                 | 385.02   |
| Labor & management charge                   |                              | 89.42  |                 | 84.43   |                 | 75.72    |
| Net return over lbr & mgt                   |                              | -81.92 |                 | -120.92 |                 | 309.30   |
| <b>Cost of Production Per Cwt. Produced</b> |                              |        |                 |         |                 |          |
| Total direct expense per unit               |                              | 145.20 |                 | 119.25  |                 | 92.51    |
| Total dir & ovhd expense per unit           |                              | 172.94 |                 | 142.61  |                 | 113.63   |
| With other revenue adjustments              |                              | 164.08 |                 | 135.25  |                 | 73.84    |
| With labor and management                   |                              | 180.94 |                 | 147.96  |                 | 87.30    |
| Est. labor hours per unit                   |                              | 7.15   |                 | 6.98    |                 | 8.34     |
| <b>Other Information</b>                    |                              |        |                 |         |                 |          |
| Number of cows                              |                              | 106.4  |                 | 92.1    |                 | 59.6     |
| Pregnancy percentage                        |                              | 96.1   |                 | 93.1    |                 | 98.3     |
| Pregnancy loss percentage                   |                              | 1.4    |                 | 1.0     |                 | 1.7      |
| Culling percentage                          |                              | 14.7   |                 | 14.2    |                 | 12.6     |
| Calving percentage                          |                              | 94.8   |                 | 92.2    |                 | 96.6     |
| Weaning percentage                          |                              | 89.5   |                 | 88.3    |                 | 91.2     |
| Calves sold per cow                         |                              | 0.86   |                 | 0.76    |                 | 0.80     |
| Calf death loss percent                     |                              | 4.5    |                 | 5.3     |                 | 5.1      |
| Cow death loss percent                      |                              | 3.7    |                 | 2.0     |                 | 2.7      |
| Cows per FTE                                |                              | 391.6  |                 | 400.9   |                 | 335.9    |
| Average weaning weight                      |                              | 532    |                 | 564     |                 | 524      |
| Lb. weaned/exposed female                   |                              | 476    |                 | 498     |                 | 478      |
| Feed cost per cow                           |                              | 588.68 |                 | 563.73  |                 | 396.87   |
| Avg wgt/ Beef Calves sold                   |                              | 687    |                 | 701     |                 | 597      |
| Avg price / cwt.                            |                              | 139.72 |                 | 137.03  |                 | 151.14   |

**Livestock Enterprise Analysis**  
**Farm Business Management Statewide Data**  
**Including Backgrounding**  
**(Farms Sorted By Enterprise Size)**

**Beef Cow-Calf -- Average Per Cow**

|   | <u>Up to<br/>50</u> |          | <u>50<br/>100</u> |         | <u>100<br/>200</u> |         | <u>200<br/>500</u> |         |
|---|---------------------|----------|-------------------|---------|--------------------|---------|--------------------|---------|
| Number of farms                             | 68                  |          | 39                |         | 27                 |         | 4                  |         |
|   | Quantity            | Value    | Quantity          | Value   | Quantity           | Value   | Quantity           | Value   |
| Beef Calves sold (lb)                       | 234.3               | 336.82   | 218.7             | 341.31  | 269.4              | 395.22  | 243.9              | 311.79  |
| Transferred out (lb)                        | 173.0               | 303.68   | 240.4             | 365.76  | 190.8              | 302.75  | 337.6              | 531.33  |
| Cull sales (lb)                             | 56.4                | 70.29    | 71.8              | 101.80  | 110.6              | 118.15  | 28.6               | 89.79   |
| Government payments                         |                     | 11.23    |                   | 22.51   |                    | 34.65   |                    | 38.79   |
| Other income                                |                     | 14.75    |                   | 19.18   |                    | 21.38   |                    | 0.54    |
| Purchased (lb)                              | -65.2               | -155.57  | -20.6             | -107.43 | -30.3              | -78.81  | -52.1              | -204.40 |
| Transferred in (lb)                         | -11.7               | -29.61   | -12.3             | -45.00  | -19.8              | -31.78  | -                  | -40.34  |
| Inventory change (lb)                       | 74.8                | 242.51   | -14.9             | 63.32   | 71.6               | 117.67  | 16.8               | 87.86   |
| Gross margin                                |                     | 794.10   |                   | 761.45  |                    | 879.23  |                    | 815.36  |
| <b>Direct Expenses</b>                      |                     |          |                   |         |                    |         |                    |         |
| Protein Vit Minerals (lb.)                  | 919.6               | 55.76    | 238.1             | 55.31   | 256.5              | 49.58   | 111.2              | 24.25   |
| Complete Ration (lb.)                       | 389.8               | 36.83    | 172.1             | 21.75   | 774.1              | 46.45   | 93.1               | 0.28    |
| Corn (bu.)                                  | 5.7                 | 28.41    | 2.8               | 13.19   | 2.3                | 11.42   | 1.9                | 7.76    |
| Corn Silage (lb.)                           | 3,150.2             | 61.72    | 4,266.4           | 87.56   | 5,193.0            | 106.72  | 5,951.9            | 109.92  |
| Hay, Alfalfa (lb.)                          | 1,128.8             | 70.62    | 1,531.9           | 105.16  | 656.1              | 46.14   | 1,182.3            | 82.39   |
| Hay, Grass (lb.)                            | 2,500.6             | 139.77   | 1,566.2           | 74.85   | 1,502.6            | 92.13   | 870.4              | 54.40   |
| Pasture (aum)                               |                     | 48.46    | 3.3               | 49.66   | 3.4                | 68.09   | 4.8                | 92.15   |
| Hay (lb.)                                   | 1,921.9             | 110.37   | 2,518.1           | 107.46  | 2,200.2            | 95.60   | 3,364.6            | 118.63  |
| Other feed stuffs (lb)                      | 1,260.3             | 48.13    | 1,966.1           | 53.60   | 1,302.3            | 29.99   | 14,529.1           | 32.25   |
| Veterinary                                  |                     | 37.18    |                   | 34.77   |                    | 37.70   |                    | 32.79   |
| Supplies                                    |                     | 36.48    |                   | 17.99   |                    | 19.55   |                    | 10.52   |
| Fuel & oil                                  |                     | 35.93    |                   | 26.58   |                    | 33.14   |                    | 13.42   |
| Repairs                                     |                     | 81.22    |                   | 55.42   |                    | 55.33   |                    | 36.09   |
| Miscellaneous                               |                     | 60.79    |                   | 44.74   |                    | 58.15   |                    | 41.55   |
| Total direct expenses                       |                     | 851.66   |                   | 748.03  |                    | 749.99  |                    | 656.39  |
| Return over direct expense                  |                     | -57.57   |                   | 13.43   |                    | 129.24  |                    | 158.97  |
| <b>Overhead Expenses</b>                    |                     |          |                   |         |                    |         |                    |         |
| Farm insurance                              |                     | 24.48    |                   | 20.35   |                    | 12.91   |                    | 12.49   |
| Utilities                                   |                     | 21.24    |                   | 20.84   |                    | 14.60   |                    | 11.25   |
| Interest                                    |                     | 39.71    |                   | 36.40   |                    | 45.86   |                    | 28.04   |
| Mach & bldg depreciation                    |                     | 108.69   |                   | 63.72   |                    | 48.81   |                    | 46.83   |
| Miscellaneous                               |                     | 37.10    |                   | 43.95   |                    | 30.27   |                    | 25.26   |
| Total overhead expenses                     |                     | 231.22   |                   | 185.26  |                    | 152.45  |                    | 123.86  |
| Total dir & ovhd expenses                   |                     | 1,082.88 |                   | 933.29  |                    | 902.44  |                    | 780.26  |
| Net return                                  |                     | -288.78  |                   | -171.84 |                    | -23.21  |                    | 35.10   |
| Labor & management charge                   |                     | 164.42   |                   | 106.42  |                    | 86.52   |                    | 73.85   |
| Net return over lbr & mgt                   |                     | -453.21  |                   | -278.25 |                    | -109.73 |                    | -38.74  |
| <b>Cost of Production Per Cwt. Produced</b> |                     |          |                   |         |                    |         |                    |         |
| Total direct expense per unit               |                     | 183.45   |                   | 151.72  |                    | 125.95  |                    | 113.97  |
| Total dir & ovhd expense per unit           |                     | 233.26   |                   | 189.30  |                    | 151.55  |                    | 135.48  |
| With other revenue adjustments              |                     | 216.06   |                   | 186.82  |                    | 147.63  |                    | 141.60  |
| With labor and management                   |                     | 251.48   |                   | 208.40  |                    | 162.16  |                    | 154.42  |
| Est. labor hours per unit                   |                     | 15.17    |                   | 10.36   |                    | 7.51    |                    | 4.86    |
| <b>Other Information</b>                    |                     |          |                   |         |                    |         |                    |         |
| Number of cows                              |                     | 29.0     |                   | 71.1    |                    | 135.3   |                    | 322.3   |
| Pregnancy percentage                        |                     | 94.3     |                   | 95.3    |                    | 94.5    |                    | 97.8    |
| Pregnancy loss percentage                   |                     | 2.7      |                   | 2.8     |                    | 2.6     |                    | 1.4     |
| Culling percentage                          |                     | 8.8      |                   | 11.3    |                    | 13.1    |                    | 10.5    |
| Calving percentage                          |                     | 91.8     |                   | 92.7    |                    | 92.0    |                    | 96.4    |
| Weaning percentage                          |                     | 86.0     |                   | 86.8    |                    | 87.8    |                    | 93.3    |
| Calves sold per cow                         |                     | 0.76     |                   | 0.81    |                    | 0.78    |                    | 0.98    |
| Calf death loss percent                     |                     | 7.9      |                   | 4.8     |                    | 4.2     |                    | 2.3     |
| Cow death loss percent                      |                     | 3.5      |                   | 2.8     |                    | 2.7     |                    | 3.9     |
| Cows per FTE                                |                     | 184.6    |                   | 270.2   |                    | 373.0   |                    | 576.7   |
| Average weaning weight                      |                     | 517      |                   | 541     |                    | 536     |                    | 488     |
| Lb. weaned/exposed female                   |                     | 445      |                   | 470     |                    | 470     |                    | 455     |
| Feed cost per cow                           |                     | 600.06   |                   | 568.54  |                    | 546.12  |                    | 522.02  |
| Avg wgt/ Beef Calves sold                   |                     | 579      |                   | 581     |                    | 622     |                    | 871     |
| Avg price / cwt.                            |                     | 143.78   |                   | 156.09  |                    | 146.72  |                    | 127.81  |

**Livestock Enterprise Analysis**  
**Farm Business Management Statewide Data**  
**(Farms Sorted By Return to Overhead)**

**Beef Finishing -- Average Per Cwt. Produced**

|   | <u>Avg. Of<br/>All Farms</u> |         | <u>40 - 60%</u> |         | <u>High 20%</u> |         |
|---|------------------------------|---------|-----------------|---------|-----------------|---------|
|   | 90                           |         | 18              |         | 18              |         |
|   | Quantity                     | Value   | Quantity        | Value   | Quantity        | Value   |
| Number of farms                             |                              |         |                 |         |                 |         |
| Finish Beef sold (lb)                       | 224.68                       | 273.69  | 206.97          | 247.01  | 269.69          | 346.66  |
| Transferred out (lb)                        | 0.27                         | 0.49    | 0.27            | 0.44    | 0.19            | 1.58    |
| Government payments                         |                              | 0.47    |                 | -       |                 | -       |
| Other income                                |                              | 3.70    |                 | 4.45    |                 | 2.09    |
| Purchased (lb)                              | -101.42                      | -151.12 | -101.42         | -149.12 | -128.45         | -188.04 |
| Transferred in (lb)                         | -5.85                        | -8.78   | -9.24           | -14.28  | -9.15           | -12.85  |
| Inventory change (lb)                       | -18.64                       | 2.33    | 1.60            | 28.02   | -32.53          | 12.19   |
| Gross margin                                |                              | 120.79  |                 | 116.52  |                 | 161.63  |
| <b>Direct Expenses</b>                      |                              |         |                 |         |                 |         |
| Protein Vit Minerals (lb.)                  | 58.89                        | 10.04   | 42.91           | 11.61   | 110.02          | 16.88   |
| Complete Ration (lb.)                       | 129.43                       | 7.82    | 5.14            | 0.90    | 2.77            | 0.54    |
| Corn (bu.)                                  | 7.50                         | 37.30   | 9.03            | 44.02   | 8.18            | 40.00   |
| Corn Silage (lb.)                           | 294.11                       | 6.42    | 321.75          | 6.49    | 139.84          | 2.60    |
| Corn, Ear (lb.)                             | 63.52                        | 3.66    | -               | -       | -               | -       |
| Hay, Alfalfa (lb.)                          | 31.48                        | 2.22    | 50.19           | 3.46    | 18.86           | 1.24    |
| Pasture (aum)                               | 0.06                         | 0.68    | -               | -       | 0.55            | 6.02    |
| DDGS, dry (lb.)                             | 33.11                        | 2.63    | 71.03           | 3.75    | 6.68            | 0.67    |
| DDGS, wet (lb.)                             | 116.66                       | 5.76    | 109.42          | 5.81    | 224.39          | 5.71    |
| Other feed stuffs (lb)                      | 131.68                       | 4.31    | 155.43          | 5.08    | 136.68          | 5.28    |
| Repairs                                     |                              | 3.86    |                 | 2.57    |                 | 2.11    |
| Custom hire                                 |                              | 0.95    |                 | 1.26    |                 | 2.54    |
| Hired labor                                 |                              | 1.28    |                 | 0.52    |                 | 5.51    |
| Hauling and trucking                        |                              | 2.40    |                 | 2.73    |                 | 0.57    |
| Operating interest                          |                              | 2.48    |                 | 2.89    |                 | 0.64    |
| Miscellaneous                               |                              | 8.00    |                 | 5.70    |                 | 4.27    |
| Total direct expenses                       |                              | 99.79   |                 | 96.78   |                 | 94.58   |
| Return over direct expense                  |                              | 21.00   |                 | 19.74   |                 | 67.05   |
| <b>Overhead Expenses</b>                    |                              |         |                 |         |                 |         |
| Interest                                    |                              | 1.63    |                 | 2.68    |                 | 2.32    |
| Mach & bldg depreciation                    |                              | 4.28    |                 | 6.50    |                 | 3.50    |
| Miscellaneous                               |                              | 5.89    |                 | 4.88    |                 | 4.32    |
| Total overhead expenses                     |                              | 11.81   |                 | 14.06   |                 | 10.14   |
| Total dir & ovhd expenses                   |                              | 111.60  |                 | 110.84  |                 | 104.72  |
| Net return                                  |                              | 9.19    |                 | 5.68    |                 | 56.91   |
| Labor & management charge                   |                              | 5.66    |                 | 4.49    |                 | 7.43    |
| Net return over lbr & mgt                   |                              | 3.53    |                 | 1.19    |                 | 49.48   |
| <b>Cost of Production Per Cwt. Produced</b> |                              |         |                 |         |                 |         |
| Total direct expense per unit               |                              | 113.83  |                 | 110.93  |                 | 104.78  |
| Total dir & ovhd expense per unit           |                              | 119.08  |                 | 117.71  |                 | 108.54  |
| With other revenue adjustments              |                              | 117.80  |                 | 116.66  |                 | 107.95  |
| With labor and management                   |                              | 120.32  |                 | 118.83  |                 | 110.70  |
| Est. labor hours per unit                   |                              | 0.35    |                 | 0.27    |                 | 0.49    |
| <b>Other Information</b>                    |                              |         |                 |         |                 |         |
| No. purchased or trans in                   |                              | 313     |                 | 317     |                 | 216     |
| Number sold or trans out                    |                              | 321     |                 | 293     |                 | 218     |
| Percentage death loss                       |                              | 1.2     |                 | 1.2     |                 | 1.7     |
| Avg. daily gain (lb.)                       |                              | 2.51    |                 | 2.17    |                 | 2.40    |
| Lb. of conc / lb. of gain                   |                              | 8.40    |                 | 7.42    |                 | 8.22    |
| Lb. of feed / lb. of gain                   |                              | 10.31   |                 | 9.72    |                 | 9.98    |
| Feed cost per cwt. of gain                  |                              | 80.83   |                 | 81.11   |                 | 78.94   |
| Feed cost per head                          |                              | 583.40  |                 | 592.88  |                 | 539.77  |
| Hired labor per head                        |                              | 19.46   |                 | 11.97   |                 | 43.04   |
| Average purchase weight                     |                              | 720     |                 | 695     |                 | 741     |
| Avg wgt / Finish Beef sold                  |                              | 1,458   |                 | 1,381   |                 | 1,427   |
| Avg purch price / cwt.                      |                              | 149.00  |                 | 147.03  |                 | 146.39  |
| Avg sales price / cwt.                      |                              | 121.82  |                 | 119.35  |                 | 128.54  |

**Livestock Enterprise Analysis**  
**Farm Business Management Statewide Data**  
**(Farms Sorted By Return to Overhead)**

**Beef Backgrounding -- Average Per Cwt. Produced**

|   | <u>Avg. Of<br/>All Farms</u> |         | <u>High 20%</u> |         |
|---|------------------------------|---------|-----------------|---------|
|   | 16                           |         | 4               |         |
|   | Quantity                     | Value   | Quantity        | Value   |
| Number of farms                             |                              |         |                 |         |
| Backgnd Beef sold (lb)                      | 216.72                       | 302.19  | 114.93          | 172.24  |
| Transferred out (lb)                        | 23.92                        | 32.87   | 218.45          | 280.76  |
| Other income                                |                              | 1.91    |                 | 0.41    |
| Purchased (lb)                              | -78.98                       | -148.12 | -61.26          | -76.05  |
| Transferred in (lb)                         | -42.57                       | -66.33  | -180.28         | -267.51 |
| Inventory change (lb)                       | -20.36                       | -5.95   | 8.15            | 66.17   |
| Gross margin                                |                              | 116.57  |                 | 176.03  |
| <b>Direct Expenses</b>                      |                              |         |                 |         |
| Protein Vit Minerals (lb.)                  | 20.03                        | 4.74    | 18.98           | 6.27    |
| Complete Ration (lb.)                       | 207.13                       | 20.60   | 44.80           | 8.96    |
| Corn (bu.)                                  | 2.45                         | 9.28    | 6.11            | 25.76   |
| Corn Silage (lb.)                           | 750.97                       | 12.53   | 519.62          | 10.15   |
| Hay, Alfalfa (lb.)                          | 44.60                        | 2.67    | 323.44          | 13.92   |
| Hay (lb.)                                   | 292.53                       | 15.06   | 212.09          | 8.75    |
| Other feed stuffs (lb)                      | 73.47                        | 3.79    | 132.56          | 3.98    |
| Veterinary                                  |                              | 4.35    |                 | 5.55    |
| Contract production exp.                    |                              | 3.42    |                 | -       |
| Fuel & oil                                  |                              | 2.65    |                 | 3.33    |
| Repairs                                     |                              | 3.47    |                 | 5.15    |
| Custom hire                                 |                              | 0.25    |                 | 3.40    |
| Hauling and trucking                        |                              | 1.35    |                 | 5.65    |
| Marketing                                   |                              | 2.51    |                 | 3.92    |
| Operating interest                          |                              | 3.86    |                 | 1.50    |
| Miscellaneous                               |                              | 2.49    |                 | 2.56    |
| Total direct expenses                       |                              | 93.01   |                 | 108.85  |
| Return over direct expense                  |                              | 23.57   |                 | 67.18   |
| <b>Overhead Expenses</b>                    |                              |         |                 |         |
| Interest                                    |                              | 4.04    |                 | 2.70    |
| Mach & bldg depreciation                    |                              | 3.13    |                 | 4.78    |
| Miscellaneous                               |                              | 3.88    |                 | 4.72    |
| Total overhead expenses                     |                              | 11.06   |                 | 12.20   |
| Total dir & ovhd expenses                   |                              | 104.06  |                 | 121.05  |
| Net return                                  |                              | 12.51   |                 | 54.98   |
| Labor & management charge                   |                              | 8.66    |                 | 12.89   |
| Net return over lbr & mgt                   |                              | 3.85    |                 | 42.09   |
| <b>Cost of Production Per Cwt. Produced</b> |                              |         |                 |         |
| Total direct expense per unit               |                              | 129.51  |                 | 115.85  |
| Total dir & ovhd expense per unit           |                              | 134.11  |                 | 119.51  |
| With other revenue adjustments              |                              | 134.04  |                 | 119.39  |
| With labor and management                   |                              | 137.64  |                 | 123.25  |
| Est. labor hours per unit                   |                              | 0.48    |                 | 0.51    |
| <b>Other Information</b>                    |                              |         |                 |         |
| No. purchased or trans in                   |                              | 167     |                 | 90      |
| Number sold or trans out                    |                              | 187     |                 | 85      |
| Percentage death loss                       |                              | 1.4     |                 | 2.5     |
| Avg. daily gain (lb.)                       |                              | 1.32    |                 | 1.02    |
| Lb. of conc / lb. of gain                   |                              | 4.06    |                 | 4.72    |
| Lb. of feed / lb. of gain                   |                              | 10.22   |                 | 12.47   |
| Feed cost per cwt. of gain                  |                              | 68.67   |                 | 77.79   |
| Feed cost per head                          |                              | 217.06  |                 | 220.50  |
| Hired labor per head                        |                              | 2.77    |                 | 0.71    |
| Average purchase weight                     |                              | 467     |                 | 458     |
| Avg wgt / Backgnd Beef sold                 |                              | 845     |                 | 652     |
| Avg purch price / cwt.                      |                              | 187.54  |                 | 124.14  |
| Avg sales price / cwt.                      |                              | 139.44  |                 | 149.86  |



**Livestock Enterprise Analysis**  
**Farm Business Management Statewide Data**  
**(Farms Sorted By Return to Overhead)**

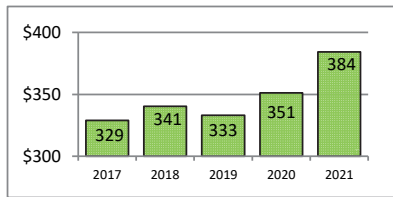
**Hogs, Weaning to Finish (Per Head) and Finish Feeder Pigs (Per Cwt. Carcass Sold)**

| Number of Farms                             | <u>Weaning to Finish</u> |        | <u>Finish Feeder Pigs</u> |        |
|---|--------------------------|--------|---------------------------|--------|
|   | 23                       |        | 18                        |        |
|   | Quantity                 | Value  | Quantity                  | Value  |
| Pigs / Hogs sold (lb)                       | 281.90                   | 197.02 | 135.09                    | 87.16  |
| Transferred out (lb)                        | 0.50                     | 0.49   | 1.02                      | 0.31   |
| Insurance income                            | -                        | 0.00   | -                         | 0.01   |
| Government payments                         | -                        | 0.06   | -                         | 0.40   |
| Other income                                | -                        | -4.19  | -                         | 0.37   |
| Purchased (lb)                              | -15.10                   | -46.33 | -19.61                    | -32.96 |
| Transferred in (lb)                         | -1.60                    | -5.35  | -2.68                     | -4.52  |
| Inventory change (lb)                       | 0.60                     | 9.81   | 11.25                     | 10.65  |
| Gross margin                                |                          | 151.76 |                           | 61.42  |
| <b>Direct Expenses</b>                      |                          |        |                           |        |
| Protein Vit Minerals (lb.)                  | 117.2                    | 28.80  | 53.5                      | 11.96  |
| Complete Ration (lb.)                       | 112.7                    | 15.08  | 107.6                     | 11.83  |
| Corn (bu.)                                  | 7.3                      | 36.53  | 3.6                       | 18.00  |
| DDGS, dry (lb.)                             | 81.50                    | 9.03   | 5.7                       | 0.57   |
| Other feed stuffs (lb)                      | 4.4                      | 3.01   | 0.0                       | 0.01   |
| Veterinary                                  |                          | 3.95   |                           | 0.79   |
| Contract production exp.                    |                          | 4.24   |                           | 4.81   |
| Repairs                                     |                          | 2.88   |                           | 0.54   |
| Custom hire                                 |                          | 2.42   |                           | -      |
| Livestock leases                            |                          | -      |                           | 0.37   |
| Fuel & oil                                  |                          | 1.75   |                           | -      |
| Hauling and trucking                        |                          | 1.86   |                           | 0.55   |
| Hired labor                                 |                          | 2.18   |                           | -      |
| Operating interest                          |                          | -      |                           | -      |
| Miscellaneous                               |                          | 3.13   |                           | 2.16   |
| Total direct expenses                       |                          | 114.85 |                           | 51.59  |
| Return over direct expense                  |                          | 36.9   |                           | 9.83   |
| <b>Overhead Expenses</b>                    |                          |        |                           |        |
| Hired labor                                 |                          | 1.29   |                           | 0.88   |
| Building leases                             |                          | 9.19   |                           | 0.70   |
| Farm insurance                              |                          | 1.54   |                           | 0.47   |
| Utilities                                   |                          | 0.89   |                           | 0.44   |
| Interest                                    |                          | 0.00   |                           | 0.77   |
| Mach & bldg depreciation                    |                          | 2.38   |                           | 0.94   |
| Miscellaneous                               |                          | 1.87   |                           | 0.65   |
| Total overhead expenses                     |                          | 17.16  |                           | 4.84   |
| Total dir & ovhd expenses                   |                          | 132.02 |                           | 56.43  |
| Net return                                  |                          | 19.74  |                           | 5.00   |
| Labor & management charge                   |                          | 5.59   |                           | 1.26   |
| Net return over lbr & mgt                   |                          | 14.16  |                           | 3.74   |
| <b>Cost of Production/Cwt. Carcass Sold</b> |                          |        |                           |        |
| Total direct expense per unit               |                          | 74.98  |                           | 78.01  |
| Total dir & ovhd expense per unit           |                          | 83.21  |                           | 82.85  |
| With other revenue adjustments              |                          | 85.22  |                           | 82.17  |
| With labor and management                   |                          | 87.90  |                           | 83.42  |
| Est. labor hours per unit                   |                          | 0.3    |                           | 0.1    |
| <b>Other Information</b>                    |                          |        |                           |        |
| No. purchased or trans in                   |                          | 28,557 |                           | 12,164 |
| Number sold or trans out                    |                          | 24,192 |                           | 10,040 |
| Percentage death loss                       |                          | 5.8    |                           | 7.3    |
| Percent substandard hogs                    |                          | 2      |                           | 2      |
| Avg. daily gain (lb.)                       |                          | 1.34   |                           | 1.52   |
| Lb. of feed / lb. of gain                   |                          | 2.76   |                           | 2.92   |
| Feed cost per cwt. of gain                  |                          | 34.57  |                           | 33.83  |
| Feed cost per head                          |                          | 92.45  |                           | 81.30  |
| Hired labor per head                        |                          | 3.47   |                           | 1.87   |
| Average purchase weight                     |                          | 14     |                           | 37     |
| Avg wgt /Fin Pig/Hog sold                   |                          | 269    |                           | 278    |
| Avg purch price / head                      |                          | 41.83  |                           | 63.00  |
| Avg sales price / cwt.                      |                          | 69.88  |                           | 64.52  |
| Average carcass weight                      |                          | 202    |                           | 210    |
| Average price / cwt. carcass                |                          | 93.88  |                           | 86.65  |

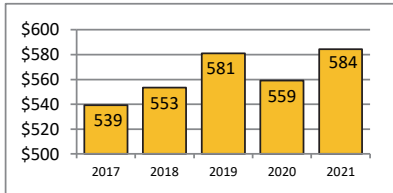
**Selected Crop & Livestock Enterprise Trend Summary**  
**Northern Minnesota Farm Business Management Data**

|                               | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|
| <b><u>Alfalfa Hay</u></b>     |             |             |             |             |             |
| Yield per Acre                | 4.5         | 4.1         | 4.0         | 4.2         | 2.9         |
| Value per Ton                 | \$108.87    | \$134.75    | \$148.97    | \$136.11    | \$172.67    |
| Fuel, Oil, Repairs per Acre   | \$82.42     | \$93.70     | \$87.41     | \$91.02     | \$111.25    |
| Total Dir & Ovhd Exp per Acre | \$328.96    | \$340.55    | \$333.24    | \$351.17    | \$384.31    |
| Net Return per Acre           | \$167.85    | \$210.75    | \$301.16    | \$232.35    | \$136.48    |
| Total Direct Expenses per Ton | \$35.05     | \$39.82     | \$41.84     | \$44.90     | \$68.27     |
| Total Dir & Ovhd Exp per Ton  | \$73.25     | \$83.41     | \$82.69     | \$84.56     | \$93.54     |

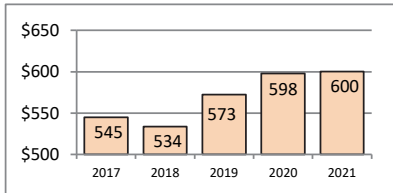
**Total Dir&Ovhd Expense**



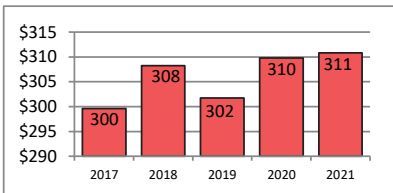
|                                 |          |          |          |          |          |
|---------------------------------|----------|----------|----------|----------|----------|
| <b><u>Corn</u></b>              |          |          |          |          |          |
| Yield per Acre                  | 164.6    | 179.0    | 160.2    | 176.2    | 141.1    |
| Value per Bushel                | \$3.08   | \$3.22   | \$3.40   | \$3.78   | \$5.30   |
| Fuel, Oil, Repairs per Acre     | \$74.43  | \$82.18  | \$83.95  | \$82.16  | \$89.47  |
| Total Dir & Ovhd Exp per Acre   | \$539.30 | \$553.48 | \$580.96 | \$559.08 | \$584.48 |
| Net Return per Acre             | -\$14.68 | \$38.76  | \$35.63  | \$158.49 | \$158.49 |
| Total Direct Expenses per Bu.   | \$2.17   | \$2.11   | \$2.42   | \$2.15   | \$2.83   |
| Total Dir & Ovhd Exp per Bushel | \$3.28   | \$3.09   | \$3.63   | \$3.17   | \$4.14   |



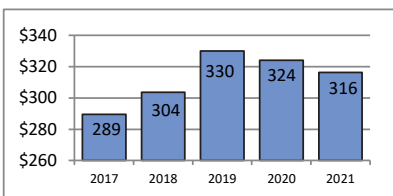
|                               |          |          |          |          |          |
|-------------------------------|----------|----------|----------|----------|----------|
| <b><u>Corn Silage</u></b>     |          |          |          |          |          |
| Yield per Acre                | 19.8     | 20.6     | 18.7     | 21.0     | 13.3     |
| Value per Ton                 | \$30.45  | \$29.98  | \$31.58  | \$34.35  | \$41.87  |
| Fuel, Oil, Repairs per Acre   | \$93.48  | \$95.29  | \$94.18  | \$103.57 | \$111.94 |
| Total Dir & Ovhd Exp per Acre | \$545.06 | \$533.70 | \$572.60 | \$597.78 | \$600.39 |
| Net Return per Acre           | \$68.81  | \$86.46  | \$75.40  | \$162.77 | \$131.40 |
| Total Direct Expenses per Ton | \$18.82  | \$17.55  | \$20.73  | \$19.84  | \$31.07  |
| Total Dir & Ovhd Exp per Ton  | \$27.48  | \$25.94  | \$30.63  | \$28.43  | \$45.16  |



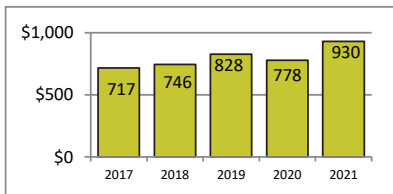
|                                 |          |          |          |          |          |
|---------------------------------|----------|----------|----------|----------|----------|
| <b><u>Soybeans</u></b>          |          |          |          |          |          |
| Yield per Acre                  | 35.2     | 41.0     | 37.8     | 41.5     | 30.6     |
| Value per Bushel                | \$9.05   | \$8.38   | \$8.17   | \$10.23  | \$12.25  |
| Fuel, Oil, Repairs per Acre     | \$39.35  | \$44.13  | \$42.10  | \$46.34  | \$46.71  |
| Total Dir & Ovhd Exp per Acre   | \$299.63 | \$308.24 | \$301.73 | \$309.79 | \$310.81 |
| Net Return per Acre             | \$38.07  | \$118.57 | \$68.79  | \$155.17 | \$118.55 |
| Total Direct Expenses per Bu.   | \$5.55   | \$4.95   | \$5.09   | \$4.67   | \$6.62   |
| Total Dir & Ovhd Exp per Bushel | \$8.51   | \$7.52   | \$7.98   | \$7.46   | \$10.15  |



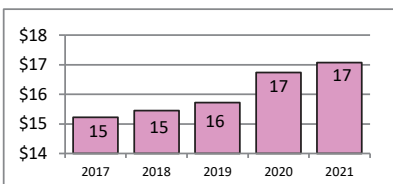
|                                 |          |          |          |          |          |
|---------------------------------|----------|----------|----------|----------|----------|
| <b><u>Spring Wheat</u></b>      |          |          |          |          |          |
| Yield per Acre                  | 72.3     | 65.8     | 59.8     | 59.9     | 50.3     |
| Value per Bushel                | \$5.90   | \$5.47   | \$5.09   | \$5.48   | \$8.80   |
| Fuel, Oil, Repairs per Acre     | \$39.62  | \$45.25  | \$41.94  | \$42.63  | \$44.24  |
| Total Dir & Ovhd Exp per Acre   | \$289.47 | \$303.60 | \$329.97 | \$324.04 | \$316.32 |
| Net Return per Acre             | \$146.74 | \$80.69  | \$53.62  | \$65.64  | \$178.66 |
| Total Direct Expenses per Bu.   | \$2.73   | \$3.19   | \$3.75   | \$3.56   | \$4.25   |
| Total Dir & Ovhd Exp per Bushel | \$4.00   | \$4.62   | \$5.52   | \$5.41   | \$6.29   |



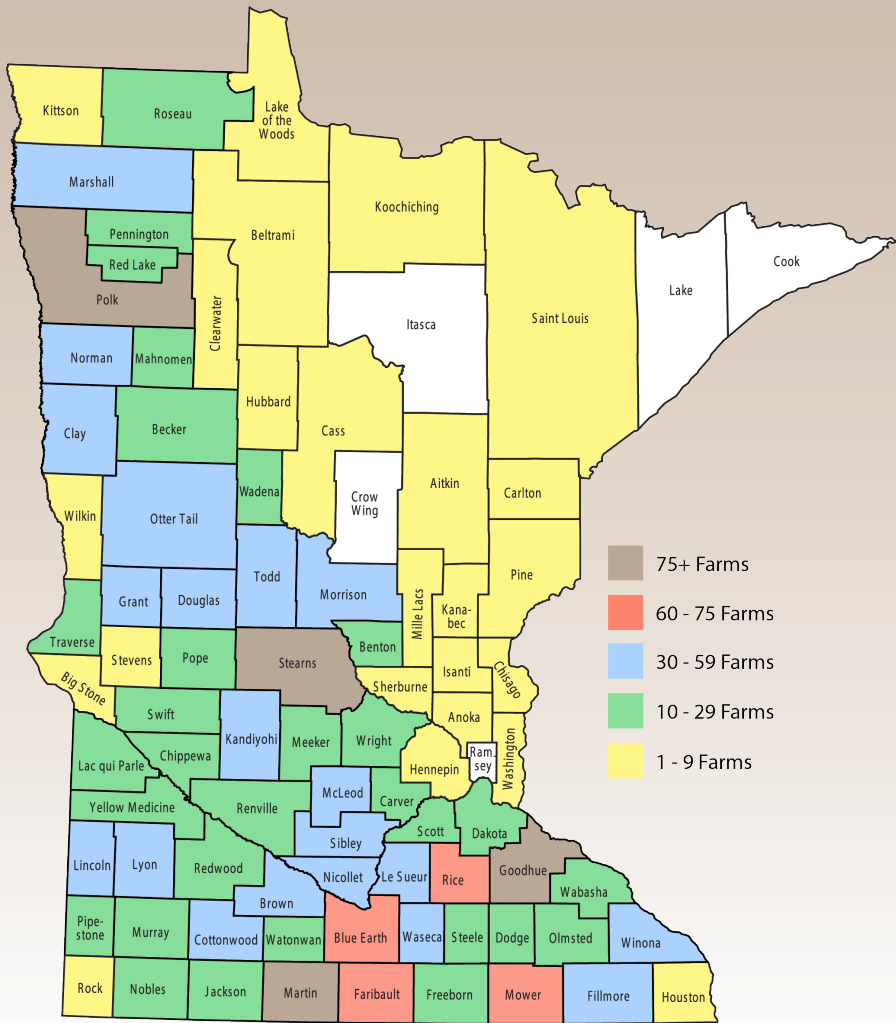
|                              |          |          |           |          |           |
|------------------------------|----------|----------|-----------|----------|-----------|
| <b><u>Beef Cow Calf</u></b>  |          |          |           |          |           |
| Price Recv'd/Cwt Calf Sold   | \$147.47 | \$151.73 | \$145.96  | \$159.21 | \$153.79  |
| Total Feed Cost/Cow          | \$395.34 | \$422.72 | \$469.02  | \$433.96 | \$549.62  |
| Return over Feed/Cow         | \$302.85 | \$269.10 | \$136.18  | \$314.25 | \$214.94  |
| Net Return/Cow               | -\$19.01 | -\$54.31 | -\$223.06 | -\$29.30 | -\$165.68 |
| Total Direct & Ovhd Expenses | \$717.20 | \$746.13 | \$828.25  | \$777.50 | \$930.24  |



|                              |         |         |         |         |         |
|------------------------------|---------|---------|---------|---------|---------|
| <b><u>Dairy Cows</u></b>     |         |         |         |         |         |
| Production/Cow               | 24,830  | 23,974  | 24,390  | 24,983  | 25,285  |
| Price Recv'd/Cwt Milk        | \$17.72 | \$16.44 | \$18.64 | \$19.77 | \$18.41 |
| Total Feed Cost/Cwt Milk     | \$7.80  | \$8.06  | \$8.24  | \$8.73  | \$9.59  |
| Return over Feed/Cwt Milk    | \$9.92  | \$8.38  | \$10.40 | \$11.04 | \$8.82  |
| Net Return/Cwt Milk          | \$1.38  | -\$0.16 | \$1.65  | \$3.86  | \$0.82  |
| Total Direct & Ovhd Expenses | \$15.22 | \$15.45 | \$15.72 | \$16.74 | \$17.07 |



# 2021 FARM BUSINESS MANAGEMENT FINANCIAL ANALYSIS BY COUNTY



## SOURCES OF DATA

The 2,293 producers who provided data for three MN regional reports are located in 82 of Minnesota's 87 counties. Those counties are highlighted on the map to the left, color coded based on the number of farms included from each county.



## MINNESOTA FARM BUSINESS MANAGEMENT EDUCATION PROGRAMS

### Vision:

*To provide educational opportunities for students to be successful in a competitive agricultural environment.*

### Mission:

*To deliver management education for decision-making that achieves an individual's business goals.*

### Guiding Principles:

1. Improved Quality of Life in Rural Communities
2. Achievement of Student Goals
3. Awareness of the Global Importance of Agriculture
4. Integrity in Student Interaction
5. Timely and Student-Focused Programming



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Northern Agricultural Center of Excellence

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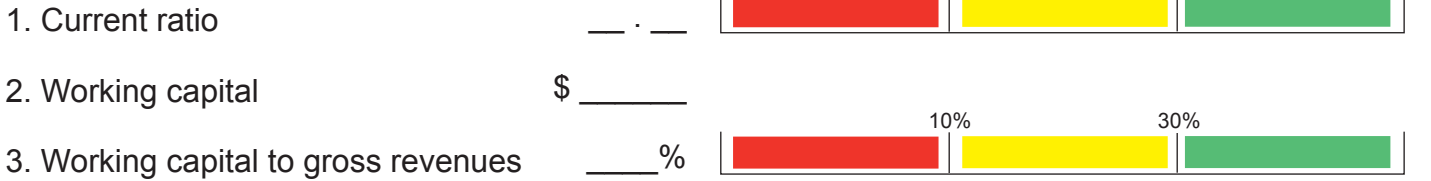
www.centerofagriculture.org



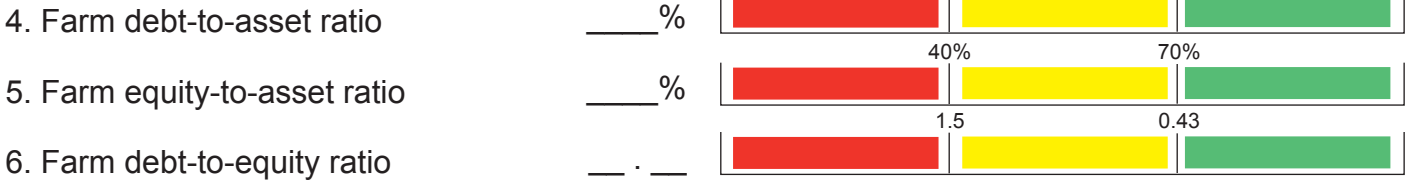
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# Farm Finance Scorecard

## Liquidity



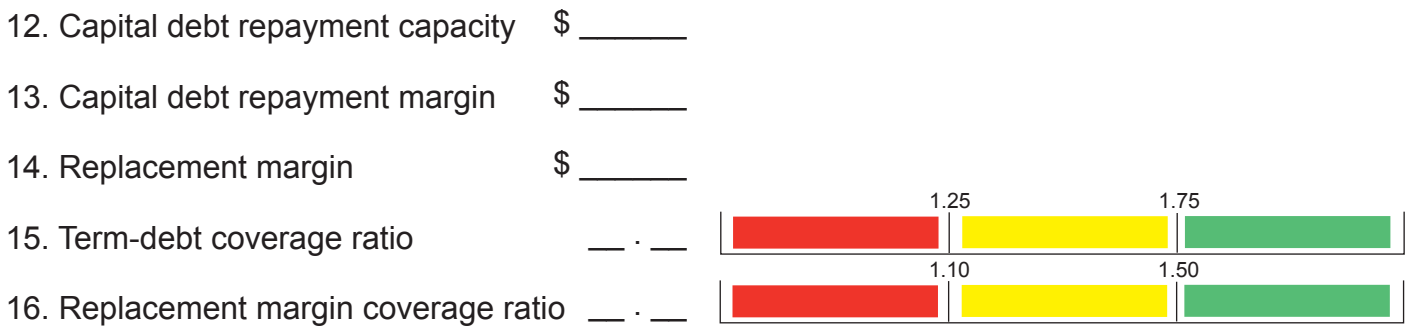
## Solvency



## Profitability



## Repayment capacity



## Financial efficiency

