

Executive Summary Edition

2021

Farm

Analysis

Report of

Moorhead

This is the 46th edition of this report published by the Northland College-Moorhead MN. Farm Business Management Department. The numbers for this report came from records kept by each farm family enrolled in the farm management education program provided by Northland Community and Technical College, Thief River Falls, MN.

In 2021, 80 farms (with an equivalent of 88 full-time operators), located mainly in western Clay, Norman, and Wilkin, Minnesota, were included in the averages. The average farmer was 47.5 years old with 23.6 years of farming experience. Farms averaged 1,963 acres per farm with 413 acres of that owned. Sugarbeets generated the largest gross dollar amount per farm (\$313,339). Soybeans (\$294,451) stayed 2nd ahead of Corn (\$276,024). Wheat was a close fourth at (\$252,207). The largest single expense was land rent (\$242,592) per farm, which is 20.3% of total cash expenses. Fertilizer expense moved into 2nd at (\$197,520). Seed (\$170,973), Chemicals (\$119,652) and Repairs(\$104,845) were the next three expenses.

Net Farm Income (\$413,481) was the highest it has been in the past nine years which was 73.8% higher than 2020. Most of the increase in the net farm income was directly related to higher crop prices for old and new crop in 21. Many farms experienced below average yields, but the combination of crop insurance coverage and prices lessened the loss due to yields.

Information about our Farm Business Management program and other financial reports can be found at our website: **www.NorthlandFBM-Moorhead.com**

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NORTHLAND
COMMUNITY & TECHNICAL COLLEGE

Statement of Cash Flows - Total of 80 Farms in Analysis Report

Soybeans	\$23,556,080
Sugarbeets	\$25,067,120
Corn	\$22,081,920
Wheat	\$20,176,560
Other Crops	\$6,158,800
Government Pymts	\$7,787,840
Remaining Farm Income (Ins, etc)	\$14,724,880

Total Cash Farm Income \$119,553,200

Fertilizer	\$15,801,600
Land Rent	\$19,407,360
Seed	\$13,677,840
Chemicals	\$9,572,160
Repairs	\$8,387,600
Fuel	\$3,835,760
Crop Insurance	\$3,300,640
Remaining Farm Expenses	\$21,800,880

Total Farm Expense (\$95,783,840)

Net Cash from Hedging \$272,320

Net Nonfarm Income \$3,094,000

Apparent Family Living (\$7,895,680)

Income & SS Tax Paid (\$2,127,680)

Cash From Operating Activities \$17,112,320

Sale of Machinery	\$3,133,360
Sale of Farm Land	\$646,640
Sale of Other Farm Assets	\$582,880
Sale of Nonfarm Assets	\$1,066,960

Total Sales of Assets \$5,429,840

Purchase of Machinery	(\$13,760,160)
Purchase of Farm Land	(\$5,876,560)
Pur of Farm Bldgs/Tiling	(\$2,754,640)
Pur of Other Farm Assets	(\$1,445,040)
Pur of Nonfarm Assets	(\$4,025,280)

Total Purchase of Assets (\$27,861,680)

Cash From Investing Activities (\$22,431,840)

Money Borrowed	\$71,937,040
Principal Payments	(\$68,125,600)
Gifts & Inheritances	\$14,400

Cash From Financing Activities \$3,825,840

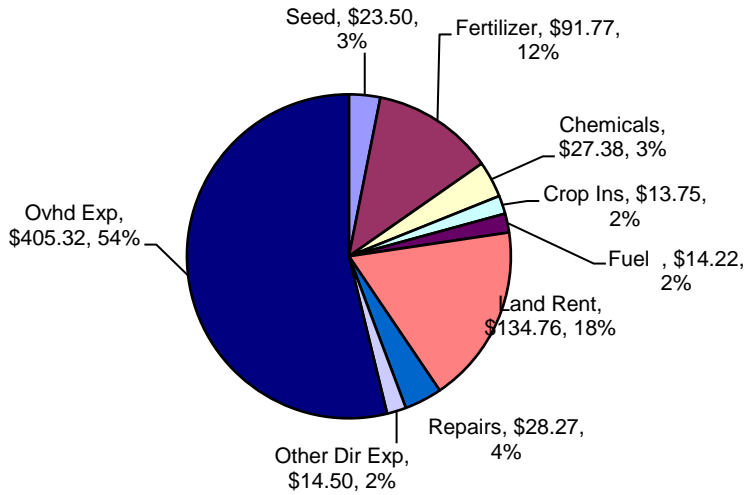
Net change in cash balance: (\$1,493,680)

Inventory Change: \$15,544,080

Farm Financial Scorecard

Liquidity	This Year	5-Year Ave	Strong		Vulnerable	
Current ratio	2.01	1.63	2.0	1.3		
Working capital	\$549,082	\$356,504				
Working cap to gross revenue	34.2%	27.3%	30%	10%		
Solvency (market)	Note: These solvency ratios include deferred liabilities					
Farm debt/asset ratio	45%	44%	30%	60%		
Farm equity/asset ratio	55%	56%	70%	40%		
Farm debt/equity ratio	0.83	0.78	0.43	1.50		
Profitability (Cost)						
Rate of return on farm assets	10.6%	4.6%	8%	4%		
Rate of return on farm equity	16.5%	5.1%	10%	3%		
Operating profit margin	22.1%	10.3%	25%	15%		
Net farm income	\$413,481	\$187,160				
EBITDA	\$544,414	\$313,243				
Repayment Capacity (Accrual)						
Capital debt repay capacity	\$430,180	\$206,881				
Capital debt repay margin	\$315,937	\$99,345				
Replacement margin	\$263,758	\$47,512				
Term-debt coverage ratio	3.77	1.89	1.75	1.25		
Replacement margin ratio	2.58	1.28	1.50	1.10		
Financial Efficiency						
Asset-turnover rate (market)	48.1%	41.6%	45%	30%		
Operating-expense ratio	66.1%	76.5%	60%	80%		
Depreciation-expense ratio	4.9%	6.0%	5%	10%		
Interest-expense ratio	3.3%	4.3%	5%	10%		
Net farm income ratio	25.6%	13.3%	20%	10%		

Spring Wheat - Cash Rented (Ave of all Farms)



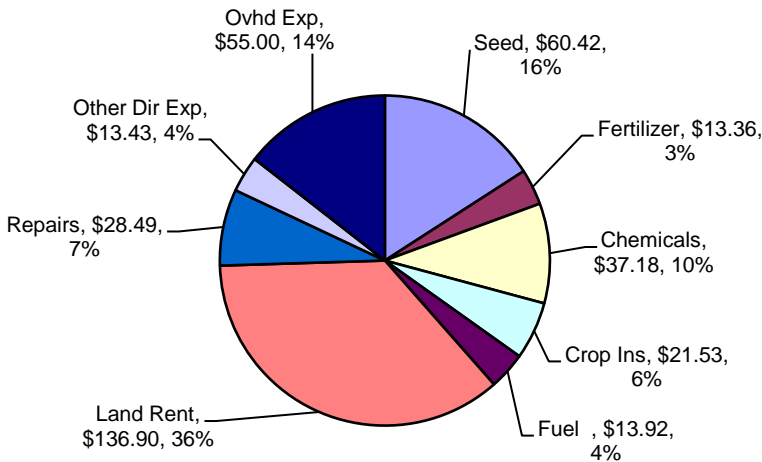
	My Farm	
	\$/A.	%
Seed		
Fertilizer		
Chemicals		
Crop Ins		
Fuel		
Repairs		
Land Rent		
Other Dir		
Ovhd Exp		

	2017	2018	2019	2020	2021
Yield	73.41	63.11	61.25	63.47	58.08
**Total Costs/Acre	\$388.20	\$393.45	\$417.42	\$415.63	\$405.32
Total Costs/Bu	\$5.29	\$6.23	\$6.82	\$6.55	\$6.98

	My Farm	
Yield		
Costs/A.		
Costs/bu.		

**-does not include principal pymts or personal draw

Soybeans - Cash Rented (Ave of all Farms)



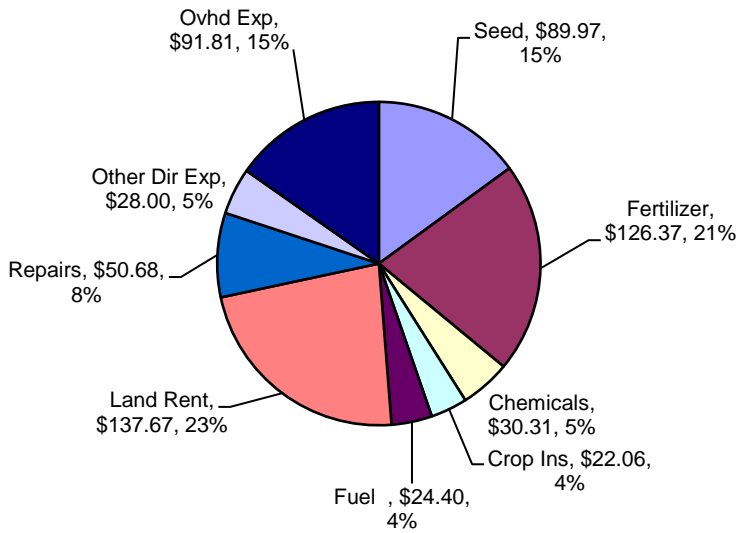
	My Farm	
	\$/A.	%
Seed		
Fertilizer		
Chemicals		
Crop Ins		
Fuel		
Repairs		
Land Rent		
Other Dir		
Ovhd Exp		

	2017	2018	2019	2020	2021
Yield	36.59	45.36	38.72	37.30	31.07
**Total Costs/Acre	\$378.22	\$372.10	\$371.35	\$368.66	\$380.23
Total Costs/Bu	\$10.34	\$8.20	\$9.59	\$9.88	\$12.24

	My Farm	
Yield		
Costs/A.		
Costs/Bu.		

**-does not include principal pymts or personal draw

Corn - Cash Rented (Ave of all Farms)



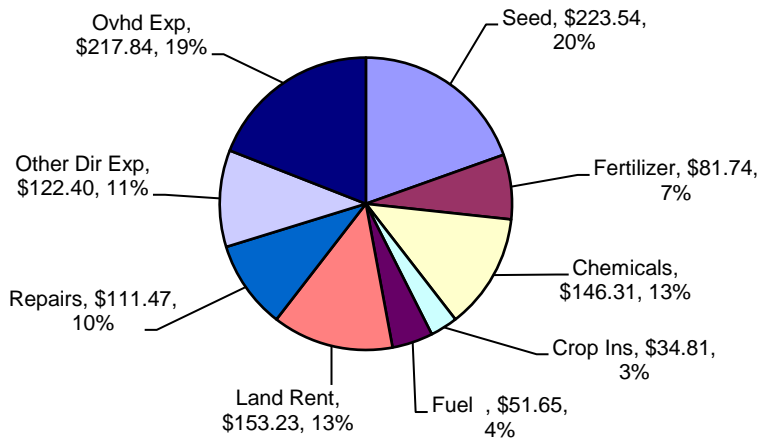
	My Farm	
	\$/A.	%
Seed		
Fertilizer		
Chemicals		
Crop Ins		
Fuel		
Repairs		
Land Rent		
Other Dir		
Ovhd Exp		

	2017	2018	2019	2020	2021
Yield	168.11	184.43	161.57	164.58	131.27
**Total Costs/Acre	\$560.04	\$576.32	\$593.68	\$591.32	\$601.35
Total Costs/Bu	\$3.33	\$3.12	\$3.67	\$3.59	\$4.58

	My Farm
Yield	
Costs/A.	
Costs/Bu.	

**-does not include principal pymts or personal draw

Sugarbeets-Cash Rented excluding Joint Venture (Ave of all Farms)



	My Farm	
	\$/A.	%
Seed		
Fertilizer		
Chemicals		
Crop Ins		
Fuel		
Repairs		
Land Rent		
Other Dir		
Ovhd Exp		

	2017	2018	2019	2020	2021
Yield	31.47	29.66	19.57	25.49	29.20
**Total Costs/Acre	\$1,038.63	\$1,058.83	\$1,107.22	\$1,092.87	\$1,143.00
Total Costs/Ton	\$33.00	\$35.70	\$56.58	\$42.87	\$39.14

	My Farm
Yield	
Costs/A.	
Costs/T.	

**-does not include principal pymts or personal draw